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

iShares III Public Limited Company

(An umbrella investment company with variable capital and having segregated liability between its Funds incorporated with limited liability in Ireland under registration number 452278 and authorised by the Central Bank pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011)

P R O S P E C T U S

iShares Barclays Euro Aggregate Bond	**iShares Barclays Global Inflation-Linked Bond**
iShares Barclays Euro Corporate Bond	**iShares Markit iBoxx £ Corporate Bond ex Financials**
iShares Barclays Euro Corporate Bond 1-5	**iShares MSCI Emerging Markets (Acc)**
iShares Barclays Euro Corporate Bond ex-Financials	**iShares MSCI Emerging Markets SmallCap**
iShares Barclays Euro Corporate Bond ex-Financials 1-5	**iShares MSCI Europe (Acc)**
iShares Barclays Euro Government Bond 5-7	**iShares MSCI Europe ex-EMU**
iShares Barclays Euro Government Bond 10-15	**iShares MSCI GCC Countries ex-Saudi Arabia**
iShares Barclays Euro Treasury Bond	**iShares MSCI Japan (Acc)**
iShares Barclays Euro Treasury Bond 0-1	**iShares MSCI Japan SmallCap**
iShares Barclays Global Aggregate Bond	**iShares MSCI Pacific ex-Japan**
iShares Citigroup Global Government Bond	**iShares MSCI World (Acc)**
iShares EURO STOXX 50 (Acc)	**iShares S&P 500 (Acc)**
iShares FTSE Developed World ex-UK	**iShares S&P SmallCap 600**
iShares FTSE Gilts UK 0-5	**iShares Markit iBoxx Euro Covered Bond**
iShares MSCI Australia	**iShares MSCI Canada**
iShares MSCI South Africa	**iShares Barclays Emerging Market Local Govt Bond**
iShares Barclays EM Asia Local Govt Capped Bond	**iShares Barclays EM Latin America Local Govt Capped Bond**
iShares Barclays EM Europe Local Govt Capped Bond	

Dated 3 December 2012

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

IMPORTANT INFORMATION

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

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

An investment in the Funds of the Company should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors.

Capitalised terms used in this Prospectus are defined on pages 6 to 9.

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

The Shares of each Fund will normally be primarily listed and admitted for trading on the LSE (but may be primarily listed on an alternative stock exchange). It is also intended that the Shares of each Fund will be listed and admitted for trading on a number of other stock exchanges but the Company does not warrant or guarantee that such listings will take place or continue to exist. In the event that such listings do take place, the primary listing of the Shares of the Funds will normally be on the LSE and any other listings shall be secondary to the listing on the LSE, as described in this Prospectus.

It is possible that in certain jurisdictions, parties entirely unaffiliated with the Company (and any Fund), the Manager or the Investment Manager, may make the Shares of any Fund(s) available for investment by investors in those jurisdictions through off market trading mechanisms. Neither the Company, nor the Manager, nor the Investment Manager, endorse or promote such activities and are not in any way connected to such parties or these activities and do not accept any liability in relation to their operation and trading.

For details of where the Funds are listed or admitted for trading as at the date of this Prospectus, please refer to Schedule V. For more up to date information, please refer to the official iShares website (www.ishares.com).

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

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

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

The Investment Manager is not currently registered with the US Commodity Futures Trading Commission ("CFTC") as a commodity pool operator ("CPO"). Therefore, unlike a registered CPO, the Investment Manager will not deliver a CFTC disclosure document to prospective Shareholders, nor provide Shareholders with certified annual reports that satisfy the requirements of CFTC rules applicable to CPOs. The Company does, however, intend to provide Shareholders with annual reports and audited financial statements. As a consequence of recently adopted amendments to the CFTC rules that have rescinded certain CFTC exemptions, the exemptions available to the Investment Manager may change.

The Shares have not been, nor will they be, qualified for distribution to the public in Canada as no prospectus for the Company has been filed with any securities commission or regulatory authority in Canada or any province or territory thereof. This document is not, and under no circumstances is to be construed, as an advertisement or any other step in the furtherance of a public offering of Shares

in Canada. No Canadian Resident may purchase or accept a transfer of Shares unless he is eligible to do so under applicable Canadian or provincial laws.

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

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

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

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

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

This Prospectus may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus. To the extent that there is any inconsistency between the English language Prospectus and the Prospectus in another language, the English language Prospectus will prevail, except to the extent (and only to the extent) that it is required by law of any jurisdiction where the Shares are sold, that in an action based upon disclosure in a Prospectus in a language other than English, the language of the Prospectus on which such action is based shall prevail. Any disputes as to the terms of the Prospectus, regardless of the language of the Prospectus, shall be governed by and construed in accordance with the laws of Ireland. Additionally, each Shareholder irrevocably submits to the jurisdiction of the courts of Ireland for resolution of any disputes arising out of or in connection with the offering of Shares in the Company.

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

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

DIRECTORY

iShares III public limited company
J.P. Morgan House
International Financial Services Centre
Dublin 1
Ireland

Board of Directors of the Company
William Roberts (Chairman)
Graham Bamping
John Donohoe
Nicholas C. D. Hall
Liam Miley
Desmond Murray
Barry O'Dwyer
Geoffrey D. Radcliffe

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

Investment Manager and Promoter
BlackRock Advisors (UK) Limited
12 Throgmorton Avenue
London EC2N 2DL
England

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

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

Secretary
Chartered Corporate Services
Taney Hall
Eglinton Terrace
Dundrum
Dublin 14
Ireland

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

Registrar
Computershare Investor Services (Ireland) Limited
Heron House
Corrig Road
Sandyford Industrial Estate
Dublin 18
Ireland

Legal Advisors (as to Irish Law)
William Fry
Fitzwilton House
Wilton Place
Dublin 2
Ireland

TABLE OF CONTENTS

DEFINITIONS

"Account Opening Form", such account opening form, to be completed by Authorised Participants, as the Directors may prescribe for the purposes of opening an account in relation to the Company and/or relevant Fund.

"Acts", the Companies Acts, 1963 to 2012 (of Ireland), as may be amended.

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

"Administration Agreement", the agreement made between the Manager and the Administrator dated 23 July 2010 as may be amended from time to time in accordance with the requirements of the Central Bank.

"ADR", American Depository Receipt.

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

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

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

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

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

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

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

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

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

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

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

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

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

"Company", iShares III plc.

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

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

"Custody Agreement", the agreement between the Company, the Manager and the Custodian dated 23 July 2010 as may be amended from time to time in accordance with the requirements of the Central Bank.

"Dealing Day", in general, in relation to the Current Funds except iShares MSCI GCC Countries ex-Saudi Arabia, each Business Day will be a Dealing Day. However, some Business Days will not be Dealing Days where, for example, markets on which a Fund's Investments are listed or traded or markets relevant to a Benchmark Index are closed or where there is a public holiday in the relevant jurisdiction in which a delegate of the Investment Manager is based, provided there is at least one Dealing Day per fortnight, subject always to the Directors' discretion to temporarily suspend the determination of the Net Asset Value and the sale, switching and/or redemption of Shares in the Company or any Fund in accordance with the provisions of the Prospectus and the

Articles. The Investment Manager produces dealing calendars which detail in advance the Dealing Days for each Fund. The dealing calendar may be amended from time to time by the Investment Manager where, for example, the relevant market operator, regulator or exchange (as applicable) declares a relevant market closed for trading and/or settlement (such closure may be made with little or no notice to the Investment Manager). The dealing calendar for each Fund is available from the Investment Manager. In the case of iShares MSCI GCC Countries ex Saudi-Arabia, however, the Dealing Day is any Monday, Tuesday, Wednesday and Friday on which markets are open for business in England and where Significant Markets are open on the Dealing Day (or such other day or days as the Directors may from time to time determine and notify in advance to Shareholders provided always that there shall be at least one Dealing Day per fortnight). iShares MSCI GCC Countries ex-Saudi Arabia will not deal on any day where settlement in an underlying market occurs on a day where the markets are closed for business in England.

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

"Dematerialised Form", in relation to Shares, means Shares, the title to which is recorded as being in uncertificated form and which may be transferred by means of a computer based settlement system in accordance with the Companies Act, 1990 (Uncertificated Securities) Regulations, 1996 (of Ireland).

"Directive", Directive No. 2009/65/EC of the Council of the European Parliament of 13 July 2009, as may be amended or replaced.

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

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

"Equity Funds", Funds of the Company which track or replicate the performance of a Benchmark Index, the constituents of which are comprised of equities and which are, as at the date of the Prospectus, iShares EURO STOXX 50 (Acc), iShares FTSE Developed World ex-UK, iShares MSCI Australia, iShares MSCI South Africa, iShares MSCI Emerging Markets (Acc), iShares MSCI Emerging Markets SmallCap, iShares MSCI Europe (Acc), iShares MSCI Europe ex-EMU, iShares MSCI GCC Countries ex-Saudi Arabia, iShares MSCI Japan (Acc), iShares MSCI Japan SmallCap, iShares MSCI Pacific ex-Japan, iShares MSCI World (Acc), iShares S&P 500 (Acc), iShares S&P SmallCap 600 and iShares MSCI Canada.

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

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

"*EMU*" or "*Eurozone*", the Member States that adopt or have adopted the Euro as its lawful currency (currently Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia and Spain).

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

"FDI", financial derivative instruments.

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

"Fixed Income Funds", Funds of the Company which track or replicate the performance of a Benchmark Index, the constituents of which are comprised of fixed income securities and which are, as at the date of the Prospectus, iShares Barclays Euro Aggregate Bond, iShares Barclays Euro Corporate Bond, iShares Barclays Euro Corporate Bond 1-5, iShares Barclays Euro Corporate Bond ex-Financials, iShares Barclays Euro Corporate Bond ex-Financials 1-5, iShares Barclays Euro Government Bond 5-7, iShares Barclays Euro Government Bond 10-15, iShares Barclays Euro Treasury Bond, iShares Barclays Euro Treasury Bond 0-1, iShares Barclays Global Aggregate Bond, iShares Citigroup Global Government Bond, iShares FTSE Gilts UK 0-5, iShares Barclays EM Latin America Local Govt Capped Bond, iShares Barclays EM Asia Local Govt Capped Bond, iShares Barclays Global Inflation-Linked Bond, iShares Markit iBoxx £ Corporate Bond ex Financials, iShares Markit iBoxx Euro

Covered Bond, iShares Barclays Emerging Market Local Govt Bond and iShares Barclays EM Europe Local Govt Capped Bond.

"Fund", a fund of assets established (with the prior approval of the Central Bank) for one or more classes of Shares which is invested in accordance with the investment objectives applicable to such fund and which forms part of the Company.

"GCC", Gulf Cooperation Council.

"GDR", Global Depository Receipt.

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

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

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

"Investment Management Agreement", the agreement between the Manager and the Investment Manager dated 6 March 2008 as may be amended from time to time in accordance with the requirements of the Central Bank.

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

"LSE", the London Stock Exchange.

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

"Management Agreement", the agreement between the Company and the Manager dated 6 March 2008 as may be amended from time to time in accordance with the requirements of the Central Bank.

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

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

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

"MSCI", Morgan Stanley Capital International Inc..

"Net Asset Value", the net asset value of a Fund determined in accordance with the Articles.

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

"Notices", the notices issued by the Central Bank in exercise of its powers under the Regulations.

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

"*OTC*", over the counter.

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

"Portfolio Composition File", the file setting out the Investments and Cash Component which may be transferred to the Fund in satisfaction of the price of Shares thereof.

"Primary Market", a market on which the Shares of a Fund are subscribed or redeemed (off exchange) directly with the Company.

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

"Qualified Holder", any person, corporation or entity other than (i) a US Person as defined under Rule 902 (k) of the 1933 Act; (ii) an ERISA Plan; (iii) any other person, corporation or entity to whom a sale or transfer of

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

"Registrar", Computershare Investor Services (Ireland) Limited and or such other person as may be appointed, in accordance with the requirements of the Central Bank, to provide registrar services to the Funds, or any of them.

"Registrar Agreement", the agreement between the Registrar, Computershare Investor Services plc, the Manager and the Administrator as amended and restated on 9 February 2012 and as may be amended from time to time in accordance with the requirements of the Central Bank.

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

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

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

"SEC", the US Securities and Exchange Commission.

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

"Share", a participating share of no par value in the capital of the Company issued in accordance with the Articles and with the rights provided for under the Articles.

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

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

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

"S&P", Standard & Poor's, a division of the McGraw-Hill Companies, Inc..

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

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

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

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

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

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

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

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

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

"Valuation Point", such time and day as the Directors may from time to time determine (with the consent of the Administrator) in relation to the valuation of the assets and liabilities of a Fund. Please see the Primary Market dealing timetable on page 51 for further details of the Valuation Point applicable to the Current Funds.

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

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

THE COMPANY

General

The Company is an umbrella open-ended investment company with variable capital and having segregated liability between its Funds organised under the laws of Ireland as a public limited company pursuant to the Acts. The Company has been authorised by the Central Bank as a UCITS pursuant to the Regulations and is regulated under the Regulations. The Company is an exchange traded fund. It was incorporated on 22 January 2008 under registration number 452278. **Authorisation of the Company by the Central Bank is not an endorsement or guarantee of the Company by the Central Bank nor is the Central Bank responsible for the contents of the Prospectus. The authorisation of the Company shall not constitute a warranty as to performance of the Company and the Central Bank shall not be liable for the performance or default of the Company.**

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

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

Funds

This Prospectus relates to the following Funds:

iShares Barclays Euro Aggregate Bond
iShares Barclays Euro Corporate Bond
iShares Barclays Euro Corporate Bond 1-5
iShares Barclays Euro Corporate Bond ex-Financials
iShares Barclays Euro Corporate Bond ex-Financials 1-5
iShares Barclays Euro Government Bond 5-7
iShares Barclays Euro Government Bond 10-15
iShares Barclays Euro Treasury Bond
iShares Barclays Euro Treasury Bond 0-1
iShares Barclays Global Aggregate Bond
iShares Citigroup Global Government Bond
iShares EURO STOXX 50 (Acc)
iShares FTSE Developed World ex-UK
iShares FTSE Gilts UK 0-5
iShares MSCI Australia
iShares MSCI South Africa
iShares Barclays EM Latin America Local Govt Capped Bond
iShares Barclays EM Asia Local Govt Capped Bond
iShares Barclays Global Inflation-Linked Bond
iShares Markit iBoxx £ Corporate Bond ex Financials
iShares MSCI Emerging Markets (Acc)
iShares MSCI Emerging Markets SmallCap
iShares MSCI Europe (Acc)
iShares MSCI Europe ex-EMU
iShares MSCI GCC Countries ex-Saudi Arabia
iShares MSCI Japan (Acc)
iShares MSCI Japan SmallCap
iShares MSCI Pacific ex-Japan
iShares MSCI World (Acc)
iShares S&P 500 (Acc)
iShares S&P SmallCap 600
iShares Markit iBoxx Euro Covered Bond
iShares MSCI Canada
iShares Barclays Emerging Market Local Govt Bond
iShares Barclays EM Europe Local Govt Capped Bond

The Company may, with the prior approval of the Central Bank, create additional Funds in which case the Company will issue either a revised prospectus or a Supplement describing such Funds. Each Fund may be further divided into a number of different Share classes within the Fund.

Classes of Share

The Articles 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. Currently only one Share class is available in each of the Current Funds. Additional classes of Shares may be added by the Company in the future, at its discretion, in accordance with the requirements of the Central Bank. The creation of additional Share classes will not result in any material prejudice to the interests of Shareholders in existing Share classes. Details of the Share classes available for subscription, and to which different fee structures may apply, may be set out in separate Supplements. In addition a list of all Funds and Share classes thereof will be set out in the annual and semi-annual reports of the Company.

Profile of a Typical Investor

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

Supplements

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

INVESTMENT OBJECTIVES AND POLICIES

The specific investment objectives and policies of each Fund will be formulated by the Directors at the time of the creation of the Fund. Each Fund's Investments will be limited to investments permitted by the Regulations which are described in more detail in Schedule III and will, save in respect of its Investments in open-ended collective investment undertakings, normally be listed or traded on Regulated Markets set out in Schedule I. Each Fund may use the techniques and instruments outlined in the section entitled "Investment Techniques" and so may invest in collective investment schemes and FDI as described in that section.

The Company has been authorised by the Central Bank with the flexibility to invest up to 100% of a Fund's assets in transferable securities and money market instruments issued by a Member State, its local authorities, a non-Member State, or public international bodies of which one or more Member States are members. As of the date of this Prospectus, the following Funds avail of this flexibility: iShares Barclays Euro Government Bond 5-7, iShares Barclays Euro Government Bond 10-15, iShares Barclays Euro Treasury Bond, iShares Barclays Euro Treasury Bond 0-1, iShares Citigroup Global Government Bond, iShares FTSE UK Gilts 0-5 and iShares Barclays Global Inflation-Linked Bond, iShares Barclays EM Asia Local Govt Capped Bond, iShares Barclays EM Europe Local Govt Capped Bond and iShares Barclays EM Latin America Local Govt Capped Bond.

Any change to a Fund's investment objective and/or material change to the investment policy of a Fund will be 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. In the event of a change in the investment objective and/or investment policy of a Fund a reasonable notification period will be provided by the Company to enable Shareholders to have their Shares redeemed prior to the implementation of the change.

BENCHMARK INDICES

General

The capitalisation of the companies (for Equity Funds) or minimum amount of qualifying bonds (for Fixed Income Funds) to which a Fund is exposed or invested is defined by the provider of the Fund's Benchmark Index. The constituents of a Fund's Benchmark Index may change over time. Potential investors in a Fund may obtain a breakdown of the constituents held by the Fund from the official iShares website (www.iShares.com) or from the Investment Manager, subject to any applicable restrictions under the licence which the Investment Manager has in place with the relevant Benchmark Index providers.

There is no assurance that a Fund's Benchmark Index will continue to be calculated and published on the basis described in this Prospectus or that it will not be amended significantly. The past performance of each Benchmark Index is not a guide to future performance.

The Directors may, if they consider it in the interests of the Company or any Fund to do so and with the consent of the Custodian, substitute another index for the Benchmark Index if:

- the weightings of constituent securities of the Benchmark Index would cause the Fund (if it were to follow the Benchmark Index closely) to be in breach of the Regulations and/or the rules relating to reporting status in the United Kingdom (see the heading "Taxation - United Kingdom Taxation");
- the particular Benchmark Index or index series ceases to exist;
- a new index becomes available which supersedes the existing Benchmark Index;
- a new index becomes available which is regarded as the market standard for investors in the particular market and/or would be regarded as of greater benefit to the Shareholders than the existing Benchmark Index;
- it becomes difficult to invest in stocks comprised within the particular Benchmark Index;
- the Benchmark Index provider increases its charges to a level which the Directors consider too high;
- the quality (including accuracy and availability of data) of a particular Benchmark Index has, in the opinion of the Directors, deteriorated;
- a liquid futures market in which a particular Fund is investing ceases to be available; or
- where an index becomes available which more accurately represents the likely tax treatment of the investing Fund in relation to the component securities in that index.

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

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

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

FUND DESCRIPTIONS

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

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

The following are the investment objectives and policies for each of the Current Funds:

iShares Barclays Euro Aggregate Bond

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

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

The Fund will invest in transferable securities and money market instruments issued or guaranteed by governments, public international bodies or corporations. These could include asset-backed securities, mortgage-backed securities, commercial mortgage-backed securities, covered bonds and collateralised bonds. Such instruments may be fixed and/or floating rate. Such instruments will, at the time of purchase, meet the credit rating requirements of the Benchmark Index, which in this case is investment grade. While it is intended that the Fund's Investments will comprise investment grade issues, issues may be downgraded in certain circumstances from time to time. In such event the Fund may hold non-investment grade issues until such time as the non-investment grade issues cease to form part of the Fund's Benchmark Index (where applicable) and it is possible and practicable (in the Investment Manager's view) to liquidate the position.

The Base Currency of iShares Barclays Euro Aggregate Bond is Euro (€) and the Fund will not undertake any exposure to currencies other than Euro, except in the efficient portfolio management of changes to the Benchmark Index of the Fund and in the management of any future Share classes of the Fund which may be denominated in a currency other than Euro.

Benchmark Index
The Barclays Euro Aggregate Bond Index is designed to track fixed-rate, investment grade Euro-denominated securities. Inclusion in the Benchmark Index is based on the currency of the issue, and not the domicile of the issuer. The principal sectors in the Benchmark Index are treasury, corporate, government-related and securitised. At the time of inclusion in the Benchmark Index, the securities will be rated at least investment grade by rating agencies such as Moody's, Standard and Poor's and Fitch or an equivalent rating from another agency. Only bonds with a minimum remaining time to maturity of one year are included in the Benchmark Index.

iShares Barclays Euro Corporate Bond

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

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

The Fund will invest in transferable securities and money market instruments issued or guaranteed by public international bodies or corporations. These could include credit instruments, such as corporate bonds, supranational bonds and agency bonds. Such instruments may be fixed and/or floating rate. Such instruments will, at the time of purchase, meet the credit rating requirements of the Benchmark Index, which in this case is investment grade. While it is intended that the Fund's Investments will comprise investment grade issues, issues may be downgraded in certain circumstances from time to time. In such event the Fund may hold non-investment grade issues until such time as the non-investment grade issues cease to form part of the Fund's Benchmark Index (where applicable) and it is possible and practicable (in the Investment Manager's view) to liquidate the position.

The Base Currency of iShares Barclays Euro Corporate Bond is Euro (€), and the Fund will not undertake any exposure to currencies other than Euro, except in the efficient portfolio management of changes to the Benchmark Index of the Fund and in the management of any future Share classes of the Fund which may be denominated in a currency other than Euro.

Benchmark Index
The Barclays Euro Corporate Bond Index contains fixed-rate, investment-grade Euro-denominated securities from industrial, utility and financial issuers only. Inclusion is based on the currency of the issue, and not the domicile of the issuer. At the time of inclusion in the Benchmark Index, the securities will be rated at least investment grade by rating agencies such as Moody's, Standard and Poor's and Fitch or an equivalent rating from another agency. Only bonds with a minimum remaining time to maturity of one year and a minimum amount outstanding of €300 million are included in the Benchmark Index.

iShares Barclays Euro Corporate Bond 1-5

Investment Objective
The investment objective of the Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the Barclays Euro Corporate 1-5 Year Bond Index.

Investment Policy
In order to achieve this investment objective, the investment policy of this Fund is to invest in a portfolio of fixed income debt securities that as far as possible and practicable consists of the component securities of the Barclays Euro Corporate 1-5 Year Bond Index, this Fund's Benchmark Index. The Fund intends to use optimisation techniques in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings in the Benchmark Index. The Fund may hold some securities which are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. However, from time to time the Fund may hold all constituents of the Benchmark Index.

The Fund will invest in transferable securities which will typically be fixed income debt securities denominated in Euro. They will, at the time of purchase, meet the credit rating requirements of the Benchmark Index, which in this case is investment grade. While it is intended that the Fund's Investments will comprise investment grade issues, issues may be downgraded in certain circumstances from time to time. In such event the Fund may hold non-investment grade issues until such time as the non-investment grade issues cease to form part of the Fund's Benchmark Index (where applicable) and it is possible and practicable (in the Investment Manager's view) to liquidate the position.

The Base Currency of iShares Barclays Euro Corporate Bond 1-5 is Euro (€).

Benchmark Index
The Barclays Euro Corporate 1-5 Year Bond Index consists of fixed income debt securities issued by industrial, utility and financial corporations. These fixed income debt securities are denominated in Euro and are included based on the currency of the issue and not the domicile of the issuer. All issues are investment grade, fixed-rate securities with at least one to five years remaining until maturity at the rebalancing date of when they are included and a minimum amount outstanding of €300 million.

iShares Barclays Euro Corporate Bond ex-Financials

Investment Objective
The investment objective of the Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the Barclays Euro Corporate ex-Financials Bond Index.

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

The Fund will invest in transferable securities which will typically be fixed income debt securities, denominated in Euro. They will, at the time of purchase, meet the credit rating requirements of the Benchmark Index, which in this case is investment grade. While it is intended that the Fund's Investments will comprise investment grade issues, issues may be downgraded in certain circumstances from time to time. In such event the Fund may hold non-investment grade issues until such time as the non-investment grade issues cease to form part of the Fund's

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

The Base Currency of iShares Barclays Euro Corporate Bond ex-Financials is Euro (€).

Benchmark Index
The Barclays Euro Corporate ex-Financials Bond Index consists of fixed income debt securities issued by industrial and utility corporations. Financial corporations are excluded in the Benchmark Index. These fixed income debt securities are denominated in Euro and are included based on the currency of the issue, and not the domicile of the issuer. All issues are investment grade, fixed-rate securities with at least one year remaining until maturity at the rebalancing date of when they are included and a minimum amount outstanding of €300 million.

iShares Barclays Euro Corporate Bond ex-Financials 1-5

Investment Objective
The investment objective of the Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the Barclays Euro Corporate ex Financials 1-5 Year Bond Index.

Investment Policy
In order to achieve this investment objective, the investment policy of this Fund is to invest in a portfolio of fixed income debt securities that as far as possible and practicable consists of the component securities of the Barclays Euro Corporate ex Financials 1-5 Year Bond Index, this Fund's Benchmark Index. The Fund intends to use optimisation techniques in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings in the Benchmark Index. The Fund may hold some securities which are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. However, from time to time the Fund may hold all constituents of the Benchmark Index.

The Fund will invest in transferable securities which will typically be fixed income debt securities, denominated in Euro. They will, at the time of purchase, meet the credit rating requirements of the Benchmark Index, which in this case is investment grade. While it is intended that the Fund's Investments will comprise investment grade issues, issues may be downgraded in certain circumstances from time to time. In such event the Fund may hold non-investment grade issues until such time as the non-investment grade issues cease to form part of the Fund's Benchmark Index (where applicable) and it is possible and practicable (in the Investment Manager's view) to liquidate the position.

The Base Currency of iShares Barclays Euro Corporate Bond ex-Financials 1-5 is Euro (€).

Benchmark Index
The Barclays Euro Corporate ex Financials 1-5 Year Bond Index consists of fixed income debt securities issued by industrial and utility corporations. Financial corporations are excluded in the Benchmark Index. These fixed income debt securities are denominated in Euro and are included based on the currency of the issue and not the domicile of the issuer. All issues are investment grade, fixed-rate securities with at least one to five years remaining until maturity at the rebalancing date of when they are included and a minimum amount outstanding of €300 million.

iShares Barclays Euro Government Bond 5-7

Investment Objective
The investment objective of the Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the Barclays Euro Government Bond 5-7yr Term Index.

Investment Policy
In order to achieve this investment objective, the investment policy of this Fund is to invest in a portfolio of fixed income securities that as far as possible and practicable consists of the component securities of the Barclays Euro Government Bond 5-7yr Term Index, this Fund's Benchmark Index. The Fund intends to use optimisation techniques in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings in the Benchmark Index. The Fund may hold some securities which are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. However, from time to time the Fund may hold all constituents of the Benchmark Index.

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

The Base Currency of iShares Barclays Euro Government Bond 5-7 is Euro (€), and the Fund will not undertake any exposure to currencies other than Euro, except in the efficient portfolio management of changes to the

Benchmark Index of the Fund and in the management of any future Share classes of the Fund which may be denominated in a currency other than Euro.

Benchmark Index
The Barclays Euro Government Bond 5-7yr Term Index measures the performance of Euro denominated bonds issued or guaranteed by EMU member states or public international bodies which have an original term of 5.5 to 10.25 years and a maturity remaining of between 5 and 7 years on the rebalancing date and a minimum amount outstanding of €2 billion. Such government bonds will be fixed rate and will, at the time of inclusion in the Benchmark Index, be rated at least investment grade by rating agencies such as Moody's, Standard and Poor's and Fitch or an equivalent rating from another agency. As at the date of this Prospectus the Benchmark Index comprises qualifying bonds issued by Germany, Italy, France, the Netherlands and Spain, but the list of countries is subject to change over time.

iShares Barclays Euro Government Bond 10-15

Investment Objective
The investment objective of the Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the Barclays Euro Government Bond 10-15 yr Term Index.

Investment Policy
In order to achieve this investment objective, the investment policy of this Fund is to invest in a portfolio of fixed income securities that as far as possible and practicable consists of the component securities of the Barclays Euro Government Bond 10-15yr Term Index, this Fund's Benchmark Index. The Fund intends to use optimisation techniques in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings in the Benchmark Index. The Fund may hold some securities which are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. However, from time to time the Fund may hold all constituents of the Benchmark Index.

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

The Base Currency of iShares Barclays Euro Government Bond 10-15 is Euro (€), and the Fund will not undertake any exposure to currencies other than Euro, except in the efficient portfolio management of changes to the Benchmark Index of the Fund and in the management of any future Share classes of the Fund which may be denominated in a currency other than Euro.

Benchmark Index
The Barclays Euro Government Bond 10-15 yr Term Index measures the performance of 10-15 year maturity Euro denominated government bonds issued or guaranteed by EMU member states or public international bodies and with a minimum amount outstanding of €2 billion. Such government bonds will be fixed rate and will, at the time of inclusion in the Benchmark Index, be rated at least investment grade by rating agencies such as Moody's, Standard and Poor's and Fitch or an equivalent rating from another agency. As at the date of this Prospectus, the Benchmark Index comprises qualifying bonds issued by Spain, France, Germany, Italy and the Netherlands, but the list of countries is subject to change over time.

iShares Barclays Euro Treasury Bond

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

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

The Fund will invest in transferable securities which will typically be fixed income debt securities issued in Euro or the legacy currencies of sovereign countries participating in the European Economic and Monetary Union. They will, at the time of purchase, meet the credit rating requirements of the Benchmark Index, which in this case is investment grade. While it is intended that the Fund's Investments will comprise investment grade issues, issues may be downgraded in certain circumstances from time to time. In such event the Fund may hold non-investment grade issues until such time as the non-investment grade issues cease to form part of the Fund's

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

The Base Currency of iShares Barclays Euro Treasury Bond is Euro (€), and the Fund will not undertake any exposure to currencies other than Euro, except in the efficient portfolio management of changes to the Benchmark Index of the Fund and in the management of any future Share classes of the Fund which may be denominated in a currency other than Euro.

Benchmark Index
The Barclays Euro Treasury Bond Index consists of bonds issued in Euro or the legacy currencies of sovereign countries participating in the European Economic and Monetary Union. Such bonds will be issued or guaranteed by governments of EMU member states. All issues are investment grade, fixed-rate securities with at least one year remaining until maturity and a minimum amount outstanding of €300 million.

iShares Barclays Euro Treasury Bond 0-1

Investment Objective
The investment objective of the Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the Barclays Euro Short Treasury (0-12 Months) Bond Index.

Investment Policy
In order to achieve this investment objective, the investment policy of this Fund is to invest in a portfolio of fixed income securities that as far as possible and practicable consists of the component securities of the Barclays Euro Short Treasury (0-12 Months) Bond Index, this Fund's Benchmark Index. The Fund intends to use optimisation techniques in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings in the Benchmark Index. The Fund may hold some securities which are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. However, from time to time the Fund may hold all constituents of the Benchmark Index.

The Fund will invest in transferable securities and money market instruments issued or guaranteed by governments or public international bodies. Such instruments may be fixed and/or floating rate and will, at the time of purchase, meet the credit rating requirements of the Benchmark Index, which in this case is investment grade. While it is intended that the Fund's Investments will comprise investment grade issues, issues may be downgraded in certain circumstances from time to time. In such event the Fund may hold non-investment grade issues until such time as the non-investment grade issues cease to form part of the Fund's Benchmark Index (where applicable) and it is possible and practicable (in the Investment Manager's view) to liquidate the position.

The Base Currency of iShares Barclays Euro Treasury Bond 0-1 is Euro (€), and the Fund will not undertake any exposure to currencies other than Euro, except in the efficient portfolio management of changes to the Benchmark Index of the Fund and in the management of any future Share classes of the Fund which may be denominated in a currency other than Euro.

Benchmark Index
The Barclays Euro Short Treasury (0-12 Months) Bond Index contains fixed rate Euro-denominated bonds with remaining maturity of 0 to 12 months issued by governments of the European Monetary Union. Only bonds with a maturity greater than 12 months at issuance and a minimum amount outstanding of €300 million will be included. Such bonds will, at the time of inclusion in the Benchmark Index, be rated at least investment grade by rating agencies such as Moody's, Standard and Poor's and Fitch or an equivalent rating from another agency. The Benchmark Index currently contains government bonds issued by Austria, Belgium, Germany, Spain, Finland, France, Ireland, Italy, Netherlands and Slovenia, but the list of countries is subject to change over time.

iShares Barclays Global Aggregate Bond

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

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

The Fund will invest in transferable securities and money market instruments issued or guaranteed by governments, public international bodies or corporations. These could include asset-backed securities, mortgage-backed securities, commercial mortgage-backed securities, covered bonds and collateralised bonds. Such instruments may be fixed and/or floating rate and will, at the time of purchase, meet the credit rating requirements of the Benchmark Index, which in this case is investment grade. While it is intended that the Fund's Investments will comprise investment grade issues, issues may be downgraded in certain circumstances from time to time. In such event the Fund may hold non-investment grade issues until such time as the non-investment grade issues cease to form part of the Fund's Benchmark Index (where applicable) and it is possible and practicable (in the Investment Manager's view) to liquidate the position.

The Base Currency of iShares Barclays Global Aggregate Bond is US Dollar (US$).

Benchmark Index
The Barclays Global Aggregate Bond Index provides a broad-based measure of the global investment-grade fixed-rate debt markets. As at the date of this Prospectus, the Barclays Global Aggregate Bond Index contains three major components: the Barclays US Aggregate Index, the Barclays Pan-European Aggregate Index, and the Barclays Asian-Pacific Aggregate Index. In addition to securities from these three benchmarks, the Barclays Global Aggregate Bond Index includes a small percentage of other Barclays index-eligible securities not already in the three regional aggregate indices. The Barclays Global Aggregate Index family includes a wide range of standard and customised sub indices by liquidity constraint, sector, quality, and maturity. Such bonds will, at the time of inclusion in the Benchmark Index, be rated at least investment grade by rating agencies such as Moody's, Standard and Poor's and Fitch or an equivalent rating from another agency.

iShares Barclays Emerging Market Local Govt Bond

Investment Objective
The investment objective of the Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the Barclays Emerging Markets Local Currency Core Government Bond Index.

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

The Base Currency of iShares Barclays Emerging Market Local Govt Bond is US Dollar (US$).

Benchmark Index
The Barclays Emerging Markets Local Currency Core Government Bond Index currently consists of fixed income securities, selected to provide a broad representation of the local currency emerging markets government debt market. The Benchmark Index contains fixed rate local currency government fixed income securities, such as government bonds of Brazil, Hungary, Indonesia, Malaysia, Mexico, Poland, South Africa and Turkey. The list of countries may be subject to change over time. Only bonds with an original term to maturity between 2 and 30 years and a minimum amount outstanding equivalent to USD 750m for Latin America, EUR 750m for EMEA and JPY 87.5bn for Asia-Pacific securities are included in the Benchmark Index.

iShares Citigroup Global Government Bond

Investment Objective
The investment objective of the Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the Citigroup Group-of-Seven (G7) Index.

Investment Policy
In order to achieve this investment objective, the investment policy of this Fund is to invest in a portfolio of fixed income securities that as far as possible and practicable consists of the component securities of the Citigroup Group-of-Seven (G7) Index, this Fund's Benchmark Index. The Fund intends to use optimisation techniques in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings in the Benchmark Index. The Fund may hold some securities which are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. However, from time to time the Fund may hold all constituents of the Benchmark Index.

The Fund will invest in transferable securities and money market instruments issued or guaranteed by governments. They will, at the time of purchase, meet the credit rating requirements of the Benchmark Index, which in this case is investment grade. While it is intended that the Fund's Investments will comprise investment grade issues, issues may be downgraded in certain circumstances from time to time. In such event the Fund may hold non-investment grade issues until such time as the non-investment grade issues cease to form part of the Fund's Benchmark Index (where applicable) and it is possible and practicable (in the Investment Manager's view) to liquidate the position.

The Base Currency of iShares Citigroup Global Government Bond is US Dollar (US$).

Benchmark Index
The Citigroup Group-of-Seven (G7) Index is designed to measure the total rate-of return performance for bond markets with a remaining maturity of at least one year. The bonds will be fixed rate and will, at the time of inclusion in the Benchmark Index, be rated at least investment grade by rating agencies such as Moody's, Standard and Poor's and Fitch or an equivalent rating from another agency. As at the date of this Prospectus, the Benchmark Index includes constituents from Canada, France, Germany, Italy, Japan, the United Kingdom and the United States. This Benchmark Index covers approximately 86.2% of the market value of the Citigroup World Government Bond Index.

iShares EURO STOXX 50 (Acc)

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

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

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

Benchmark Index
The EURO STOXX® 50 Index is designed to measure the performance of 50 European companies with the objective of reflecting the market sector leaders in the EMU. The market captures approximately 60% of the free float market capitalisation of the EURO STOXX® Total Market Index (TMI), which in turn covers approximately 95% of the free float market capitalisation of the represented countries.

iShares FTSE Developed World ex-UK

Investment Objective
The investment objective of the Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the FTSE Developed ex-UK Index.

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

The Base Currency of iShares FTSE Developed World ex-UK is US Dollar (US$).

Benchmark Index
The FTSE Developed ex-UK Index is designed to measure the equity market performance of the developed markets excluding UK. The Benchmark Index currently consists of mainly large and mid cap equities and includes equities from the following countries: Australia, Austria, Benelux, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, South Korea, Spain, Sweden, Switzerland, USA, although this list is not exhaustive and other markets may be added or removed as the index provider, FTSE, determines. The Benchmark Index is free float market capitalisation weighted.

iShares FTSE Gilts UK 0-5

Investment Objective
The investment objective of the Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the FTSE UK Conventional Gilts - Up To 5 Years Index.

Investment Policy
In order to achieve this investment objective, the investment policy of this Fund is to invest in a portfolio of fixed income securities that as far as possible and practicable consists of the component securities of the FTSE UK Conventional Gilts - Up To 5 Years Index, this Fund's Benchmark Index. The Fund intends to use optimisation techniques in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the

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

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

The Base Currency of iShares FTSE Developed World ex-UK is Sterling (Stg£), and the Fund will not undertake any exposure to currencies other than Sterling, except in the efficient portfolio management of changes to the Benchmark Index of the Fund and in the management of any future Share classes of the Fund which may be denominated in a currency other than Sterling.

Benchmark Index
The FTSE UK Conventional Gilts - Up To 5 Years Index consists of eligible fixed income Sterling denominated debt securities issued or guaranteed by the British government with 0-5 years remaining until maturity and which are quoted on the London Stock Exchange, other than index-linked bonds. Such fixed income debt securities will be fixed rate and will, at the time of inclusion in the Benchmark Index, be rated at least investment grade (so long as the United Kingdom maintains its investment grade credit rating) by rating agencies such as Moody's, Standard and Poor's and Fitch or an equivalent rating from another agency.

iShares Barclays Global Inflation-Linked Bond

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

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

The Base Currency of iShares Barclays Global Inflation-Linked Bond is US Dollar (US$).

Benchmark Index
Barclays World Government Inflation-Linked Bond Index measures the performance of the major government inflation-linked bond markets. The Benchmark Index is designed to include only those markets in which a global government linker fund is likely and able to invest. As of the date of this Prospectus, the Benchmark Index currently includes bonds from France, Germany, UK, Sweden, USA, Canada, Australia, and Japan. The list of countries may be subject to change over time.

Only government domestic inflation-linked debt issued in the domestic currency of that country is eligible. Bonds must be capital indexed and linked to a commonly used domestic inflation index, with a minimum remaining time to maturity of one year. In the Euro-zone, domestic inflation indices and the Eurozone Harmonised Index of Consumer Prices are eligible. The notional coupon of a bond must be fixed or zero. Issues that are not available in whole or part to international investors are not eligible for the Benchmark Index.

iShares Markit iBoxx £ Corporate Bond ex Financials

Investment Objective
The investment objective of the Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the Markit iBoxx GBP Non-Financials Index.

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

Fund may hold all constituents of the Benchmark Index.

The Fund will invest in transferable securities which will typically be fixed income debt securities denominated in Sterling. They will, at the time of purchase, meet the credit rating requirements of the Benchmark Index, which in this case is investment grade. While it is intended that the Fund's Investments will comprise investment grade issues, issues may be downgraded in certain circumstances from time to time. In such event the Fund may hold non-investment grade issues until such time as the non-investment grade issues cease to form part of the Fund's Benchmark Index (where applicable) and it is possible and practicable (in the Investment Manager's view) to liquidate the position.

The Base Currency of iShares Markit iBoxx £ Corporate Bond ex Financials is Sterling (Stg£).

Benchmark Index
The Markit iBoxx GBP Non-Financials Index consists of Sterling denominated fixed income debt securities issued by public or private corporations in the basic materials, consumer goods, consumer services, health care, industrials, oil and gas, telecommunications, technology and utilities sectors. Financial corporate fixed income debt securities are excluded from the Benchmark Index. All issues are investment grade, fixed-rate securities and are only included based on the currency of the issue and not the domicile of the issuer. Only bonds with a minimum remaining time to maturity of one year and a minimum amount outstanding of Stg£100 million are included in the Benchmark Index.

The bonds will, at the time of inclusion in the Benchmark Index, be assigned an index rating based on the average of ratings from Fitch, Moody's and S&P. Only bonds with an average rating of investment grade are eligible.

iShares MSCI Emerging Markets (Acc)

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

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

The Base Currency of iShares MSCI Emerging Markets (Acc) is US Dollar (US$).

Benchmark Index
The MSCI Emerging Markets Index captures large and mid cap representation across 21 emerging markets countries. With about 825 constituents, the Benchmark Index covers approximately 84% of the free float-adjusted market capitalisation in each country. Emerging markets countries currently include: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand and Turkey. The list of countries may be subject to change over time. The Fund may invest directly in securities listed or traded on the Regulated Markets of Russia in accordance with the weighting attributed to such securities in the MSCI Emerging Markets Index. As at 31 August 2012, 6.10% of MSCI Emerging Markets Index comprised such securities. Investment in Russian listed or traded securities shall be limited to those securities which are listed or traded on the Moscow Exchange MICEX-RTS.

iShares MSCI Emerging Markets SmallCap

Investment Objective
The investment objective of the Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the MSCI Emerging Markets Small Cap Index.

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

The Base Currency of iShares MSCI Emerging Markets SmallCap is US Dollar (US$).

Benchmark Index
The MSCI Emerging Markets Small Cap Index is designed to offer access to small capitalisation companies in emerging markets. The stocks to which this Benchmark Index offers exposure rank below the MSCI Emerging Markets Index measured by market capitalisation and comply with MSCI's size, liquidity, and free float criteria. The Benchmark Index is free float market capitalisation weighted. It currently comprises 21 markets with constituents from Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Korea, Taiwan, Thailand and Turkey. Other markets may be added or removed as the index provider, MSCI, determines. As at the date of this Prospectus, the Fund will gain exposure to securities issued by companies domiciled in India and Russia through investment in ADRs and/or GDRs. The Fund may gain exposure to securities issued by companies in other markets in the future. The Fund may invest directly in securities listed or traded on the Regulated Markets of Russia in accordance with the weighting attributed to such securities in the MSCI Emerging Markets Index. As at 31 August 2012, 0.50% of MSCI Emerging Markets Index comprised such securities. Investment in Russian listed or traded securities shall be limited to those securities which are listed or traded on the Moscow Exchange MICEX-RTS.

iShares MSCI Europe (Acc)

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

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

The Base Currency of iShares MSCI Europe (Acc) is Euro (€).

Benchmark Index
The MSCI Europe Index is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of the sixteen developed equity markets in Europe – Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom. The list of countries may be subject to change over time.

iShares MSCI Europe ex-EMU

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

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

The Base Currency of iShares MSCI Europe ex-EMU is US Dollar (US$).

Benchmark Index
The MSCI Europe ex EMU Index is designed to measure the equity performance of the developed markets in Europe excluding EMU countries which comply with MSCI's size, liquidity, and free float criteria. As at the date of this Prospectus the Benchmark Index consists of the following countries: Denmark, Norway, Sweden, Switzerland, and United Kingdom. Other markets may be added or removed as the index provider, MSCI, determines. The Fund may gain exposure to securities issued by companies in other markets in the future. The Benchmark Index is free float market capitalisation weighted.

iShares MSCI GCC Countries ex-Saudi Arabia

Investment Objective
The investment objective of the Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the MSCI GCC Countries ex Saudi Arabia 10/40 Index.

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

The Base Currency of iShares MSCI GCC Countries ex-Saudi Arabia is US Dollar (US$).

Benchmark Index
The MSCI GCC Countries ex Saudi Arabia 10/40 Index aims to represent the universe of companies in the equity markets of the United Arab Emirates, Kuwait, Qatar, Bahrain and Oman. This regional index is the aggregate of five country indices and represents the investment conditions relevant to international investors. The Benchmark Index is free float market capitalisation weighted.

iShares MSCI Japan (Acc)

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

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

The Base Currency of iShares MSCI Japan (Acc) is US Dollar (US$).

Benchmark Index
The MSCI Japan Index is designed to measure the performance of the large and mid cap segments of the Japan market. With about 315 constituents, the Benchmark Index covers approximately 85% of the free float-adjusted market capitalisation in Japan.

iShares MSCI Japan SmallCap

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

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

The Base Currency of iShares MSCI Japan SmallCap is US Dollar (US$).

Benchmark Index
The MSCI Japan SmallCap Index is designed to offer access to small capitalisation Japanese companies. The stocks to which this Benchmark Index offers exposure which rank below the MSCI Japan Index measured by market capitalisation and comply with MSCI's size, liquidity, and free float criteria. The Benchmark Index is free float market capitalisation weighted.

iShares MSCI Pacific ex-Japan

Investment Objective
The investment objective of the Fund is to provide investors with a total return, taking into account both capital

and income returns, which reflects the return of the MSCI Pacific ex Japan Index.

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

The Base Currency of iShares MSCI Pacific ex-Japan is US Dollar (US$).

Benchmark Index

The MSCI Pacific ex Japan Index is designed to measure the equity performance of the developed markets in the Pacific ex-Japan region. As at the date of this Prospectus the Benchmark Index consists of the following countries: Australia, Hong Kong, New Zealand, and Singapore. Other markets may be added or removed as the index provider, MSCI, determines. The Fund may gain exposure to securities issued by companies in other markets in the future. The Benchmark Index is free float market capitalisation weighted.

iShares MSCI World (Acc)

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

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

The Base Currency of iShares MSCI World (Acc) is US Dollar (US$).

Benchmark Index
The MSCI World Index is designed to provide representation of the equity markets in developed countries. As at the date of this Prospectus it comprises 24 markets with constituents from Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, UK and the USA. The list of countries may be subject to change over time. The Benchmark Index is free float market capitalisation weighted.

iShares S&P 500 (Acc)

Investment Objective
The investment objective of the Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the S&P 500.

Investment Policy
In order to achieve this investment objective, the investment policy of this Fund is to invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities of the S&P 500 Index, this Fund's Benchmark Index. The Fund intends to use optimisation techniques in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings in the Benchmark Index. The Fund may hold some securities which are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. However, from time to time the Fund may hold all constituents of the Benchmark Index.

The Base Currency of iShares S&P 500 (Acc) is US Dollar (US$).

Benchmark Index
The S&P 500 focuses on the large-cap sector of the U.S. market and offers exposure to US stocks which comply with S&P's size, liquidity and free float criteria. As the index includes a significant portion of the total value of the market, it is also representative of the market as a whole. Companies in the S&P 500 are considered leading companies in leading industries. The Benchmark Index is weighted by free float market capitalisation.

iShares S&P SmallCap 600

Investment Objective
The investment objective of this Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the S&P SmallCap 600.

Investment Policy
In order to achieve this investment objective, the investment policy of this Fund is to invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities of the S&P SmallCap 600, this Fund's Benchmark Index. The Fund intends to use optimisation techniques in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings in the Benchmark Index. The Fund may hold some securities which are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. However, from time to time the Fund may hold all constituents of the Benchmark Index.

The Base Currency of iShares S&P SmallCap 600 is US Dollar (US$).

Benchmark Index
The S&P SmallCap 600 is designed to reflect the small cap segment of the U.S. equities market, covering approximately 3%-4% of the U.S. equities market. The Benchmark Index is designed to be an investable portfolio of companies that meet specific inclusion criteria to ensure that they are liquid and financially viable. The Benchmark Index is weighted by free float market capitalisation.

iShares Markit iBoxx Euro Covered Bond

Investment Objective
The investment objective of this Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the total return of the Euro-denominated covered bond market.

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

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

At least two thirds of the total assets of this Fund shall be invested at all times in assets denominated in Euro.

The Base Currency of iShares Markit iBoxx Euro Covered Bond is Euro (€), and the Fund will not undertake any exposure to currencies other than Euro, except in the efficient portfolio management of changes to the Benchmark Index of this Fund and in the management of any future Share classes of this Fund which may be denominated in a currency other than Euro.

Benchmark Index
Markit iBoxx Euro Covered Index includes Euro-denominated bonds which are secured by a general pool of assets in case the issuer becomes insolvent. Eligible covered bonds are selected for inclusion in accordance with Markit iBoxx's index methodology and include criteria such as UCITS specification, structure, trading patterns, issuance process, liquidity and spread levels. Bonds must have a minimum issue size of at least €500 million.

Eligible Euro-denominated covered bonds from the following issuers are currently included in the index: Austrian Pfandbriefe, Canadian, Hungarian, Italian, Portuguese, Scandinavian, Netherlands, Switzerland, UK, US and New Zealand covered bonds, French Obligations Foncières, Obligations à l'Habitat, CRH and General Law Based Covered Bonds, German Pfandbriefe, Irish Asset Covered Securities, Luxembourg Lettres de Gage, Spanish Cedulas Hipotecarias and Cedulas Territoreales. The list of countries may be subject to change over time. Bonds must be rated investment grade according to the index provider's methodology and have at least one year remaining to maturity to be eligible for the Benchmark Index. The Markit iBoxx Euro Covered Index is weighted by market capitalisation.

iShares MSCI Australia

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

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

The Base Currency of iShares MSCI Australia is US Dollar (US$).

Benchmark Index
The MSCI Australia Index offers a representation of the Australian market by targeting all companies with a market capitalization within the top 85% of the Australian investable equity universe, subject to a global minimum size requirement. It is based on the Global Investable Market Indices methodology. As of the end of July 2012, the MSCI Australia Index consisted of 69 constituents.

iShares MSCI Canada

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

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

The Base Currency of iShares MSCI Canada is US Dollar (US$).

Benchmark Index
The MSCI Canada Index offers a representation of the Canadian market by targeting all companies with a market capitalization within the top 85% of the Canadian investable equity universe, subject to a global minimum size requirement. It is based on the Global Investable Market Indices methodology. As of the end of July 2012, the MSCI Canada Index consisted of 102 constituents.

iShares MSCI South Africa

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

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

The Base Currency of iShares MSCI South Africa is US Dollar (US$).

Benchmark Index
The MSCI South Africa Index offers a representation of the South African market by targeting all companies with a market capitalization within the top 85% of the South African investable equity universe, subject to a global minimum size requirement. It is based on the Global Investable Market Indices methodology. As of the end of July 2012, the MSCI South Africa Index consisted of 50 constituents.

iShares Barclays EM Asia Local Govt Capped Bond

Investment Objective
The investment objective of the Fund is to provide investors with a net-total return, taking into account both capital and income returns, which reflects the return of the Barclays Emerging Markets Asia Local Currency Govt Country Capped Index.

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

The Base Currency of iShares Barclays EM Asia Local Govt Capped Bond is US Dollar (US$).

Benchmark Index
The Barclays Emerging Markets Asia Local Currency Govt Country Capped Index is designed to provide a broad measure of the performance of local currency government debt of emerging countries in Asia. The Benchmark Index currently tracks fixed-rate local currency government debt of six countries: China, Indonesia, Malaysia, Philippines, South Korea and Thailand. The list of countries may be subject to change over time. To ensure diversification within the Benchmark Index, country weights are capped to 40% of the Benchmark Index and to ensure compliance with the Regulations weights are capped at 35% of the Benchmark Index for those countries which are not: Member States; members of the OECD; or otherwise approved by the Central Bank, and listed in Schedule III.

iShares Barclays EM Europe Local Govt Capped Bond

Investment Objective
The investment objective of the Fund is to provide investors with a net-total return, taking into account both capital and income returns, which reflects the return of the Barclays Emerging Markets Europe Local Currency Govt Country Capped Index.

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

The Base Currency of iShares Barclays EM Europe Local Govt Capped Bond is US Dollar (US$).

Benchmark Index
The Barclays Emerging Markets Europe Local Currency Govt Country Capped Index is designed to provide a broad measure of the performance of local currency government debt of emerging countries in Europe. The Benchmark Index currently tracks fixed-rate local currency government debt of five countries: Czech Republic, Hungary, Poland, Russia and Turkey. The list of countries may be subject to change over time. To ensure diversification within the Benchmark Index, country weights are capped to 40% of the Benchmark Index and to ensure compliance with the Regulations weights are capped at 35% of the Benchmark Index for those countries which are not: Member States; members of the OECD; or otherwise approved by the Central Bank, and listed in Schedule III.

iShares Barclays EM Latin America Local Govt Capped Bond

Investment Objective
The investment objective of the Fund is to provide investors with a net-total return, taking into account both capital and income returns, which reflects the return of the Barclays Emerging Markets Latin America Local Currency Govt Country Capped Index.

Investment Policy
In order to achieve this investment objective, the investment policy of this Fund is to invest in a portfolio of fixed income securities, such as government bonds, that, as far as possible and practicable, consist of the component securities of the Barclays Emerging Markets Latin America Local Currency Govt Country Capped Index, this Fund's Benchmark Index. The Fund intends to use optimisation techniques in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings in the

Benchmark Index. The Fund may hold some securities which are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. However, from time to time the Fund may hold all constituents of the Benchmark Index.

The Base Currency of iShares Barclays EM Latin America Local Govt Capped Bond is US Dollar (US$).

Benchmark Index
The Barclays Emerging Markets Latin America Local Currency Govt Country Capped Index is designed to provide a broad measure of the performance of local currency government debt of emerging countries in the Latin America region. The Benchmark Index currently tracks fixed-rate local currency government debt of five countries: Brazil, Chile, Columbia, Mexico and Peru. The list of countries may be subject to change over time. To ensure diversification within the Benchmark Index, country weights are capped to 40% of the Benchmark Index and to ensure compliance with the Regulations weights are capped at 35% of the Benchmark Index for those countries which are not: Member States; members of the OECD; or otherwise approved by the Central Bank, and listed in Schedule III.

INVESTMENT TECHNIQUES

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

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

(i) Each Fund is subject to the Regulations which include, inter alia, certain restrictions on the proportion of that Fund's value which may be held in individual securities. Depending on the concentration of the Benchmark Index, a Fund may be restricted from investing to the full concentration level of the Benchmark Index. In addition, a Fund may hold synthetic securities within the limits set out in this Prospectus, provided that the synthetic securities are securities which are correlated to, or the return on which is based on securities which form part of the Benchmark Index.

(ii) The constituent securities of the Benchmark Index change from time to time. The Investment Manager may adopt a variety of strategies when trading a Fund to bring it in line with the changed Benchmark Index. For example, (a) for Equity Funds, where a security which forms part of the Benchmark Index is not available or is not available for the required value or a market for such security does not exist or is restricted, a Fund may instead hold depository receipts relating to such securities (eg ADRs and GDRs); (b) for Fixed Income Funds, where a fixed income security which forms part of the Benchmark Index is not available or is not available for the required value or a market for such security does not exist or is restricted, the Fund may hold some fixed income securities which have similar risk characteristics even if such fixed income securities are not themselves constituents of the Benchmark Index.

(iii) From time to time, securities in the Benchmark Index may be subject to corporate actions. The Investment Manager has discretion to manage these events in the most efficient manner.

(iv) A Fund may hold ancillary liquid assets and will normally have dividend/income receivables. The Investment Manager may purchase FDI (as outlined above), for direct investment purposes, to produce a return similar to the return on the Benchmark Index.

(v) Securities held by a Fund and included in the Benchmark Index may, from time to time, become illiquid or otherwise unobtainable at fair value. In these circumstances, the Investment Manager may use a number of techniques, including purchasing other securities which have returns, individually or collectively, that are seen to be well-correlated to desired constituents of the Benchmark Index.

(vi) The Investment Manager will have regard to the costs of any proposed portfolio transaction. It may not necessarily be efficient to execute transactions which bring a Fund perfectly in line with the Benchmark Index at all times.

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

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

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

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

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

Risk Management Process
The Investment Manager employs a risk management process in respect of the Funds in accordance with the requirements of the Central Bank to enable it to accurately monitor, measure and manage, the global exposure from FDI ("global exposure") which each Fund gains. The Investment Manager uses a methodology known as "Value at Risk" ("VaR") in order to measure the global exposure of the Funds and manage the potential loss to them due to market risk.

The conditions and limits for the use of such techniques and instruments in relation to each Fund are as follows:

1. The VaR methodology measures the potential loss to a Fund at a particular confidence (probability) level over a specific time period and under normal market conditions. The Investment Manager uses a one-tailed 99% confidence level, a one month holding period and a historical observation period of not less than one year for the purposes of carrying out this calculation.
2. There are two types of VaR measure which can be used to monitor and manage the global exposure of a fund: "Relative VaR" and "Absolute VaR". The Investment Manager uses Relative VaR for all Funds to monitor and manage the global exposure of those Funds.
3. Relative VaR is the VaR of a Fund divided by the VaR of its Benchmark Index allowing the global exposure of a Fund to be compared to, and limited by reference to, the global exposure of its Benchmark Index. The Central Bank requires that the VaR of a Fund must not exceed twice the VaR of its Benchmark Index. Each Fund's Benchmark Index is as described above under "Fund Descriptions".
4. A Fund's level of investment exposure can exceed its Net Asset Value due to the use of FDI or borrowing (borrowing is only permitted in limited circumstances as set out in Schedule III and not for investment purposes). Where a Fund's investment exposure exceeds its Net Asset Value this is known as "leverage". The Regulations require that the Prospectus include information relating to the expected levels of leverage in a Fund where VaR is being used to measure global exposure. For the purposes of this disclosure, leverage is investment exposure gained through the use of FDI. It is calculated using the sum of the notional values of all of the FDI held by a Fund, without netting. The expected level of leverage may vary over time.
5. Each Fund is generally expected to be leveraged at around the amount shown in the table below. Higher leverage levels are possible, including in atypical or volatile market conditions, however, leverage is not expected to exceed the level shown in the third column of the table below. These leverage calculations are made in accordance with the current requirements of the Central Bank. It should be noted that this approach to measuring leverage could lead to leverage levels that are very different from risk-exposures.

Fund	**Estimated level of leverage as a % of Net Asset Value**	**Maximum expected level of leverage as a % of Net Asset Value**
iShares Barclays Euro Aggregate Bond	0%	40%

iShares Barclays Global Inflation-Linked Bond	0%	40%
iShares Barclays Euro Corporate Bond	0%	40%
iShares Markit iBoxx £ Corporate Bond ex Financials	0%	40%
iShares Barclays Euro Corporate Bond 1-5	0%	40%
iShares MSCI Emerging Markets (Acc)	1%	10%
iShares Barclays Euro Corporate Bond ex-Financials	0%	40%
iShares MSCI Emerging Markets Small Cap	0%	10%
iShares Barclays Euro Corporate Bond ex-Financials 1-5	0%	40%
iShares MSCI Europe (Acc)	1%	10%
iShares Barclays Euro Government Bond 5-7	0%	40%
iShares MSCI Europe ex-EMU	1%	10%
iShares Barclays Euro Government Bond10-15	0%	40%
iShares MSCI GCC Countries ex-Saudi Arabia	0%	10%
iShares Barclays Euro Treasury Bond	0%	40%
iShares MSCI Japan (Acc)	1%	10%
iShares Barclays Euro Treasury Bond 0-1	0%	40%
iShares MSCI Japan SmallCap	0%	10%
iShares Barclays Global Aggregate Bond	N/A– initial offer period currently open	N/A– initial offer period currently open
iShares MSCI Pacific ex-Japan	0%	10%
iShares Citigroup Global Government Bond	0%	40%
iShares MSCI World (Acc)	1%	10%
iShares EURO STOXX 50 (Acc)	0%	10%
iShares S&P 500 (Acc)	0%	10%
iShares FTSE Developed World ex-UK	0%	10%
iShares S&P SmallCap 600	0%	10%
iShares FTSE Gilts UK 0-5	0%	40%
iShares Markit iBoxx Euro Covered Bond	0%	40%
iShares MSCI Australia	1%	10%
iShares MSCI Canada	0%	10%
iShares MSCI South Africa	0%	10%
iShares Barclays Emerging Market Local Govt Bond	10%	50%
iShares Barclays EM Asia Local Govt Capped Bond	0%	40%
iShares Barclays EM Latin America Local Govt Capped Bond	N/A – initial offer period currently open	N/A– initial offer period currently open
iShares Barclays EM Europe Local Govt Capped Bond	N/A– initial offer period currently open	N/A– initial offer period currently open

6. It is not the Investment Manager's intention to leverage the Funds. The Funds may have small cash balances from time to time and may use FDI to produce a return on that cash similar to the Benchmark Index.

Any FDI not included in the risk management process will not be used until such time as a revised risk management process has been provided to the Central Bank. Information regarding the risks associated with the use of FDI can be found in the section entitled "Risks- FDI Risks".

Management of Cash Holdings and FDI Cash Holdings

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

EFFICIENT PORTFOLIO MANAGEMENT

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

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

RISK FACTORS

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

Generic investment risks

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

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

Index Tracking Risks
While the Funds seek to track the performance of their respective Benchmark Indices, whether through a replication or optimising strategy, there is no guarantee that they will achieve perfect tracking and the Funds may potentially be subject to tracking error risk, which is the risk that their returns may not track exactly those of their respective Benchmark Indices, from time to time. This tracking error may result from an inability to hold the exact constituents of the Benchmark Index, for example where there are local market trading restrictions, and/or where the Regulations limit exposure to the constituents of the Benchmark Index.

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

Index-Related Risks
In order to meet its investment objective, each Fund will seek to achieve a return which reflects the return of its Benchmark Index as published by the relevant index provider. While index providers do provide descriptions of what each Benchmark Index is designed to achieve, index providers do not generally provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of their benchmark indices, nor any guarantee that the published indices will be in line with their described benchmark index methodologies. Errors in respect of the quality, accuracy and completeness of the data may occur from time to time and may not be identified and corrected for a period of time, in particular where the indices are less commonly used. During a period where a Benchmark Index contains incorrect constituents, the Fund tracking such published Benchmark Index would have market exposure to such constituents. As such, errors may potentially result in a negative or positive performance impact to the Fund and, by extension, impact its Shareholders.

Apart from scheduled rebalances, index providers may carry out additional ad hoc rebalances to their benchmark indices in order, for example, to correct an error in the selection of index constituents. Where the Benchmark Index of a Fund is rebalanced and the Fund in turn rebalances its portfolio to bring it in line with its Benchmark Index, any transaction costs and market exposure arising from such portfolio rebalancing will be borne by the Fund and, by extension, its Shareholders. Unscheduled rebalances to the Benchmark Index may also expose the Fund to tracking error risk, which is the risk that its returns may not track exactly those of the Benchmark Index.

Therefore, errors and additional ad hoc rebalances carried out by an index provider to a Fund's Benchmark Index may increase the costs and market exposure risk of the Fund.

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

Counterparty and trading risks

Counterparty Risk
The Company will be exposed to the credit risk of the parties with which it transacts and may also bear the risk of settlement default. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge

an obligation or commitment that it has entered into with the Company. This would include the counterparties to any FDI that it enters into. Trading in FDI which have not been collateralised gives rise to direct counterparty exposure. The Company mitigates much of its credit risk to its FDI counterparties by receiving collateral with a value at least equal to the exposure to each counterparty but, to the extent that any FDI is not fully collateralised, a default by the counterparty may result in a reduction in the value of the Fund. A formal review of each new counterparty is completed and all approved counterparties are monitored and reviewed on an ongoing basis. The Company maintains an active oversight of counterparty exposure and the collateral management process.

Counterparty Risk to the Custodian and other depositaries

The Company will be exposed to the credit risk of the Custodian or any depository used by the Custodian where cash or other assets are held by the Custodian or other depositaries. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Company may enter into additional arrangements (for example placing cash in money market collective investment schemes) in order to mitigate such credit exposure and may be exposed to other risks as a result. In the event of the insolvency of the Custodian or other depositaries, the Company will be treated as a general creditor of the Custodian or other depositaries in relation to cash holdings of the Company. The Company's securities are however maintained by the Custodian and sub-custodians used by the Custodian in segregated accounts and should be protected in the event of insolvency of the Custodian or sub-custodians.

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

Responsibility of the Custodian for Sub-Custodians

The Custodian shall be liable to the Company and the Shareholders for any loss suffered by the Company and/or the Shareholders as a result of the unjustifiable failure of a sub-custodian to perform its obligations or the improper performance of them by the sub-custodian. In addition, the Custodian shall also be liable to the Company and the Shareholders for any losses suffered by the Company and the Shareholders to the extent arising directly from the sub-custodian's negligence, fraud, bad faith, wilful default, recklessness, breach of contract, breach of applicable laws and breach of confidentiality obligations.

The Custodian will not be liable for any losses suffered as a consequence of the insolvency, or other financial default event of a sub-custodian that is not an affiliate (as defined in the Custody Agreement) of the Custodian, provided that the Custodian (a) complies with applicable laws and exercises care and diligence in choosing and appointing a third party sub-custodian as safekeeping agent so as to ensure that such sub-custodian has and maintains the expertise, competence and standing appropriate to discharge the responsibilities concerned, (b) maintains an appropriate level of supervision over such sub-custodian and makes appropriate enquiries from time to time to confirm that the obligations of such sub-custodian continue to be competently discharged, (c) monitors such sub-custodian's financial condition, as reflected in its published financial statements and other publicly available financial information concerning it, and (d) monitors such sub-custodian's compliance with procedures consistent with those of a leading international financial services provider with respect to the protection of assets of the Company (other than cash) from the claims of creditors of the sub-custodian.

As the Company may invest in markets where registrar, custodial and/or settlement systems are not fully developed, the assets of the Company which are traded in such markets and which have been entrusted to sub-custodians, in the circumstances where the use of such sub-custodians is necessary, may be exposed to risk in circumstances whereby the Custodian will have no liability.

Counterparty risk to Registrar and other depositaries - dividend monies

The Registrar is responsible for making dividend payments to Shareholders on the relevant dividend payment date. Prior to the dividend payment date, monies for distribution to Shareholders as dividends will be transferred from the Company's cash accounts with the Custodian to client asset accounts with the Registrar. While dividend monies are held with the Registrar in the form of cash, the Company will have credit risk exposure, in respect of such cash, to the Registrar and any depositary bank with which the Registrar maintains cash accounts for the benefit of the Company. The Company has sought to mitigate such credit risk exposure to the Registrar by agreeing with the Registrar that the cash accounts held with the Registrar would be operated as client asset accounts in accordance with the requirements of the Central Bank of Ireland and the Registrar's authorisation under the European Communities (Markets in Financial Instruments) Regulations 2007 (MiFID).

In order to further mitigate the Company's credit risk exposure to depositary banks with which dividend monies are held, the Company has put in place arrangements with the Registrar to invest some or all of the dividend monies in money market collective investment schemes (which may include collective investment schemes managed by the Manager and/or its affiliates) during part of the period in which dividend monies are held with the Registrar pending payment to Shareholders. Units in such money market collective investment schemes will be held by the Registrar in client asset accounts. This is because, while securities may be ring-fenced in segregated accounts, cash is usually held by depositary banks on a commingled basis and, in the event of insolvency of a depositary bank, a cash account holder would usually be treated as a general creditor of the depositary bank. The collective investment schemes with which dividend monies may be invested may comprise sub-funds in Institutional Cash Series plc, which invest in money market instruments. Institutional Cash Series plc is a BlackRock umbrella fund and open-ended investment company with variable capital incorporated in Ireland and having segregated liability between its sub-funds. Institutional Cash Series plc is authorised as an undertaking for collective investment in transferable securities (UCITS).

On Exchange Trading

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

Specific investment risks for all Funds

Global Financial Market Crisis and Governmental Intervention

As at the date of this Prospectus, global financial markets are undergoing pervasive and fundamental disruptions and significant instability which has led to governmental intervention. Regulators in certain jurisdictions have implemented or proposed a number of emergency regulatory measures. Government and regulatory interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty which in itself has been detrimental to the efficient functioning of financial markets. It is impossible to predict what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the Investment Manager's ability to implement a Fund's investment objective.

Whether current undertakings by governing bodies of various jurisdictions or any future undertakings will help stabilise the financial markets is unknown. The Investment Manager cannot predict how long the financial markets will continue to be affected by these events and cannot predict the effects of these – or similar events in the future – on a Fund, the European or global economy and the global securities markets.

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

Money Market Risk

The Company, with a view to mitigating credit exposure to depositaries, may arrange for cash holdings of the Company (including pending dividend payments) to be placed into money market collective investment schemes, including other funds of the BlackRock Group. A money market collective investment scheme which invests a significant amount of its assets in money market instruments may be considered as an alternative to investing in a regular deposit account. However, a holding in such a scheme is subject to the risks associated with investing in a collective investment scheme and, while a money market collective investment scheme is designed to be a relatively low risk investment, it is not entirely free of risk. Despite the short maturities and high credit quality of investments of such schemes, increases in interest rates and deteriorations in the credit quality can reduce the scheme's yield and the scheme is still subject to the risk that the value of such scheme's investment can be eroded and the principal sum invested will not be returned in full.

Securities Lending Risk

The Company engages in a securities lending programme through the Investment Manager. The Company will have a credit risk exposure to the counterparties to any securities lending contract. Fund Investments can be lent to counterparties over a period of time. A default by the counterparty combined with a fall in the value of the collateral below that of the value of the securities lent may result in a reduction in the value of the Fund. The Company intends to ensure that all securities lending is fully collateralised but, to the extent that any securities lending is not fully collateralised (for example due to timing issues arising from payment lags), the Company will have a credit risk exposure to the counterparties to the securities lending contracts.

Currency Risk

The Base Currency of a Fund is usually chosen to match the Base Currency of the Benchmark Index of the Fund. Consequently, the Investments of a Fund may be acquired in currencies which are not the Base Currency of the Fund, in circumstances where the Benchmark Index comprises multi-currency underlying assets or when the Benchmark Index provider has decided to value the Benchmark Index in a currency different from the currency of the underlying assets of such Benchmark Index.

Unless it is the stated intention of the Company to use hedging, cross-hedging or other techniques and instruments in any Funds in order to cover currency risk, the change in exchange rates between the Base Currency of the Funds and their Investments may cause the cost of purchasing such Investments to be affected favourably or unfavourably by fluctuations in the exchange rate of the different currencies. For emerging market countries, volatility in currency markets can be heightened.

Risks specific to Funds focusing on specific markets

Concentration Risk

If the Benchmark Index of a Fund concentrates in a particular country, region, industry, group of industries or sector, that Fund may be adversely affected by the performance of those securities and may be subject to price volatility. In addition, a Fund that concentrates in a single country, region, or industry or group of countries or industries may be more susceptible to any single economic, market, political or regulatory occurrence affecting that country, region, or industry or group of countries or industries.

Emerging Markets- <u>General</u>
Emerging markets are subject to special risks associated with investment in an emerging market. The material risks include: generally less liquid and less efficient securities markets; generally greater price volatility; exchange rate fluctuations and exchange control; imposition of restrictions on the expatriation of funds or other assets; less publicly available information about issuers; the imposition of taxes; higher transaction and custody costs; settlement delays and risk of loss; difficulties in enforcing contracts; less liquidity and smaller market capitalisations; less well regulated markets resulting in more volatile stock prices; different accounting and disclosure standards; governmental interference; higher inflation; social, economic and political uncertainties; custodial and/or settlement systems may not be fully developed which may expose a Fund to sub-custodial risk in circumstances whereby the Custodian will have no liability; the risk of expropriation of assets and the risk of war.

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

Asia

The Asian countries in which iShares Barclays EM Asia Local Govt Capped Bond currently invests, are Indonesia, Malaysia, Philippines, South Korea and Thailand, are considered to be emerging markets and are therefore subject to special risks associated with investment in an emerging market country. These include, but are not limited to: generally less liquid and less efficient securities markets; generally greater price volatility; exchange rate fluctuations and exchange control; imposition of restrictions on the expatriation of funds or other assets; less publicly available information about issuers; the imposition of taxes; higher transaction and custody costs; settlement delays and risk of loss; difficulties in enforcing contracts; less liquidity and smaller market capitalisations; less well regulated markets resulting in more volatile stock prices; different accounting and disclosure standards; governmental interference; higher inflation; social, economic and political uncertainties; custodial and/or settlement systems may not be fully developed which may expose a Fund to sub-custodial risk in circumstances whereby the Custodian will have no liability; the risk of expropriation of assets and the risk of war.

Europe

The European countries in which iShares Barclays EM Europe Local Govt Capped Bond currently invests, are the Czech Republic, Hungary, Poland, Russia and Turkey, are considered to be emerging markets and are therefore subject to special risks associated with investment in an emerging market country. These include, but are not limited to: generally less liquid and less efficient securities markets; generally greater price volatility; exchange rate fluctuations and exchange control; imposition of restrictions on the expatriation of funds or other assets; less publicly available information about issuers; the imposition of taxes; higher transaction and custody costs; settlement delays and risk of loss; difficulties in enforcing contracts; less liquidity and smaller market capitalisations; less well regulated markets resulting in more volatile stock prices; different accounting and disclosure standards; governmental interference; higher inflation; social, economic and political uncertainties; custodial and/or settlement systems may not be fully developed which may expose a Fund to sub-custodial risk in circumstances whereby the Custodian will have no liability; the risk of expropriation of assets and the risk of war.

Latin America

The Latin American countries in which iShares Barclays EM Latin America Local Govt Capped Bond currently invests, are Brazil, Chile, Columbia, Mexico and Peru, are considered to be emerging markets and are therefore subject to special risks associated with investment in an emerging market country. These include, but are not limited to: generally less liquid and less efficient securities markets; generally greater price volatility; exchange rate fluctuations and exchange control; imposition of restrictions on the expatriation of funds or other assets; less publicly available information about issuers; the imposition of taxes; higher transaction and custody costs; settlement delays and risk of loss; difficulties in enforcing contracts; less liquidity and smaller market capitalisations; less well regulated markets resulting in more volatile stock prices; different accounting and disclosure standards; governmental interference; higher inflation; social, economic and political uncertainties; custodial and/or settlement systems may not be fully developed which may expose a Fund to sub-custodial risk in circumstances whereby the Custodian will have no liability; the risk of expropriation of assets and the risk of war.

China

China is one of the world's largest global emerging markets. As with investing in any emerging market country, a Fund investing in China may be subject to greater risk of loss than investments in a developed market. This is due to, among other things, greater market volatility, lower trading volume, political and economic instability, greater risk of market shut down, and more governmental limitations on foreign investment policy than those typically found in a developed market. The companies in which any such Fund invests may be held to lower disclosure, corporate governance, accounting and reporting standards than companies in more developed markets. In addition, some of the securities held by the relevant Fund may be subject to higher transaction and other costs, foreign ownership limits, the imposition of withholding or other taxes, or may have liquidity issues which make such securities more difficult to sell at reasonable prices. These factors may increase the volatility and hence the risk of a loss to the value of an investment in such a Fund.

Russia

For Funds that invest in Russian securities, potential investors should also consider the following risk warnings which are specific to investing in Russia:

- the laws relating to securities investments and regulations have been created on an ad-hoc basis and do not tend to keep pace with market developments leading to ambiguities in interpretation and inconsistent and arbitrary application. Monitoring and enforcement of applicable regulations is rudimentary;

- investments in Russia are currently subject to certain heightened risks with regard to the ownership and custody of securities. In Russia, this is evidenced by entries in the books of a company or its registrar (which is neither an agent nor responsible to the Custodian). No certificates representing ownership of Russian companies will be held by the Custodian or any correspondent or in an effective central depositary system. As a result of this system, the lack of state regulation or enforcement and the concept of fiduciary duty not being well established, the Company could lose its registration and ownership of Russian securities through fraud, negligence or even mere oversight by management, without satisfactory legal remedy, which may lead to shareholders suffering a dilution or loss of investment;

- rules regulating corporate governance either do not exist or are underdeveloped and offer little protection to minority shareholders.

Gulf Cooperation Council Countries

In addition to the general risks associated with emerging markets (which remain present also), trading in the GCC is subject to special risks:

Bahrain, Qatar and UAE

- Trading practices are different than in developed markets as local brokers in the GCC have greater access and control over dealing in securities on behalf of their clients. Neither the Local Agent nor the Custodian will be in a position to verify whether instructions issued by the local broker are correct and/or have been issued on behalf of the underlying client.

- Broker exposure exists in certain circumstances where settlement is more than one day following the trade date until monies are actually delivered. Securities delivered upon settlement of purchase transactions will be deposited on the settlement day into the client trading account with the local central securities depository. While the securities remain in the trading account upon settlement of a purchase instruction they may be used to settle any sales trades executed by a broker without the notice or consent of the Local Agent or the Custodian.

- Neither the Local Agent nor the Custodian has control over the withdrawal of securities from the trading account for settlement of any trades executed by the broker(s), nor can they influence the time taken by the depository to execute the requested securities movement.

- Trades cannot be cancelled in these markets.

- Some processes are manual which may present operational and counterparty risk. In addition, as a result of procedures used in these markets, certain trades are difficult to track (particularly if they are large volumes).

Kuwait

- The manner in which the Kuwaiti market functions is unique. In addition to the general risks associated with investing in emerging markets, there are numerous settlement risks associated with trading in Kuwait (including, without limitation, settlement failure due to delays and errors in trading instructions, lack of pre-matching of trades at the depository and lack of balance pre-checking of the availability of securities by the local broker). Settlement delay or failure may result in penalties being levied by the local clearing house.

- *Kuwaiti Tax:* the position on various forms of taxation of holdings in Kuwaiti securities is currently evolving and there are no definitive regulations or market practices as to the application of such taxes including, for example, whether or not the Kuwaiti government will require the iShares MSCI GCC Countries ex-Saudi Arabia Fund to pay tax on retained earnings in relation to the Fund's investments in Kuwait. As such, it is possible that the taxes payable by the iShares MSCI GCC Countries ex-Saudi Arabia Fund may not be accurately or definitively known until a later date. Therefore, the taxes payable may be higher or lower than the amount, if any, which the iShares MSCI GCC Countries ex-Saudi Arabia Fund will have estimated and accrued. While the Investment Manager will take steps to monitor and manage this uncertainty, there is a risk that taxes payable by the iShares MSCI GCC Countries ex-Saudi Arabia Fund will be allocated to the existing Shareholders rateable at the time such taxes are identified and will be reflected in its Net Asset Value.

All GCC Countries (including Oman)

- The fraudulent acts of brokers, as well as any delays and errors in settlement, regardless of the instructing party, may have negative consequences for the Fund including, without limitation, the imposition of penalties and fines that may result in a reduction in the value of the Fund.

Note that the risks mentioned above are inherent to the trading systems of the relevant markets and cannot be avoided altogether. The Manager will take appropriate steps to manage these risks.

Investments in Japan

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

Investments in Smaller Companies

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

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

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

Risks related to investment in Equity Funds

Equity Securities

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

Depository Receipts

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

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

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

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

Risks related to investment in Fixed Income Funds

Government Bonds

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

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

Sovereign Debt
The governmental entity that controls the repayment of sovereign debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. A governmental entity's ability to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the state of its country's economy, the relative size of the debt service burden to the economy as a whole, restrictions on its ability to raise more cash, the governmental entity's policy towards the International Monetary Fund and the political constraints to which a governmental entity may be subject. Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest arrearage on their debt. The commitment on the part of these governments, agencies and others to make such disbursements may be conditioned on a governmental entity's implementation of economic reforms and/or economic performance and the timely service of such debtor's obligations. Failure to implement such reforms, achieve such levels of economic performance or repay principal or interest when due may result in the cancellation of such third parties' commitments to lend funds to the governmental entity, which may further impair such debtor's ability to service its debt on a timely basis. Consequently, governmental entities may default on their sovereign debt. Holders of sovereign debt, including a fund, may be requested to participate in the rescheduling of such debt and to extend further loans to governmental entities. There is no bankruptcy proceeding by which sovereign debt may be collected in whole or in part.

Banks, Governments and companies (including within the EEA) invest in each other so if one member state performs poorly, the others countries could be impacted. If one country defaults on it debt obligations, other countries could be at risk.

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

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

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

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

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

Covered Bonds
Where a Fund invests in covered bonds, the Investment Manager will seek to invest in high quality bonds. There is, however, no guarantee that such covered bonds will be free from counterparty default and the risks associated with counterparty default apply. Any deterioration in the assets backing a bond may result in a reduction in the value of the bond and, therefore, the relevant Fund. Additionally, a default by the issuer of a bond may result in a reduction in the value of the relevant Fund.

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

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

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

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

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

Risks specific to use of FDI

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

In accordance with standard industry practice when purchasing FDI, a Fund may be required to secure its obligations to its counterparty. For non-fully funded FDI, this may involve the placing of initial and/or variation margin assets with the counterparty. For FDI which require a Fund to place initial margin assets with a counterparty, such assets may not be segregated from the counterparty's own assets and, being freely exchangeable and replaceable, the Fund may have a right to the return of equivalent assets rather than the original margin assets deposited with the counterparty. These deposits or assets may exceed the value of the relevant Fund's obligations to the counterparty in the event that the counterparty requires excess margin or collateral. In addition, as the terms of an FDI may provide for one counterparty to provide collateral to the other counterparty to cover the variation margin exposure arising under the FDI only if a minimum transfer amount is triggered, the Fund may have an uncollateralised risk exposure to a counterparty under an FDI up to such minimum transfer amount.

Additional risks associated with investing in FDI may include a counterparty breaching its obligations to provide collateral, or due to operational issues (such as time gaps between the calculation of risk exposure to a counterparty's provision of additional collateral or substitutions of collateral or the sale of collateral in the event of a default by a counterparty), there may be instances where a Fund's credit exposure to its counterparty under a FDI is not fully collateralised but each Fund will continue to observe the limits set out in paragraph 2.7 of Schedule III. The use of FDI may also expose a Fund to legal risk, which is the risk of loss due to the unexpected application of a law or regulation, or because a court declares a contract not legally enforceable.

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

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

Other general risks

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

Insufficiency of Duties and Charges
The Fund levies Duties and Charges in order to defray the costs associated with the purchase and sale of Investments. The level of Duties and Charges is determined by the Manager in advance of the actual purchase

or sale of Investments. It is estimated based on historic information concerning the costs incurred in trading the relevant securities in the relevant markets. This figure is reviewed periodically and adjusted as necessary. If the Fund levies Duties and Charges which are insufficient to discharge all of the costs incurred in the purchase or sale of Investments, the difference will be paid out of the assets of the Fund, which will result in a reduction in the value of the Fund (and a corresponding reduction in the value of the holding of all Shareholders).

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

Changes in taxation legislation may adversely affect the Funds

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

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

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

Tax liability in new jurisdictions

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

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

Treatment of tax by index providers

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

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

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

Temporary Suspension
Investors are reminded that in certain circumstances their right to redeem or switch Shares may be temporarily suspended. Please see 'Temporary Suspension of Valuation of the Shares and of Sales, Redemptions and Switching' on page 60.

Valuation Risk

Certain assets of the Fund may become illiquid and/or not publicly traded. Such securities and financial instruments may not have readily available prices and may therefore be difficult to value. The Manager, Investment Manager or Administrator may provide valuation services (to assist in calculating the Net Asset Value of a Fund) in relation to such securities and financial instruments. Investors should be aware that in these circumstances a possible conflict of interest may arise as the higher the estimated valuation of the securities the higher the fees payable to the Manager, Investment Manager or Administrator. Please see "Conflicts of Interests - General" on page 70 for details of how the Company deals with conflicts. In addition, given the nature of such Investments, determinations as to their fair value may not represent the actual amount that will be realised upon the eventual disposal of such Investments.

VALUATION OF THE FUNDS

General

The Net Asset Value per Share in each Fund shall be determined for each Dealing Day, in accordance with the Articles, by dividing the assets of the Fund, less its liabilities, by the number of Shares in issue in respect of that Fund, adjusted by rounding to such number of decimal places as the Directors may determine and agree with the Administrator. Any liabilities of the Company which are not attributable to any Fund shall be allocated pro rata amongst all of the Funds according to their respective Net Asset Values.

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

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

Assets listed or traded on a Regulated Market for which market quotations are readily available shall be priced at the Valuation Point using the last traded price for equity securities and the closing mid-market price for bond securities on the principal Regulated Market for such Investment (with the exception of certain assets of specific Funds detailed below which will be valued in accordance with the asset valuation methodology employed by the relevant Benchmark Index). If the assets of a Fund are listed or traded on several Regulated Markets, the last traded price or closing mid-market prices, as applicable, on the Regulated Market which, in the opinion of the Administrator, constitutes the main market for such assets, will be used.

Fund	Benchmark Index	Securities	Valuation Methodology
iShares Barclays Euro Corporate Bond ex-Financials	Barclays Euro Corporate ex-Financials Bond Index	Bonds	Bid price
iShares Barclays Euro Corporate Bond ex-Financials 1-5	Barclays Euro Aggregate Corporate ex Financials 1-5 Year Bond Index	Bonds	Bid price
iShares Barclays Euro Corporate Bond 1-5	Barclays Euro Corporate 1-5 Year Bond Index	Bonds	Bid price
iShares Barclays Global Aggregate Bond	Barclays Global Aggregate Bond Index	Bonds other than Euro and Sterling Treasury bonds	Bid price
iShares Citigroup Global Government Bond	Citigroup Group-of-Seven (G7) Index	Bonds other than Japanese government bonds	Bid price
iShares Barclays Euro Corporate Bond	Barclays Euro Corporate Bond Index	Bonds	Bid price
iShares Barclays Euro Aggregate Bond	Barclays Euro Aggregate Bond Index	Bonds other than Euro Treasury bonds	Bid price
iShares Barclays Emerging Market Local Govt Bond	Barclays Emerging Markets Local Currency Core Government Bond Index	Bonds	Bid price
iShares Barclays EM Asia Local Govt Capped Bond	Barclays Emerging Markets Asia Local Currency Govt Country Capped Index	Bonds	Bid price
iShares Barclays EM Europe Local Govt Capped Bond	Barclays Emerging Markets Europe Local Currency Govt Country Capped Index	Bonds	Bid price
iShares Barclays EM Latin America Local Govt Capped Bond	Barclays Emerging Markets Latin America Local Currency Govt Country Capped Index	Bonds	Bid price

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

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

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

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

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

Shares or units in open-ended collective investment schemes will be valued at the latest available net asset value; shares or units in closed-ended collective investment schemes will, if listed, quoted or traded on a Regulated Market, be valued at the latest available net asset value as published by the collective investment scheme.

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

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

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

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

Publication of Net Asset Value

Except where the determination of the Net Asset Value has been suspended in the circumstances described under "Temporary Suspension of Valuation of the Shares and of Sales, Redemptions and Switching" on page 60, the Net Asset Value per Share for each Fund shall be made available at the registered office of the Administrator on or before the close of business of each Dealing Day. The Net Asset Value per Share for each Fund shall also be published daily on the Business Day following the Valuation Point for the applicable Fund by means of a Regulatory Information Service as well as the official iShares website (www.iShares.com), which shall be kept up to date, and such other publications and with such frequency as the Directors may determine. The publishing of the Net Asset Value for each Fund is for information purposes only, and is not an invitation to subscribe for, redeem or switch Shares at the published Net Asset Value.

Income Equalisation

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

DEALINGS IN THE COMPANY

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

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

PROCEDURE FOR DEALING ON THE PRIMARY MARKET

The Primary Market is the market on which Shares of the Funds are issued by the Company to Authorised Participants or redeemed by the Company from Authorised Participants. Only Authorised Participants are able to subscribe or redeem Shares on the Primary Market.

Applicants wishing to subscribe and redeem Shares in any Fund directly with the Company have to satisfy certain eligibility criteria, and be registered with the Company, to become Authorised Participants. In addition, all applicants applying to become Authorised Participants must first complete the Company's Account Opening Form which may be obtained from the Administrator and satisfy certain anti-money laundering checks. The signed original Account Opening Form should be sent to the Administrator. Applicants wishing to become Authorised Participants should contact the Investment Manager for further details. The Company has absolute discretion to accept or reject any Account Opening Form and to revoke any authorisation to act as an Authorised Participant.

Authorised Participants may submit dealing requests to subscribe or redeem Shares in a Fund by an electronic order entry facility. The use of the electronic order entry facility is subject to the prior consent of the Investment Manager and the Administrator and must be in accordance with and comply with the requirements of the Central Bank. Subscription and redemption orders placed electronically are subject to the dealing request cut off times stated in the Primary Market dealing timetable. Alternative dealing methods are available with the consent of the Investment Manager and in accordance with the requirements of the Central Bank.

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

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

Portfolio Composition File

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

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

Dealings in Kind, in Cash and Directed Cash Dealings

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

The Company has absolute discretion to accept or reject in whole or in part any application to subscribe for Shares without assigning any reason therefor. The Company also has absolute discretion (but shall not be obliged) to reject or cancel in whole or in part any subscription for Shares prior to the issue of Shares to an applicant (notwithstanding the application having been accepted) in the event that any of the following occurs to the Authorised Participant (or its parent company or ultimate parent company): an Insolvency Event; a downgrading of credit rating; being placed on a watchlist (with negative implications) by a credit rating agency; or where the Company (or its Manager or Investment Manager) has reasonable grounds to conclude that the relevant Authorised Participant may be unable to honour its settlement obligations or that the Authorised Participant poses a credit risk to the Fund. In addition, the Company may impose such restrictions as it believes necessary to ensure that no Shares are acquired by persons who are not Qualified Holders.

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

Subscriptions will be based on the Net Asset Value thereof together with associated Duties and Charges which may be varied to reflect the cost of execution. Shares may be redeemed at the Net Asset Value thereof less any associated Duties and Charges which may be varied to reflect the cost of execution. The level and basis of calculating Duties and Charges may also be varied depending on the size of the relevant dealing request and the costs relating to, or associated with, the primary market transactions. The Articles empower the Company to charge such sum as the Manager considers represents an appropriate figure for Duties and Charges. Subscription and redemption orders will normally be accepted in multiples of the minimum number of Shares and/or the minimum cash amounts. Details for the Current Funds are set out in the Primary Market dealing timetable below. Such minimums may be reduced or increased in any case at the discretion of the Manager. The Manager will provide two weeks' prior notice of a change to the minimum subscription and / or the minimum redemption order amounts. Details in relation to the Valuation Points, cut-off times and settlement times for the Current Funds are also set out in the Primary Market dealing timetable below. Details of the dealing cut-off times for subscription and redemption orders are also available from the Administrator. Details of the initial offer period and initial offer price are set out in the Primary Market initial dealing timetable below.

Authorised Participants should note that where a subscription or redemption request is made for a Fund that invests in markets in Asia, Australasia and/or the Middle East, the value of the assets of that Fund for the relevant Dealing Day will be the value of the assets as at the Significant Markets Business Day following the Dealing Day.

Applications received after the times listed in the Primary Market dealing timetable will generally not be accepted. However, such applications may be accepted for dealing on the relevant Dealing Day, at the discretion of the Company, Manager or the Investment Manager, in exceptional circumstances, provided they are received prior to the Valuation Point. Settlement of the transfer of Investments and/or cash payments in respect of subscriptions and redemptions must take place within the Business Days specified in the Primary Market dealing timetable after the Dealing Day (or such earlier time as the Manager may determine in consultation with the Authorised Participant).

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

If redemption requests on any Dealing Day 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.

Any deferred redemption requests shall be treated in priority to any redemption requests received on subsequent Dealing Days. In any event settlement for redemptions will normally be made within fourteen days of the day on which the redemption request is made.

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

Dealings in Kind

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

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

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

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

Directed Cash Dealings

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

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

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

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

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

PRIMARY MARKET INITIAL DEALING TIMETABLE*

Fund Name	Initial Offer Period**	Initial Offer Price	Dealing Request Cut Off during Initial Offer Period (cash dealings) (or, in exceptional circumstances, such later time as approved by the Manager in its absolute discretion)***	Dealing Request Cut Off during Initial Offer Period (In kind dealings) (or, in exceptional circumstances, such later time as approved by the Manager in its absolute discretion)***	Minimum Subscription (In kind and cash dealings)	Subscription Minimum Settlement Time	Subscription Maximum Settlement Time	Redemption Settlement Time	Commenceme nt of Dealings on LSE (anticipated)
iShares Barclays Global Aggregate Bond	Initial Offer Period opened at 9.30am (Irish time) on 2 April 2009 and will close at 4.00pm (Irish time) on 1 May 2013	US$100	4.00 pm	N/A	2,500 Shares	DD+2	DD+4	DD+4	1 May 2013
iShares Barclays EM Europe Local Govt Capped Bond	Initial Offer Period opened at 9.00am (Irish time) on 19 December 2011 and will close at 12.00 noon (Irish time) on 14 May 2013	US$100	1.00 pm	N/A	2,500 Shares	DD+1	DD+3	DD+3	14 May 2013
iShares Barclays EM Latin America Local Govt Capped Bond	Initial Offer Period opened at 9.00am (Irish time) on 19 December 2011 and will close at 12.00 noon (Irish time) on 14 May 2013	US$100	3.00 pm	N/A	2,500 Shares	DD+1	DD+3	DD+3	14 May 2013

* “DD” means Dealing Day

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

*** Provided always that the application is received before close of business in the relevant market that closes first on the Dealing Day.

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

On the Dealing Day prior to 25 December and 1 January, dealing requests for subscriptions or redemptions must be received by 12.00 noon Irish time on the relevant Dealing Day of the Fund.

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

PRIMARY MARKET DEALING TIMETABLE*

Fund Name	Fund Valuation Point	Valuation Point applicable to assets listed or traded on Non-Significant Markets when those markets are closed on the DD	Dealing request cut off on DD (cash dealings) (or, in exceptional circumstances, such later time as approved by the Manager in its absolute discretion)**	Dealing request cut off on DD (in kind dealings) (or, in exceptional circumstances, such later time as approved by the Manager in its absolute discretion)**	Minimum subscription (in kind and cash dealings)***	Minimum redemption (in kind and cash dealings)***	Subscription minimum settlement time****	Subscription maximum settlement time****	Redemptions settlement time****
iShares Barclays Euro Aggregate Bond	4.15 pm on DD	4.15 pm on BD prior to DD	2.00 pm	N/A	2,500 Shares (or cash equivalent)	2,500 Shares (or cash equivalent)	DD +1	DD +3	DD +3
iShares Barclays Euro Corporate Bond	4.15 pm on DD	4.15 pm on BD prior to DD	2.00 pm	N/A	2,500 Shares (or cash equivalent)	2,500 Shares (or cash equivalent)	DD +1	DD +3	DD +3
iShares Barclays Euro Corporate Bond 1-5	4.15 pm on DD	4.15 pm on BD prior to DD	2.00 pm	N/A	2,500 Shares (or cash equivalent)	2,500 Shares (or cash equivalent)	DD+1	DD+3	DD+3
iShares Barclays Euro Corporate Bond ex-Financials	4.15 pm on DD	4.15 pm on BD prior to DD	2.00 pm	N/A	2,500 Shares (or cash equivalent)	2,500 Shares (or cash equivalent)	DD +1	DD +3	DD +3
iShares Barclays Euro Corporate Bond ex-Financials 1-5	4.15 pm on DD	4.15 pm on BD prior to DD	2.00 pm	N/A	2,500 Shares (or cash equivalent)	2,500 Shares (or cash equivalent)	DD +1	DD +3	DD +3
iShares Barclays Euro Government Bond 5-7	4.15 pm on DD	4.15 pm on BD prior to DD	2.00 pm	4.00 pm	2,000 Shares (or cash equivalent)	2,000 Shares (or cash equivalent)	DD +1	DD +3	DD +3

iShares Barclays Euro Government Bond 10-15	4.15 pm on DD	4.15 pm on BD prior to DD	2.00 pm	4.00 pm	2,000 Shares (or cash equivalent)	2,000 Shares (or cash equivalent)	DD +1	DD +3	DD +3
iShares Barclays Euro Treasury Bond	4.15 pm on DD	4.15 pm on BD prior to DD	2.00 pm	N/A	2,500 Shares (or cash equivalent)	2,500 Shares (or cash equivalent)	DD +1	DD +3	DD +3
iShares Barclays Euro Treasury Bond 0-1	4.15 pm on DD	6.00 pm on BD prior to DD	2.00 pm	N/A	2,500 Shares (or cash equivalent)	2,500 Shares (or cash equivalent)	DD +1	DD +3	DD +3
iShares Barclays Global Aggregate Bond	10.15 pm on DD +1	10.15 pm on DD	4.00 pm	N/A	2,500 Shares (or cash equivalent)	2,500 Shares (or cash equivalent)	DD +2	DD +4	DD +4
iShares Citigroup Global Government Bond	10.15 pm on DD +1	10.15 pm on DD	4.30 pm	N/A	2,500 Shares (or cash equivalent)	2,500 Shares (or cash equivalent)	DD +2	DD +4	DD +4
iShares EURO STOXX 50 (Acc)	6.45pm on DD	6.45 pm on BD prior to DD	3.30 pm	4.00 pm	10,000 Shares (or cash equivalent)	10,000 Shares (or cash equivalent)	DD +1	DD +3	DD +3
iShares FTSE Developed World ex-UK	10.15 pm on DD +1	10.15 pm on DD	4.30 pm	4.30 pm	10,000 Shares (or cash equivalent)	10,000 Shares (or cash equivalent)	DD +2	DD +3	DD +4
iShares FTSE Gilts UK 0-5	4.15 pm on DD	4.15 pm on BD prior to DD	2.00 pm	4.00 pm	2000 Shares (or cash equivalent)	2000 Shares (or cash equivalent)	DD +1	DD +3	DD +3
iShares Barclays Global Inflation-Linked Bond	10.00 pm on DD +1	10.00 pm on DD	4.30 pm	4.30 pm	4000 Shares (or cash equivalent)	4000 Shares (or cash equivalent)	DD +2	DD +4	DD +4
iShares Markit iBoxx £ Corporate Bond ex Financials	4.15 pm on DD	4.15 pm on BD prior to DD	2.00 pm	N/A	2,500 Shares (or cash equivalent)	2,500 Shares (or cash equivalent)	DD +1	DD +3	DD +3
iShares MSCI Emerging Markets (Acc)	10.15pm on DD+1	10.15 pm on DD	4.30 pm	N/A	20,000 Shares (or cash equivalent)	Equivalent of 20,000 Shares paid out in cash	DD +2	DD +3	DD +4
iShares MSCI Emerging Markets SmallCap	10.15 pm on DD +1	10.15 pm on DD	4.30 pm	N/A	10,000 Shares (or cash equivalent)	Equivalent of 10,000 Shares paid out in cash	DD +2	DD +3	DD +4

iShares MSCI Europe (Acc)	5.30pm on DD	5.30 pm on BD prior to DD	2.00 pm	3.00 pm	20,000 Shares (or cash equivalent)	20,000 Shares (or cash equivalent)	DD +1	DD +3	DD +3
iShares MSCI Europe ex-EMU	5.30 pm on DD	5.30 pm on BD prior to DD	2.30 pm	3.30 pm	10,000 Shares (or cash equivalent)	10,000 Shares (or cash equivalent)	DD +1	DD +3	DD +3
iShares MSCI GCC Countries ex-Saudi Arabia	10.15 pm on DD +1	10.15 pm on DD	4.30 pm	N/A	10,000 Shares (or cash equivalent)	Equivalent of 10,000 Shares paid in cash	DD +2	DD +2	DD +5
iShares MSCI Japan (Acc)	4.30pm on DD+1	4.30 pm on DD	4.30 pm	4.30 pm	20,000 Shares (or cash equivalent)	20,000 Shares (or cash equivalent)	DD +2	DD +4	DD +4
iShares MSCI Japan SmallCap	4.30 pm on DD +1	4.30 pm on DD	4.30 pm	4.30 pm	20,000 Shares (or cash equivalent)	20,000 Shares (or cash equivalent)	DD +2	DD +4	DD +4
iShares MSCI Pacific ex-Japan	4.45pm on DD +1	4.45 pm on DD	4.30 pm	4.30 pm	10,000 Shares (or cash equivalent)	10,000 Shares (or cash equivalent)	DD +2	DD +3	DD +4
iShares MSCI World (Acc)	10.15pm on DD+1	10.15 pm on DD	4.30 pm	4.30 pm	40,000 Shares (or cash equivalent)	40,000 Shares (or cash equivalent)	DD +2	DD +4	DD +4
iShares S&P 500 (Acc)	10.15pm on DD	10.15 pm on BD prior to DD	4.00 pm	4.00 pm	20,000 Shares (or cash equivalent)	20,000 Shares (or cash equivalent)	DD +1	DD +3	DD +3
iShares S&P SmallCap 600	10.15 pm on DD	10.15 pm on BD prior to DD	4.00 pm	4.00 pm	10,000 Shares (or cash equivalent)	10,000 Shares (or cash equivalent)	DD +1	DD +3	DD +3
iShares Markit iBoxx Euro Covered Bond	4.15 pm on DD	4.15 pm on BD prior to DD	2.00 pm	4.00 pm	2,500 Shares (or cash equivalent)	2,500 Shares (or cash equivalent)	DD +1	DD +3	DD +3

iShares MSCI Australia	4.30pm on DD+1	4.30 pm on DD	4.30 pm	4.30 pm	10,000 Shares (or cash equivalent)	10,000 Shares (or cash equivalent)	DD+2	DD+4	DD+4
iShares MSCI Canada	10.15 pm on DD	10.15 pm on BD prior to DD	3.30 pm	4.00 pm	10,000 Shares (or cash equivalent)	10,000 Shares (or cash equivalent)	DD+1	DD+3	DD+3
iShares MSCI South Africa	5.30pm on DD	5.30 pm on BD prior to DD	1.00 pm	2.00 pm	10,000 Shares (or cash equivalent)	10,000 Shares (or cash equivalent)	DD+1	DD+5	DD+5
iShares Barclays Emerging Market Local Govt Bond	10.15 pm on DD+1	10.15 pm on DD	4.30 pm	4.30 pm	2,500 Shares (or cash equivalent)	2,500 Shares (or cash equivalent)	DD+2	DD+4	DD+4
iShares Barclays EM Asia Local Govt Capped Bond	8.00 pm on DD+1	8.00 pm on DD	4.00 pm	N/A	2,500 Shares (or cash equivalent)	2,500 Shares (or cash equivalent)	DD+2	DD+4	DD+4
iShares Barclays EM Europe Local Govt Capped Bond	8.00 pm on DD	8.00 pm on BD prior to DD	1.00 pm	N/A	2,500 Shares (or cash equivalent)	2,500 Shares (or cash equivalent)	DD+1	DD+3	DD+3
iShares Barclays EM Latin America Local Govt Capped Bond	10.15 pm on DD	10.15 pm on BD prior to DD	3.00 pm	N/A	2,500 Shares (or cash equivalent)	2,500 Shares (or cash equivalent)	DD+1	DD+3	DD+3

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

** Provided always that the application is received before close of business in the relevant market that closes first on the Dealing Day.

***Subscriptions and redemptions are made in baskets of Shares or in cash at the discretion of the Manager or the Investment Manager. Subscription and redemption orders will normally be accepted in multiples of the minimum number of Shares and/or the minimum cash amounts set at the discretion of the Manager or the Investment Manager. Save as provided under the heading "Dealings in Kind, in Cash and Directed Cash Dealings" where an applicant subscribes in cash, the corresponding redemption will be satisfied in cash unless otherwise agreed with the investor (with relevant asset allocation being approved by the Custodian).

**** Applicable both to the time redemption proceeds are remitted by a Fund and the time by which Shares of a Fund are to be delivered to the Registrar by the redeeming Shareholder. If a Significant Market is closed for trading or settlement on any Business Day during the period between the relevant Dealing Day and the expected settlement date (inclusive), and/or settlement in the base currency of the Fund is not available on the expected settlement date, there may be corresponding delays to the settlement times indicated in the above dealing timetable (but such delays will not exceed the regulatory requirements for settlement).

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

On the Dealing Day prior to 25 December and 1 January, dealing requests for subscriptions or redemptions must be received by 12.00 noon Irish time on the relevant Dealing Day of the

Fund.

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

Failure to Deliver

In the event that (i) in respect of an in kind subscription, an Authorised Participant fails to deliver the required Investments and Cash Component, or (ii) in relation to a cash subscription, an Authorised Participant fails to deliver the required cash, or (iii) in respect of a directed cash subscription, an Authorised Participant fails to deliver the required cash or its designated broker fails to deliver the underlying Investments, within the stated settlement times for the Current Funds (as set out in the Primary Market dealing timetable) the Company and/or Investment Manager reserves the right (but shall not be obliged) to cancel the relevant subscription order. The Authorised Participant shall indemnify the Company for any loss suffered by the Company as a result of a failure or delay by the Authorised Participant to deliver the required Investments and Cash Component or cash and, for directed cash subscriptions, any loss suffered by the Company as a result of a failure by the designated broker to deliver the required underlying Investments, within the stated settlement times, including (but not limited to) any market exposure, interest charges and other costs suffered by the Fund. The Company reserves the right to cancel the provisional allotment of the relevant Shares in those circumstances.

The Directors may, in their sole discretion where they believe it is in the best interests of a Fund, decide not to cancel a subscription and provisional allotment of Shares where an Authorised Participant has failed to deliver the required Investment and Cash Component or cash and/or, for directed cash subscriptions, the designated broker has failed to deliver the required underlying Investments, within the stated settlement times. The Company may temporarily borrow an amount equal to the subscription and invest the amount borrowed in accordance with the investment objective and policies of the relevant Fund. Once the required Investments and Cash Component or cash has been received, the Company will use this to repay the borrowings. The Company reserves the right to charge the relevant Authorised Participant for any interest or other costs incurred by the Company as a result of this borrowing. Where a designated broker under a directed cash subscription fails or delays in delivering the required underlying securities, the Company and its Investment Manager has a right to transact with a different broker and to charge the relevant Authorised Participant for any interest or other costs incurred by the Company relating to the failed and new transactions. If the Authorised Participant fails to reimburse the Company for those charges, the Company and/or Investment Manager will have the right to sell all or part of the applicant's holdings of Shares in the Fund or any other Fund of the Company in order to meet those charges.

An application for redemption by an Authorised Participant will only be valid if the Authorised Participant delivers to the Fund the required number of Shares in that Fund within the relevant settlement times. In the event an Authorised Participant fails to deliver the required Shares of the relevant Fund in relation to a redemption within the stated settlement times for the Current Funds (as set out in the Primary Market dealing timetable), the Company and/or Investment Manager reserves the right (but shall not be obliged) to cancel the relevant redemption order and the Authorised Participant shall indemnify the Company for any loss suffered by the Company as a result of a failure by the Authorised Participant to deliver the required Shares in a timely fashion, including (but not limited to) any market exposure and costs suffered by the Fund.

PROCEDURE FOR DEALING ON THE SECONDARY MARKET

Shares may be purchased or sold on the Secondary Market by all investors through a relevant recognised stock exchange on which the Shares are admitted to trading, or OTC.

It is expected that the Shares of the Funds will be listed on one or more recognised stock exchanges. The purpose of the listing of the Shares on recognised stock exchanges is to enable investors to purchase and sell Shares on the Secondary Market, normally via a broker/dealer, in any quantity over a minimum of one Share. In accordance with the requirements of the relevant recognised stock exchange, market-makers (which may or may not be an Authorised Participant) are expected to provide liquidity and bid and offer prices to facilitate the Secondary Market trading of the Shares.

All investors wishing to purchase or sell Shares of a Fund on the Secondary Market should place their orders via their broker. Investors who invest in a Fund through a broker/dealer may not, from a clearing perspective, be recorded as a Shareholder on the register of Shareholders as the Shares may be held in a nominee name. Such investors will, however, have rights as a beneficial holder of the relevant Shares. Orders to purchase Shares in the Secondary Market through the recognised stock exchanges, or OTC, may incur brokerage and/or other costs which are not charged by the Company and over which the Company and the Manager has no control. Such charges are publicly available on the recognised stock exchanges on which the Shares are listed or can be obtained from stock brokers.

Investors may redeem their Shares through an Authorised Participant by selling its Shares to the Authorised Participant (directly or through a broker).

The price of any Shares traded on the Secondary Market will be determined by the market and prevailing economic conditions which may affect the value of the underlying assets. The market price of a Share listed or traded on a stock exchange may not reflect the Net Asset Value per Share of a Fund.

The Company will publish a breakdown of the key underlying Investments of the Fund for each Dealing Day via the official iShares website (www.ishares.com) subject to any restrictions on the publication of data imposed by the relevant index providers.

The Secondary Market dealing timetable depends upon the rules of the exchange upon which the Shares are dealt or the terms of the OTC trade. Please contact your professional advisor or broker for details of the relevant dealing timetable.

General Information

(a) *Initial Offer of Shares – Clearing and Settlement Structure*

Shares in those Funds listed in the Primary Market initial dealing timetable above will initially be offered during the initial offer period (which period may be shortened, extended, changed to an earlier date, or changed to a later date by the Directors and notified to the Central Bank) shown in that timetable and at a fixed price per Share.

Account Opening Forms for first time applicants and dealing requests must be received during the initial offer period to receive the initial offering price. Arrangements must also be made by that date for the settlement of the transfer of Investments and cash payments within three Business Days thereafter.

Shares will be issued for a price to be satisfied in kind and/or by cash, together with any applicable Duties and Charges. The initial Portfolio Composition File will be available upon request from the Administrator.

Please refer to the Primary Market initial dealing timetable for details of when it is expected that trading in the Shares will commence. The Shares will be admitted to trading upon issue. The Company will instruct Euroclear UK & Ireland Limited as soon as practical thereafter to credit the appropriate securities account in CREST of applicants for Shares with their respective entitlements to Shares.

(b) *Title to Shares*

Shares will be in registered form and no temporary documents of title or Share certificates will be issued. Fractional Shares will not be issued. The Administrator will send a trade confirmation to Authorised Participants but no Share certificates will be issued.

As with other Irish companies limited by shares, the Company is required to maintain a register of Shareholders. The Directors have resolved that Shares in the Current Funds will be issued in dematerialised (or uncertificated) form and that the Current Funds will apply (or have applied) for admission for clearing and settlement through CREST. As the Company is an Irish company, the operation of CREST in respect of these Shares is governed by the Companies Act, 1990 (Uncertificated Securities) Regulations, 1996.

(c) *Anti-money laundering identification*

The Administrator and/or Company reserves the right to request further details from an applicant for Shares. Each applicant must notify the Administrator of any change in their details and furnish the Company with whatever additional documents relating to such change as it may request. Amendments to a Shareholder's registration details and payment instructions will only be effected upon receipt by the Administrator of original documentation.

Measures aimed at the prevention of money laundering may require an applicant to provide verification of identity to the Company. This obligation arises unless (i) the application is being made through a recognised financial intermediary; or (ii) payment is made through a banking institution, which in either case is in a country with money laundering regulations equivalent to those in Ireland.

The Company will specify what proof of identity is required, including but not limited to a passport or identification card duly certified by a public authority such as a notary public, the police or the ambassador in their country of residence, together with evidence of the applicant's address, such as a utility bill or bank statement. In the case of corporate applicants, this may require production of a certified copy of the certificate of incorporation (and any change of name), by-laws, memorandum and articles of association (or equivalent), and the names and addresses of all directors and beneficial owners.

It is further acknowledged that the Company, the Investment Manager and the Administrator shall be indemnified by the Authorised Participant applicant against any loss arising as a result of a failure to process the subscription if information that has been requested by the Company has not been provided by the applicant.

(d) *Switching*

Where permitted by the Articles, and subject to the prior approval of the Manager, a holder of Shares in a Fund may at any time switch all or some of their Shares of one class or Fund ("the Original Shares") for Shares of another class or Fund ("the New Shares"). The number of New Shares issued will be determined by reference to the respective prices of New Shares and Original Shares at the Valuation Points applicable at the time the Original Shares are repurchased and the New Shares are issued.

Switching may be effected by application to the Company, care of the Administrator.

No switches will be made during any period in which the rights of Shareholders to deal in the Shares of the original Fund and/or the new Fund (if applicable) are suspended. An original switching form must be received by the Company, care of the Administrator, before the cut off time for the original Fund (see the dealing timetable above for dealing request cut off times). Any applications received after the applicable time will normally be held over until the next Dealing Day but may be accepted in exceptional circumstances for dealing on the relevant Dealing Day at the discretion of the Manager provided they are received prior to the Valuation Point.

The number of Shares to be issued in the new Fund will be calculated in accordance with the following formula:

$$A = \frac{B \times (C - D)}{E}$$

Where:

A = number of New Shares to be allocated
B = number of Original Shares switched
C = redemption price per Original Share on the relevant Dealing Day
D = the switching fee of up to 3% of the Net Asset Value of each Original Share switched
E = subscription price per New Share on the relevant Dealing Day.

It should be noted that the Company will normally impose a fee on the switching of any Shares between the original class or Fund and the new class or Fund of a maximum of 3% of the Net Asset Value of each Share to be switched. Such fee may be waived by the Manager at its discretion in any case.

If, as a result of a switch, a Shareholder would hold a fraction of a Share in the new class or Fund, such fraction of a Share in the new class or Fund will not be issued but the value thereof will be retained by the Company in order to pay administration costs.

(e) *Transfer of Shares*

All transfers of Shares shall be effected by transfer in writing in any usual or common form and every form of transfer shall state the full name and address of the transferor (i.e. the seller of Shares) and the transferee (i.e. the purchaser of Shares). The instrument of transfer of a Share shall be signed by or on behalf of the transferor. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the share register in respect thereof. Shares may also be transferred in accordance with the rules of CREST as the Articles permit the transfer of Shares in Dematerialised Form.

Persons dealing in CREST or any other central securities depositary may be required to provide a representation that any transferee is a Qualified Holder. The Directors may decline to register any transfer of Shares to any person or entity that is not a Qualified Holder.

If in consequence of a transfer the transferor or transferee would hold less than the relevant minimum holding, if there is such a minimum holding, or would otherwise infringe the restrictions on holding Shares outlined above or if the transfer might result in the Company incurring any liability to taxation or suffering pecuniary disadvantages which the Company might not otherwise have incurred or suffered, or the Company being required to register under the 1940 Act (or similar successor statute), or to register any class of Shares under the 1933 Act (or similar successor statute) the Directors may decline to register the transfer of a Share to such person. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty days in any year. The Directors may decline to register any transfer of Shares unless the instrument of transfer is deposited at the registered office of the Company or at such other place as the Directors may reasonably require together with such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferee will be required to complete an Account Opening Form which includes a declaration that the proposed transferee is not a US Person or is acquiring Shares on behalf of a US Person.

(f) *Confirmations*

A written confirmation of ownership will be sent to the applicant following the Dealing Day. Shares will not normally be issued until such time as the Company is satisfied with all the information and documentation required to identify the applicant and is satisfied that the relevant Investments and Cash Component for in kind subscriptions or cash for cash subscriptions (including directed cash subscriptions) have been received by it. Shares will be provisionally allotted to an applicant and will only be registered in the applicant's name once these matters have been fulfilled. This may result in Shares being registered in the applicant's name subsequent to the Dealing Day on which an applicant initially wished to have Shares issued to them and the Company shall not be responsible for any losses arising from any such delay.

The Articles permit the holding and transfer of Shares in Dematerialised Form. The Shares of each class are admitted as participating securities to CREST and application may be made for the Shares to be admitted to other relevant computer-based settlement systems. This will enable investors to hold Shares in, and to settle transactions in Shares through, such systems, including CREST.

(g) *Mandatory Redemption of Shares and Forfeiture of Dividends*

Shareholders are required to notify the Company immediately in the event that they cease to be Qualified Holders. Shareholders who cease to be Qualified Holders will be required to dispose of their Shares to Qualified Holders on the next Dealing Day thereafter unless the Shares are held pursuant to an exemption which would allow them to hold the Shares. The Company reserves the right to redeem or require the transfer of any Shares which are or become owned, directly or indirectly, by a non Qualified Holder.

If the Company becomes aware that any Shares are or might be held by a person who is not a Qualified Holder it may redeem such Shares on notice in writing to the Shareholder concerned. The Investments which would otherwise have been transferred to the Shareholder will be liquidated and the Shareholder will receive the proceeds less any costs incurred. In addition, the Company may impose a penalty to compensate the Company for any loss the Company has suffered (or may suffer) in respect of the holding of Shares by such non-Qualified Holder. Such amount may be deducted from the redemption proceeds.

In circumstances where a Fund is unable to replicate the relevant Benchmark Index and unable to substitute another index for the Benchmark Index, the Directors may resolve to compulsorily redeem investors and may subsequently terminate a Fund.

The Company shall have the right to redeem, without the imposition of any penalty on the Company, Shares of a particular class:

(i) where not less than 75% of the Shareholders (voting at the meeting either in person or by proxy) approve of the redemption of the Shares at a general meeting of the relevant class, of which not more than twelve and not less than four weeks notice has been given;

(ii) at the discretion of the Directors, after the first anniversary of the first issue of Shares of the relevant class if the Net Asset Value of the relevant class falls below Stg£100,000,000;

(iii) at the discretion of the Directors, if the Fund ceases to be listed on a stock exchange;

(iv) at the discretion of the Directors provided that notice of not less than four and not more than six weeks has been given to Shareholders that all of the Shares in that Fund shall be redeemed by the Company.

If within 90 days from the date of the Custodian serving notice of termination of the Custody Agreement another custodian acceptable to the Company and the Central Bank has not been appointed to act as custodian, the Company shall serve notice on all holders of its intention to redeem all Shares then in issue on the date specified in such notice, which date shall not be less than one month nor more than three months after the date of service of such notice.

(h) *Temporary Suspension of Valuation of the Shares and of Sales, Redemptions and Switching*

The Company may temporarily suspend the determination of the Net Asset Value and the issue, switching and/or redemption of Shares in the Company or any Fund during:

(i) any period (other than ordinary holiday or customary weekend closings) when any of the principal markets on which any significant portion of the Investments of the relevant Fund from time to time are quoted, listed, traded or dealt in is closed (otherwise than for customary weekend or ordinary holidays) or during which dealings therein are restricted or suspended or trading on any relevant futures exchange or market is restricted or suspended;

(ii) any period when, as a result of political, economic, military or monetary events or any other circumstances outside the control, responsibility and power of the Directors, any disposal or valuation of Investments of the relevant Fund is not reasonably practicable without this being seriously detrimental to the interests of Shareholders in general or Shareholders of the relevant Fund or if, in the opinion of the Directors, the Net Asset Value cannot fairly be calculated or such disposal would be materially prejudicial to the Shareholders in general or Shareholders of the relevant Fund;

(iii) any period when there is any breakdown in the means of communication normally employed in determining the price of any of the Company's or a Fund's Investments or when for any other reason the value of any of the Investments or other assets of the relevant Fund cannot reasonably or fairly be ascertained;

(iv) any period during which the Company is unable to repatriate funds required for the purpose of making redemption payments or when such payments cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange or during which there are difficulties or it is envisaged that there will be difficulties, in the transfer of monies or assets required for subscriptions, redemptions or trading;

(v) upon the publication of a notice convening a general meeting of Shareholders for the purposes of resolving to wind up the Company;

(vi) any period when it is or becomes impractical, for example from a cost, risk or operational perspective, to invest in stocks comprised within the particular Benchmark Index or to enter into FDI relating to the Benchmark Index for the relevant Fund; or

(vii) any period when the Directors, in their discretion, consider suspension to be in the interests of the Company, a Fund or the Shareholders of a Fund.

Any such suspension shall be published by the Company in such manner as it may deem appropriate to the persons likely to be affected thereby, and shall be notified immediately (and in any event during the Business Day on which the suspension took place) to the Central Bank, and to the competent authorities in the Member

States in which the Shares are marketed. Where practicable, the Company shall take all reasonable steps to bring such a suspension to an end as soon as possible.

No Shares of a Fund will be issued or allotted during a period when the determination of the Net Asset Value of that Fund is suspended.

FUND EXPENSES

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 of the Company allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). Expenses paid out of the TER include, but are not limited to, fees and expenses paid to the Manager, regulators and auditors and certain legal expenses of the Company, but exclude transaction costs. The Total Expense Ratio is calculated and accrued daily from the current Net Asset Value of each Fund as follows and shall be payable monthly in arrears:

Fund	TER	Fund	TER
iShares Barclays Euro Aggregate Bond	0.25%	iShares Barclays Global Inflation-Linked Bond	0.25%
iShares Barclays Euro Corporate Bond	0.20%	iShares Markit iBoxx £ Corporate Bond ex Financials	0.20%
iShares Barclays Euro Corporate Bond 1-5	0.20%	iShares MSCI Emerging Markets (Acc)	0.75%
iShares Barclays Euro Corporate Bond ex-Financials	0.20%	iShares MSCI Emerging Markets SmallCap	0.74%
iShares Barclays Euro Corporate Bond ex-Financials 1-5	0.20%	iShares MSCI Europe (Acc)	0.35%
iShares Barclays Euro Government Bond 5-7	0.20%	iShares MSCI Europe ex-EMU	0.40%
iShares Barclays Euro Government Bond 10-15	0.20%	iShares MSCI GCC Countries ex-Saudi Arabia	0.80%
iShares Barclays Euro Treasury Bond	0.20%	iShares MSCI Japan (Acc)	0.59%
iShares Barclays Euro Treasury Bond 0-1	0.20%	iShares MSCI Japan SmallCap	0.59%
iShares Barclays Global Aggregate Bond	0.30%	iShares MSCI Pacific ex-Japan	0.60%
iShares Citigroup Global Government Bond	0.20%	iShares MSCI World (Acc)	0.50%
iShares EURO STOXX 50 (Acc)	0.35%	iShares S&P 500 (Acc)	0.40%
iShares FTSE Developed World ex-UK	0.50%	iShares S&P SmallCap 600	0.40%
iShares FTSE Gilts UK 0-5	0.20%	iShares Markit iBoxx Euro Covered Bond	0.20%
iShares MSCI Australia	0.59%	iShares MSCI Canada	0.59%
iShares MSCI South Africa	0.74%	iShares Barclays Emerging Market Local Govt Bond	0.50%
iShares Barclays EM Asia Local Govt Capped Bond	0.50%	iShares Barclays EM Europe Local Govt Capped Bond	0.50%
iShares Barclays EM Latin America Local Govt Capped Bond	0.50%		

The Manager is responsible for discharging all operational expenses, including but not limited to fees and expenses of the Directors, Investment Manager, Custodian, Administrator, and Registrar from the amounts received by the Manager from the Total Expense Ratio. Such operational expenses include regulatory and audit fees but exclude transaction costs. Directors' fees will not exceed the sum of €40,000 per annum per Director without the approval of the Board of Directors. The BlackRock Group employees serving as Directors of the Company and the Manager have agreed to waive their Directors' fees.

In the event a Fund's costs and expenses in connection with the operation of the Fund which are intended to be covered within the TER exceed the stated TER, the Manager will discharge any excess amounts out of its own assets. The establishment costs of the Company have been, and the establishment costs of the Current Funds will be, paid by the Manager.

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.

To the extent a Fund undertakes securities lending to reduce costs, the Fund will receive 60% of the associated revenue generated from securities lending activities and the remaining 40% will be received by the securities lending agent which will pay for any securities lending costs out of its portion of the revenue.

Save as disclosed above, no commissions, discounts, brokerages or other special terms have been granted or are payable by the Company in connection with the issue or sale of any Shares of the Company.

DIVIDEND POLICY

The Company intends to declare dividends on the Shares of each Fund (with the exception of iShares Barclays Global Inflation-Linked Bond, iShares EURO STOXX 50 (Acc), iShares MSCI Japan (Acc), iShares S&P 500 (Acc), iShares MSCI World (Acc), iShares MSCI Europe (Acc), iShares MSCI Emerging Markets (Acc), iShares MSCI South Africa, iShares MSCI Canada and iShares MSCI Australia) on offer pursuant to this Prospectus which, will equal the total income of the applicable Fund net of any expenses in respect of each financial year. Dividends will normally be declared with a view to being paid either monthly, quarterly (January, April, July and October) or semi-annually (January and July). The dividend payment frequency for each Fund is as follows (please refer to www.ishares.com for further information on the dividend payment dates):

Fund	Frequency	Fund	Frequency
iShares Barclays Euro Aggregate Bond	Semi-Annually	iShares Barclays Global Inflation-Linked Bond	Non-distributing*
iShares Barclays Euro Corporate Bond	Semi-Annually	iShares Markit iBoxx £ Corporate Bond ex Financials	Semi-Annually
iShares Barclays Euro Corporate Bond 1-5	Semi-Annually	iShares MSCI Emerging Markets (Acc)	Non-distributing*
iShares Barclays Euro Corporate Bond ex-Financials	Semi-Annually	iShares MSCI Emerging Markets SmallCap	Semi-Annually
iShares Barclays Euro Corporate Bond ex-Financials 1-5	Semi-Annually	iShares MSCI Europe (Acc)	Non-distributing*
iShares Barclays Euro Government Bond 5-7	Semi-Annually	iShares MSCI Europe ex-EMU	Quarterly
iShares Barclays Euro Government Bond 10-15	Semi-Annually	iShares MSCI GCC Countries ex-Saudi Arabia	Semi-Annually
iShares Barclays Euro Treasury Bond	Semi-Annually	iShares MSCI Japan (Acc)	Non-distributing*
iShares Barclays Euro Treasury Bond 0-1	Semi-Annually	iShares MSCI Japan SmallCap	Semi-Annually
iShares Barclays Global Aggregate Bond	Semi-Annually	iShares MSCI Pacific ex-Japan	Quarterly
iShares Citigroup Global Government Bond	Semi-Annually	iShares MSCI World (Acc)	Non-distributing*
iShares EURO STOXX 50 (Acc)	Non-distributing*	iShares S&P 500 (Acc)	Non-distributing*
iShares FTSE Developed World ex-UK	Quarterly	iShares S&P SmallCap 600	Semi-Annually
iShares FTSE Gilts UK 0-5	Semi-Annually	iShares Markit iBoxx Euro Covered Bond	Semi-Annually
iShares MSCI Canada	Non-distributing*	iShares MSCI South Africa	Non-distributing*
iShares MSCI Australia	Non-distributing*	iShares Barclays Emerging Market Local Govt Bond	Semi-Annually
iShares Barclays EM Asia Local Govt Capped Bond	Semi-Annually	iShares Barclays EM Europe Local Govt Capped Bond	Semi-Annually
iShares Barclays EM Latin America Local Govt Capped Bond	Semi-Annually		

*The iShares EURO STOXX 50 (Acc), iShares Barclays Global Inflation-Linked Bond, iShares MSCI Emerging Markets (Acc), iShares MSCI Europe (Acc), iShares MSCI Japan (Acc), iShares MSCI World (Acc), iShares S&P 500 (Acc) Shares, iShares MSCI Australia, iShares MSCI Canada and iShares MSCI South Africa are accumulating and, therefore, it is not intended to distribute dividends to the Shareholders. The income and other profits will be accumulated and reinvested on behalf of Shareholders. Full details of any change to a Fund's dividend policy will be provided in an updated Prospectus or Supplement and all Shareholders will be notified in advance.

Dividends will be declared in the Base Currency of the applicable Fund. Where Shares are held in the CREST system, the default currency in which Shareholders will receive dividends on such Shares is usually Sterling, unless Shareholders make an election to the Registrar to receive dividends in Euro or US Dollar or the Fund has a different default currency for dividend payments. Shareholders can find out from the Registrar the default currency in which dividends for a Fund are usually paid. Shareholders who wish to receive dividend payments specifically in Sterling, Euro or US Dollar should inform the Registrar. Foreign exchange conversions of dividend payments are at the cost and risk of Shareholders.

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

GENUINE DIVERSITY OF OWNERSHIP CONDITION

Shares in each of the Funds shall be widely available. The intended categories of investors for the Funds are those directly investing through the Primary Market creation mechanism as set out in this Prospectus or indirectly by investment through recognised exchanges on which the Funds' Shares are listed or OTC transactions. Shares in the Funds shall be marketed and made available sufficiently widely to reach the intended categories of investors, and in a manner appropriate to attract those categories of investors.

MANAGEMENT OF THE COMPANY

The Board of Directors

The Directors control the affairs of the Company and are responsible for the overall investment policy which will be determined by them and provided to the Manager. The Directors have delegated certain duties and responsibilities to the Manager with regards to the day-to-day management of the Company. The Manager has delegated certain of these responsibilities to the Investment Manager, Administrator and the Registrar.

The Directors are all non-executive directors of the Company and their address is the registered office of the Company. The Board of Directors of the Company is as follows:

William Roberts (Chairman) (British nationality, Irish resident): Mr Roberts was admitted as a lawyer in Scotland, Hong Kong, Bermuda and the Cayman Islands. From 1990 to 1999, he was Senior Assistant (1990-1994) and then Partner (1994-1999) with W.S. Walker & Company where he concentrated on collective investment vehicle formation and provided ongoing vehicle advice with particular focus on hedge and private equity funds. From 1996 to 1999 he served as a director of the Cayman Islands Stock Exchange. Between 1998 and 2000, he was Secretary to the International Bar Associations' sub-committee on specialised investment funds. Currently Mr Roberts serves as a director to several investment companies and investment management companies domiciled in Ireland and the Cayman Islands.

Graham Bamping (British): Mr Bamping was until recently Retail Investment Director for BlackRock EMEA and is now acting solely as a director on BlackRock and fund boards. As Retail Investment Director he was responsible for establishing and monitoring investment expectations for all BlackRock's retail funds in the EMEA region. He is also responsible for BlackRock's relationships with mutual fund rating agencies. He serves as a director of BlackRock Fund Managers Ltd, BlackRock (Channel Islands) Ltd and BlackRock (Luxembourg) SA, the Luxembourg-based UCITS III management company for BlackRock Global Funds. Mr Bamping's service with the firm dates back to 1999, including his years with Merrill Lynch Investment Managers (MLIM), which merged with BlackRock in 2006. He joined MLIM as Director of Investment Communications, and assumed his current role in December 2001. Prior to joining MLIM, his career spanned more than 20 years in various capacities at Morgan Grenfell Asset Management (Deutsche Asset Management). Mr Bamping holds an MA in Economics from Cambridge University.

John Donohoe (Irish): Mr Donohoe is CEO and Principal of Carne Global Financial Services Limited, a leading funds governance specialist within the global asset management industry. He has over twenty years experience in the financial services industry holding senior positions with Deutsche Bank (a managing director), State Street and KPMG. He has served as an executive/non-executive director on various Deutsche Bank boards, including Deutsche International (Ireland) Limited, Morgan Grenfell & Co Limited (Deutsche's UK investment bank), Deutsche Trustees (UK) Limited and The WM Company Limited. Mr Donohoe spent 12 years with Deutsche Bank, where he rose to become CEO, Europe, Asia and Offshore, Deutsche Global Fund Services. Prior to establishing Carne, Mr Donohoe was a Senior Vice-President of State Street. Mr Donohoe qualified as a Chartered Accountant with KPMG. He is a Fellow of the Institute of Chartered Accountants and holds a First Class Honours Degree in Accounting & Finance from Dublin City University.

Nicholas C. D. Hall (British): Mr Hall was, until he retired in May 2009, General Counsel of BlackRock International (previously known as Merrill Lynch Investment Managers International) based in London which position he held from his appointment in August 1998. He joined the Group in 1983. He was educated at St. Catharine's College, Cambridge graduating with a MA (Law) degree in 1975. He qualified as a solicitor in England and Wales in 1978 and in Hong Kong in 1987. He is a non-executive director of BlackRock Investment Management (UK) Limited, BlackRock Advisors (UK) Limited, BlackRock International Limited, Chairman of the boards of BlackRock Global Funds and BlackRock Life Limited and serves on the boards of a number of other BlackRock entities and sponsored funds.

Liam Miley (Irish): Mr Miley joined BlackRock in January 2012 and is a managing director within the Financial Markets Advisory Group EMEA region, with a focus on BlackRock's business in Ireland. Prior to joining BlackRock, Mr Miley served with LBBW Asset Management (Ireland) plc ("LBBWI") for 12 years, initially as Head of Credit, and since 2002 as Managing Director. LBBWI, which was a MiFID authorised firm, was involved in the provision of investment management, risk analytics, valuations and administration services to funds and conduit structures. Prior to joining LBBWI Mr Miley held a variety of positions with Industrial Credit Corporation, Barclays Bank-BZW and Smurfit Paribas Bank over a period of 18 years. Mr Miley is a Fellow of the Chartered Association of Certified Accountants, a graduate of the Advanced Management Program, Harvard Business School and is a Chartered Director.

Desmond Murray (Irish): Mr Murray is a company director and business consultant based in Dublin. Mr Murray was educated at University College, Dublin, graduating with a Bachelor of Commerce degree in 1976. He is a Fellow of the Irish Institute of Chartered Accountants and the Hong Kong Society of Accountants. Mr Murray was an Audit Partner in PricewaterhouseCoopers Hong Kong from 1987 until June 2000, initially specialising in Financial Services, and he was the lead Partner of the firm's Internal Audit and Corporate Governance practice until the same date. Mr Murray previously worked with Price Waterhouse in Dublin from 1976 to 1984. Mr Murray is a director of a number of other investment funds domiciled in Ireland and the Cayman Islands. He is also a director of a number of Irish domiciled companies and two Hong Kong listed companies in which he acts as chairman of their audit committees and as an independent non-executive director.

Barry O'Dwyer (Irish): Mr O'Dwyer is a managing director of BlackRock and is responsible for oversight of Corporate Governance for BlackRock's European open-ended fund range. He is the Chief Operations Officer for BlackRock's Irish Business and serves as a Director on a number of BlackRock corporate, fund, management and life companies in Ireland, Luxembourg, UK and Germany. He joined BlackRock Advisors (UK) Limited in 1999 as head of risk management and moved to his present role in 2006. Prior to joining the Investment Manager, Mr O'Dwyer worked as risk manager at Gartmore Investment Management and at HypoVereinsbank and National Westminster Bank. Mr O'Dwyer graduated from Trinity College Dublin with a degree in Business Studies and Economics in 1991. He is an associate of the Chartered Association of Certified Accountants and holds an MBA from City University Business School.

Geoffrey D. Radcliffe (**British nationality, Luxembourg resident)**: Mr Radcliffe is a managing director of BlackRock and is based in Luxembourg. He is a Fellow of The Institute of Chartered Accountants in England & Wales and an Associate of The Chartered Institute of Bankers. Mr Radcliffe has 30 years of banking, accounting and fund experience in the Isle of Man, London, Bermuda and Luxembourg. Mr Radcliffe joined the BlackRock Group in 1998. He is responsible for BlackRock EMEA and Asia Pacific Fund Administration and is also a Director of a number of BlackRock funds and group companies.

The Manager

The Company has appointed BlackRock Asset Management Ireland Limited as its manager pursuant to the Management Agreement. Under the terms of the Management Agreement, the Manager has responsibility for the management and administration of the Company's affairs and the distribution of the Shares, subject to the overall supervision and control of the Directors.

The Manager has delegated the performance of the investment management functions in respect of the Company to BlackRock Advisors (UK) Limited, the administrative functions (apart from registrar services) to State Street Fund Services (Ireland) Limited, and the registrar functions to Computershare Investor Services (Ireland) Limited.

The Manager is a private company limited by shares and was incorporated in Ireland on 19 January 1995. It is ultimately a wholly owned subsidiary of BlackRock, Inc. The Manager has an authorised share capital of Stg£1 million and an issued and fully paid up share capital of Stg£125,000. The Manager's main business is the provision of fund management and administration services to collective investment schemes such as the Company. The Manager is also the manager of iShares plc, iShares II plc, iShares IV plc, iShares V plc, iShares VI plc, BlackRock Index Selection Fund, BlackRock Selection Fund, BlackRock Selection Funds II plc, BlackRock Active Selection Fund, BlackRock Specialist Strategies Funds, BlackRock Liability Solutions Funds (Dublin), BlackRock Liability Solutions Funds II (Dublin), BlackRock Cash Selection Funds plc, BlackRock Fixed Income Dublin Funds plc, BlackRock Fixed Income Global Alpha Funds (Dublin), BlackRock Active Equity Funds (Dublin) plc, BlackRock Fixed Income Ishtar Funds (Dublin) and BlackRock UCITS Funds.

The secretary of the Manager is Chartered Corporate Services.

The composition of the Manager's board of directors is the same as that of the Board of Directors of the Company.

The Investment Manager

The Manager has delegated responsibility for the investment and re-investment of the Company's assets to BlackRock Advisors (UK) Limited pursuant to the Investment Management Agreement. The Investment Manager is also the promoter and sponsor of the Company.

The Investment Manager will be responsible to the Manager and the Company with regard to the investment management of the assets of the Funds in accordance with the investment objectives and policies described in the Prospectus (as it may be amended or supplemented from time to time) subject always to the supervision and direction of the Directors. The Investment Manager may delegate responsibility for all or part of the day-to-day conduct of its trading activity in respect of any Fund to an Affiliate. The Investment Manager (subject to prior consent of the Manager and the Central Bank) also has the discretion to delegate the investment decision making to other investment managers provided such investments are made in accordance with the investment objectives and policies described in this Prospectus. The Investment Manager will discharge the fees and expenses of any such investment managers. Information relating to any other investment managers to whom the investment decision making may be delegated will be provided to Shareholders on request and details of any such investment managers will be disclosed in the Company's annual reports and audited financial statements and semi-annual reports and unaudited financial statements.

The Investment Manager is a subsidiary of BlackRock, Inc. The Investment Manager as investment manager is regulated by the Financial Services Authority to carry on regulated activities in the UK and is subject to the rules of the Financial Services Authority. The Investment Manager was incorporated under the laws of England and Wales on 18 March 1964. As at 30 June 2012, the BlackRock Group had US$3.560 trillion of assets under management and is represented in 27 countries.

Under the terms of the Investment Management Agreement, in the absence of fraud, bad faith, wilful default or negligence on the part of the Investment Manager, the Investment Manager will not be liable for any acts or omissions in the course of, or connected in any way with, rendering the services or for any loss sustained in the purchase, holding or sale of any investments of the Company and the Investment Manager shall not be liable for indirect, special or consequential damages. The Investment Management Agreement may be terminated by either party giving to the other not less than one hundred and eighty days' notice in writing or immediately by either party for the following reasons:

- in the event that the other party goes into liquidation (except voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the first mentioned party) or is unable to pay its debts or commits an act of bankruptcy or a receiver is appointed over the assets of the other party or some event having equivalent effect occurs;
- an examiner, administrator or similar person is appointed to the other party;
- the Management Agreement is terminated;
- the other party commits a material breach of the agreement and fails to remedy a breach of the agreement (if capable of remedy) within thirty days of being requested to do so; or
- the Investment Manager ceases to be permitted under applicable law to act as such under any applicable laws or regulations.

The Securities Lending Agent

The Investment Manager may be appointed as the lending agent of the Funds of the Company under the terms of a written agreement. Under the terms of such an agreement, the lending agent is appointed to manage the Funds' securities lending activities and is entitled to receive a fee which is in addition to its fee as investment manager. The income earned from securities lending will be allocated between the Funds of the Company and the Investment Manager and paid on a percentage basis to the Investment Manager at normal commercial rates. Full financial details of the amounts earned and expenses incurred with respect to securities lending for the Funds of the Company, including fees paid, will be included in the Company's annual reports and audited financial statements and semi-annual reports and unaudited financial statements. The Manager will, at least annually, review the securities lending arrangements and associated costs.

The Administrator

The Manager has delegated its responsibilities as administrator to State Street Fund Services (Ireland) Limited pursuant to the Administration Agreement. The Administrator will have the responsibility for the administration of the Company's affairs including the calculation of the Net Asset Value, processing Account Opening Forms and dealing requests from the Primary Market and preparation of the accounts of the Company, subject to the overall supervision of the Directors and the Manager.

The Administrator is a limited liability company incorporated in Ireland on 23 March, 1992 and is ultimately a wholly-owned subsidiary of the State Street Corporation. The authorised share capital of the Administrator is Stg£5,000,000 with an issued and paid up capital of Stg£350,000.

State Street Corporation is a leading world-wide specialist in providing sophisticated global investors with investment servicing and investment management. State Street Corporation is headquartered in Boston, Massachusetts, USA, and trades on the New York Stock Exchange under the symbol "STT".

The Administration Agreement provides that the appointment of the Administrator will continue unless and until terminated by the Manager, giving to the Administrator not less than 6 months' written notice or the Administrator giving to the Manager not less than 12 months' notice (which shall not take effect until 7 years following such commencement date as agreed between the parties), although in certain circumstances the agreement may be terminated forthwith by notice in writing by either party to the other. The agreement also provides for certain indemnities in favour of the Administrator otherwise than due to the fraud, bad faith, breach of contract, breach of applicable law, negligence, recklessness or wilful default of the Administrator or its directors, officers, employees, delegates, agents or subcontractors, in the performance of its obligations under the agreement.

The Registrar

Computershare Investor Services (Ireland) Limited has been appointed by the Manager to act as the registrar and to provide transfer agency services in relation to the Shares pursuant to the Registrar Agreement. This agreement also contains the appointment of Computershare Investor Services plc as the Company's paying agent.

The Registrar is a private limited company incorporated in Ireland on 10 October, 1995 and is ultimately a wholly owned subsidiary of Computershare Limited, an Australian company and one of the world's largest share registry provider. Since gaining regulatory approval in 2000, Computershare Investor Services (Ireland) Limited has been providing transfer agency and paying agency solutions to the international funds service industry.

The Registrar Agreement provides that the appointment of the Registrar will continue unless and until terminated by either party, giving to the other not less than 6 months' written notice although in certain circumstances the agreement may be terminated forthwith by notice in writing by either party to the other. The Registrar Agreement also contains certain indemnities in favour of the Registrar which are restricted to exclude matters arising by reason of fraud, negligence, bad faith or wilful default or breach of contract or applicable law or regulations by the Registrar. The liability of the Registrar over any 12 month period is capped at five times its fees payable in any 12 month period, save for liability arising from fraud.

The Registrar shall establish, maintain and update on a timely basis the register of Shareholders of the Funds, which shall remain the property of the Company, and hold the same open for inspection by persons entitled to inspect the register. The Registrar shall keep or cause to be kept at its premises in Ireland the register of Shareholders of the Company and all other books and records to give a complete record of all activities carried out by it in relation to the Shares of the Company and such other books, records and statements as may be required by law.

For Funds that distribute dividends, the Registrar is also responsible for making dividend payments to Shareholders on the relevant dividend payment date. The Registrar will maintain client asset accounts into which monies for distribution to Shareholders as dividends will be transferred from the Company's cash accounts with the Custodian prior to the relevant dividend payment date. In order to mitigate the Company's credit risk exposure to depositary banks with which dividend monies are held, the Company has put in place arrangements with the Registrar to invest some or all of the dividend monies in money market collective investment schemes during part of the period in which dividend monies are held with the Registrar pending payment to Shareholders. Units in such money market collective investment schemes will be held by the Registrar in client asset accounts.

The Registrar will make dividend payments to Shareholders on the relevant dividend payment date out of monies held in the client asset accounts. Where Shareholders wish to receive dividends in a currency other than the currency in which a Fund normally pays dividends, either the Registrar or its UK affiliate, Computershare Investor Services plc, may execute any applicable foreign exchange transactions (generally between the date on which the dividend monies are transferred to the client asset accounts with the Registrar and the relevant dividend payment date).

The Custodian

The Company has appointed State Street Custodial Services (Ireland) Limited as custodian of its assets pursuant to the Custody Agreement. The Custodian provides safe custody of the Company's assets pursuant to the Regulations.

The Custodian is a limited liability company incorporated in Ireland on 22 May 1991 and is, like the Administrator, ultimately owned by the State Street Corporation. Its authorised share capital is Stg£5,000,000 and its issued and paid up capital is Stg£200,000. As at 30 June 2012 the Custodian held funds under custody in excess of US$384 billion*.* The Custodian is a subsidiary of State Street Bank and Trust Company ("SSBT") and the liabilities of the Custodian are guaranteed by SSBT. The Custodian, SSBT and the Administrator are ultimately owned by State Street Corporation. The Custodian's principal business is the provision of custodial and trustee services for collective investment schemes and other portfolios.

State Street Corporation is a leading world-wide specialist in providing sophisticated global investors with investment servicing and investment management. State Street Corporation is headquartered in Boston, Massachusetts, USA, and trades on the New York Stock Exchange under the symbol "STT".

The Custodian shall be liable to the Company and the Shareholders for any loss suffered by the Company and/or the Shareholders as a result of the unjustifiable failure of the Custodian to perform its obligations or its improper performance of them and, subject to the comments below, the unjustifiable failure of any sub-custodians to perform their obligations or the improper performance of them by any sub-custodians appointed by the Custodian. In addition, the Custodian shall be liable to the Company and the Shareholders for any losses that may be suffered by the Company and/or the Shareholders to the extent arising directly from the Custodian's or its sub-custodian's negligence, fraud, bad faith, wilful default, recklessness, breach of contract, breach of applicable laws and breach of confidentiality provisions.

The parties to the Custody Agreement acknowledge that the Central Bank considers that, in order for the Custodian to discharge its responsibilities under the Regulations, the Custodian must comply with any applicable laws and exercise care and diligence in choosing and appointing third party sub-custodians as safekeeping agents so as to ensure that such third parties have and maintain the expertise, competence and standing appropriate to discharge the responsibilities concerned. The Custodian shall maintain an appropriate level of supervision over such third parties and make appropriate enquiries from time to time to confirm that the obligations of such third parties continue to be competently discharged. (For the avoidance of doubt, this does not purport to be a legal interpretation of the Regulations and the corresponding provisions of the Directive.) Subject and without prejudice to the foregoing, the Custodian shall monitor the sub-custodians' financial conditions as reflected in their respective published financial statements and other publicly available financial information concerning them, and monitor the sub-custodians' compliance with procedures consistent with those of a leading international financial services provider with respect to the protection of assets (other than cash) from the claims of creditors of the sub-custodians. The Custodian shall be liable for the acts and omissions of its sub-custodians in connection with the provision of the Services (as defined in the Custody Agreement) as for itself, save that the Custodian's responsibility for losses to the Company or the Manager as a consequence of the insolvency of, or other financial default event concerning, any sub-custodian that is not an affiliate of the Custodian shall be limited only to its selection and monitoring obligations described above in this paragraph.

Where the Custodian properly performs its obligations under the Custody Agreement but suffers a loss as a result of this, the Company will be liable to the Custodian for such loss, other than losses arising from the Custodian's or the sub-custodians' unjustifiable failure to perform their obligations or the improper performance of them by the Custodian or the sub-custodians or losses arising directly from the Custodian's or its sub-custodian's negligence, fraud, bad faith, wilful default, recklessness, breach of contract, breach of applicable laws and breach of confidentiality provisions. The Company will indemnify the Custodian against, and hold it harmless from, any losses arising from third party claims that may be suffered by or asserted against the Custodian in connection with or arising out of the Custodian's proper performance of its obligations under this Agreement, other than losses arising from the Custodian's or the sub-custodians' unjustifiable failure to perform their obligations or the improper performance of them by the Custodian or the sub-custodians or losses arising directly from the Custodian's or its sub-custodian's negligence, fraud, bad faith, wilful default, recklessness, breach of contract, breach of applicable laws and breach of confidentiality provisions.

Under the Custody Agreement, the Company has also provided a power of sale under relevant Irish legislation to the Custodian over the Company's assets in the event that the Company fails to pay or discharge any of its obligations to repay the Custodian and its affiliates for credit facilities, including contractual settlement, made available to the Company by the Custodian or its affiliates. Prior to exercising such security interest, the Custodian must provide at least 3 working days' prior notice to the Company, save that the Custodian shall not be required to provide the notice detailed above or delay exercising its power of sale if the Custodian in its discretion (acting reasonably) considers that to do so would materially prejudice its ability to obtain payment in full. In such circumstances, the Custodian shall only be required to give such prior notice as is reasonably practicable. The Custody Agreement also provides that the Custodian has a contractual right of set-off to cover any outstanding fees which may be owed to the Custodian.

The Custody Agreement provides that the appointment of the Custodian may be terminated by the Company giving to the Custodian 6 months' notice or the Custodian giving to the Company 12 months' notice (which shall not take effect until 7 years following such commencement date as agreed between the parties), although in certain circumstances, the agreement can be terminated forthwith by notice in writing by the Company or Custodian to the other parties.

As the Company may invest in markets where custodial, registrar and/or settlement systems are not fully developed, the assets of the Company which are traded in such markets and which have been entrusted to sub-custodians, in the circumstances where the use of such sub-custodians is necessary, may be exposed to risk in circumstances whereby the Custodian will have no liability. Details of the potential risks to Shareholders in such markets are set out in the Risk Factors section of the Prospectus.

CONFLICTS OF INTEREST

General

Due to the widespread operations undertaken by the Directors, the Investment Manager, the Administrator, the Registrar and the Custodian and (where applicable) their respective holding companies, subsidiaries and affiliates (each an "Interested Party") conflicts of interest may arise. Subject to the provisions below the Interested Parties may effect transactions where those conflicts arise and shall not (subject as below) be liable to account for any profit, commission or other remuneration arising.

In the event that a conflict of interest does arise, the Directors will endeavour, so far as they are reasonably able, to ensure that it is resolved fairly and that investment opportunities are allocated on a fair and equitable basis.

In addition, the following conflicts of interest may arise.

(i) An Interested Party may acquire or dispose of any Investment notwithstanding that the same or similar investments may be owned by or for the account of or otherwise connected with the Company.

(ii) An Interested Party may acquire, hold or dispose of Investments notwithstanding that such Investments had been acquired or disposed of by or on behalf of the Company by virtue of a transaction effected by the Company in which the Interested Party was concerned provided that the acquisition by an Interested Party of such Investments is effected on normal commercial terms negotiated on an arm's length basis and such Investments held by the Company are acquired on the best terms reasonably obtainable having regard to the interests of the Shareholders.

(iii) An Interested Party may deal with the Company as principal or as agent, provided that:-

A. there is obtained a certified valuation of the transaction by a person approved by the Custodian (or the Directors in the case of a transaction with the Custodian) as independent and competent; or

B. the transaction is executed on best terms reasonably obtainable on an organised investment exchange in accordance with the rules of such exchange; or

C. where A and B are not practical, execution is on terms which the Custodian (or the Directors in the case of a transaction with the Custodian) is satisfied conforms with the principle that the transaction is in the best interest of the Shareholders and is carried out as if effected on normal commercial terms negotiated at arm's length.

(iv) Certain of the Directors of the Company are or may in the future be connected with BlackRock, Inc and its affiliates. For the avoidance of doubt, the Directors shall not be liable to account to the Company in respect of such conflict for example as a result of receiving remuneration as directors or employees of the Investment Manager.

(v) The Investment Manager's fee is based on a percentage of the Net Asset Value of each Fund. The Investment Manager may provide valuation services to the Administrator (to assist in calculating the Net Asset Value of a Fund) in relation to a Fund's Investments. This may result in a conflict of interest as the Investment Manager's fee will increase as the value of the Funds increase.

(vi) The Administrator's fee is based on a percentage of the Net Asset Value of each Fund. The Administrator may provide valuation services to the Company in relation to Investments. This may result in a conflict of interest as the Administrator's fee will increase as the Net Asset Value of a Fund increases.

(vii) The Company may invest in other collective investment schemes (which may be operated and/or managed by an Interested Party). Where a commission is received by the Investment Manager by virtue of an investment by the Company in the units/shares of any collective investment scheme, such commission will be paid into the property of the relevant Fund.

(viii) The Company may purchase or hold an Investment the issuer of which is an Interested Party or where an Interested Party is its adviser or banker.

(ix) The Investment Manager may earn additional fees for acting as lending agent in the form of a percentage of gross lending revenue (commonly referred to as a "fee split"). The Investment Manager is responsible for all transactional costs related to securities lending. The net lending fee income is detailed in the Company's financial statements.

Relationships within the BlackRock Group and with the PNC Group

The ultimate holding company of the Manager and the Investment Manager is BlackRock, Inc., a company incorporated in Delaware, USA. PNC Bank N.A. is a substantial shareholder in BlackRock, Inc.. Subject to any policies established by the Manager, when arranging investment transactions for the Funds, the Investment

Manager will seek to obtain the best net results for the Funds, taking into account such factors as price (including the applicable brokerage commission or dealer spread), size of order, difficulty of execution and operational facilities of the firm involved and the firm's risk in positioning a block of securities. Therefore, whilst the Investment Manager generally seeks reasonably competitive commission rates, the Funds do not necessarily pay the lowest commission or spread available. In a number of developing markets, commissions are fixed pursuant to local law or regulation and, therefore, are not subject to negotiation.

When arranging transactions in securities for the Funds, companies in the PNC Group may provide securities brokerage, foreign exchange, banking and other services, or may act as principal, on their usual terms and may benefit therefrom. Commissions will be paid to brokers and agents in accordance with the relevant market practice and the benefit of any bulk or other commission discounts or cash commissions rebates provided by brokers or agents will be passed on to the Funds. The services of the PNC Group companies may be used by the Investment Manager where it is considered appropriate to do so provided that (a) their commissions and other terms of business are generally comparable with those available from unassociated brokers and agents in the markets concerned, and (b) this is consistent with the above policy of obtaining best net results. Consistent with the above policies, it is anticipated that a proportion of the Funds' investment transactions will be executed through the PNC Group broker dealers and that they will be amongst a relatively small group of global firms which may each be assigned a larger proportion of transactions than the proportion assigned to any other firm.

Subject to the foregoing, and to any restrictions adopted by the Manager or set forth in the Memorandum and Articles, the Investment Manager and any other BlackRock Group company or PNC Group company, and any directors of the foregoing, may (a) have an interest in the Company or in any transaction effected with or for it, or a relationship of any description with any other person, which may involve a potential conflict with their respective duties to the Manager, and (b) deal with or otherwise use the services of the PNC Group companies in connection with the performance of such duties; and none of them will be liable to account for any profit or remuneration derived from so doing.

For example, such potential conflicts may arise because the relevant BlackRock Group company or PNC Group company:

(a) undertakes business for other clients;

(b) has directors or employees who are directors of, hold or deal in securities of, or are otherwise interested in, any company the securities of which are held by or dealt in on behalf of a Fund;

(c) may benefit from a commission, fee, mark-up or mark-down payable otherwise than by a Fund in relation to a transaction in investment;

(d) may act as agent for a Fund in relation to transactions in which it is also acting as agent for the account of other clients of itself;

(e) may deal in Investments and/or currencies as principal with a Fund or any of a Fund's Shareholders;

(f) transacts in units or shares of a collective investment scheme or any company of which any BlackRock Group company or PNC Group company is the manager, operator, banker, adviser or trustee; and/or

(g) may effect transactions for a Fund involving placings and/or new issues with another of its group companies which may be acting as principal or receiving agent's commission.

As described above, securities may be held by, or be an appropriate Investment for, a Fund as well as by or for other clients of the Investment Manager or other BlackRock Group companies. Because of different objectives or other factors, a particular security may be bought for one or more such clients, when other clients are selling the same security. If purchases or sales of securities for a Fund or such clients arise for consideration at or about the same time, such transactions will be made, insofar as feasible, for the relevant clients in a manner deemed equitable to all. There may be circumstances when purchases or sales of securities for one or more BlackRock Group clients have an adverse effect on other BlackRock Group clients.

Establishing, holding or unwinding opposite positions (i.e. long and short) in the same security at the same time for different clients may prejudice the interests of clients on one side or the other and may pose a conflict of interest for BlackRock Group as well, particularly if BlackRock Group or the portfolio managers involved may earn higher compensation from one activity than from the other. This activity may occur as a result of different portfolio management teams taking different views of a particular security or in the course of implementing risk management strategies, and special policies and procedures are not generally utilised in these situations.

This activity may also occur within the same portfolio management team as a result of the team having both long only mandates and long-short or short only mandates or in the course of implementing risk management strategies. Where the same portfolio management team has such mandates, shorting a security in some portfolios that is held long in other portfolios or establishing a long position in a security in some portfolios that is held short in other portfolios may be done only in accordance with established policies and procedures designed to ensure the presence of an appropriate fiduciary rationale and to achieve execution of opposing transactions in a manner that does not systematically advantage or disadvantage any particular set of clients. BlackRock Group's compliance group monitors compliance with these polices and procedures and may require modification or termination of certain activities to minimise conflicts. Exceptions to these policies and procedures must be approved by the compliance group.

Among the fiduciary rationales that may justify taking opposite positions in the same security at the same time would be differing views as to the short-term and long-term performance of a security, as a result of which it may be inappropriate for long only accounts to sell the security but may be appropriate for short-term oriented accounts that have a shorting mandate to short the security over the near term. Another rationale may be to seek to neutralise the effect of the performance of a particular segment of one company's business by taking the opposite position in another company whose business is substantially similar to that of the segment in question.

In certain cases BlackRock Group's efforts to effectively manage these conflicts may result in a loss of investment opportunity for its clients or may cause it to trade in a manner that is different from how it would trade if these conflicts were not present, which may negatively impact investment performance.

With respect to the Funds (or portion of a Fund) for which they provide investment management and advice, companies within the BlackRock Group may select brokers (including, without limitation, brokers who are affiliated with BlackRock Group) that furnish the BlackRock Group, directly or through third-party or correspondent relationships, with research or execution services which provide, in BlackRock Group's view, lawful and appropriate assistance to each applicable BlackRock Group company in the investment decision-making or trade execution processes and the nature of which is such that their provision can reasonably be expected to benefit the Company as a whole and may contribute to an improvement in the Funds' performance. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; economic and financial information and analysis; and quantitative analytical software. Research or execution services obtained in this manner may be used in servicing not only the account from which commissions where used to pay for the services, but also other BlackRock Group client accounts. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment, computer hardware or premises, membership fees, employee salaries or direct money payments. To the extent that the BlackRock Group uses its clients' commission dollars to obtain research or execution services, BlackRock Group companies will not have to pay for those products and services themselves. BlackRock Group companies may receive research or execution services that are bundled with the trade execution, clearing and/or settlement services provided by a particular broker-dealer. To the extent that each BlackRock Group company receives research or execution services on this basis, many of the same potential conflicts related to receipt of these services through third party arrangements exist. For example, the research effectively will be paid by client commissions that also will be used to pay for the execution, clearing and settlement services provided by the broker-dealer and will not be paid by that BlackRock Group company.

Each BlackRock Group company may endeavour, subject to best execution, to execute trades through brokers who, pursuant to such arrangements, provide research or execution services in order to ensure the continued receipt of research or execution services that BlackRock Group company believes are useful in their investment decision-making or trade execution process. Each BlackRock Group company may pay, or be deemed to have paid, commission rates higher than it could have otherwise paid in order to obtain research or execution services if that BlackRock Group company determines in good faith that the commission paid is reasonable in relation to the value of the research or execution services provided. BlackRock Group believes that using commission dollars to obtain the research or execution services enhances its investment research and trading processes, thereby increasing the prospect for higher investment returns.

The investment activities of the BlackRock Group for its own account and for other accounts managed by it or by a PNC Group company may limit the investment strategies that can be conducted on behalf of the Funds by the Manager and/or Investment Manager as a result of aggregation limits. For example, the definition of corporate and regulatory ownership of regulated industries in certain markets may impose limits on the aggregate amount of investment by affiliated investors that may not be exceeded. Exceeding these limits without the grant of a license or other regulatory or corporate consent may cause the BlackRock Group and the Funds to suffer disadvantages or business restrictions. If such aggregate ownership limits are reached, the ability of the Funds to purchase or dispose of Investments or exercise rights may be restricted by regulation or otherwise impaired. As a result the Manager and/or Investment Manager on behalf of the Funds may limit purchases, sell existing Investments or otherwise restrict or limit the exercise of rights (including voting rights) in light of potential regulatory restrictions on ownership or other restriction resulting from reaching investment thresholds. As a consequence, a Fund's ability to provide returns which reflect the performance of the relevant Benchmark Index may be affected.

BlackRock Group may from time to time choose to alter or choose not to engage in the above described arrangements to varying degrees, without notice to BlackRock Group clients, to the extent permitted by applicable law.

In the event that a conflict of interest does arise, the Directors will endeavour, so far as they are reasonably able, to ensure that it is resolved fairly and that investment opportunities are allocated on a fair and equitable basis.

STATUTORY AND GENERAL INFORMATION

1. Authorised share capital

On incorporation the authorised share capital of the Company was €2.00 divided into 2 Subscriber Shares of a par value of €1 each and 500,000,000,000 Shares of no par value. The 2 Subscriber Shares are currently in issue and are held by the Manager or nominees of the Manager. Both Subscriber Shares were issued for cash at par value. The Subscriber Shares do not form part of the share capital of any Fund of the Company.

These Subscriber Shares may be repurchased by the Company at any time. The repurchase price will be €1 per Subscriber Share.

(a) To the best of the Directors' knowledge and belief, as of the date of this Prospectus, no capital of the Company is under option or is agreed, conditionally or unconditionally to be put under option.

(b) Neither the Subscriber Shares nor the Shares carry pre-emption rights.

2. Share Rights

(a) Subscriber Shares

The holders of the Subscriber Shares shall:-

1. (i) on a vote taken on a show of hands, be entitled to one vote per holder and, on a poll, be entitled to one vote per Subscriber Share;

2. (ii) not be entitled to any dividends whatsoever in respect of their holding of Subscriber Shares; and

3. (iii) in the event of a winding up or dissolution of the Company, have the entitlements referred to under "Distribution of Assets on a Liquidation" below.

(b) Shares

The holders of Shares shall:-

4. (i) on a vote taken on a show of hands, be entitled to one vote per holder and, on a poll, be entitled to one vote per whole Share;

5. (ii) be entitled to such dividends as the Directors may from time to time declare; and

6. (iii) in the event of a winding up or dissolution of the Company, have the entitlements referred to under "Distribution of Assets on a Liquidation" below.

3. Voting Rights

This is dealt with under the rights attaching to the Subscriber Shares and Shares respectively referred to at 2 above. Shareholders (i.e. investors who have their names entered on the share register) who are individuals may attend and vote at general meetings in person or by proxy. Shareholders (i.e. investors who have their names entered on the share register) who are corporations may attend and vote at general meetings by appointing a representative or by proxy. Investors who hold Shares through a broker/dealer/other intermediary, who are not entered on the register, for example for clearing purposes, may not be entitled to vote at general meetings. This will depend upon the arrangements agreed with the relevant broker/dealer/other intermediary.

Subject to any special terms as to voting upon which any Shares may be issued or may for the time being be held, at any general meeting on a show of hands every holder of Shares who (being an individual) is present in person or (being a corporation) is present by duly authorised representative shall have one vote. On a poll every such holder present as aforesaid or by proxy shall have one vote for every Share held.

To be passed, ordinary resolutions of the Company in general meeting will require a simple majority of the votes cast by the Shareholders voting in person or by proxy at the meeting at which the resolution is proposed.

A majority of not less than 75% of the Shareholders present in person or by proxy and (being entitled to vote) voting in general meetings is required in order to pass a special resolution including a resolution to (i) rescind, alter or amend an Article or make a new Article and (ii) wind up the Company.

4. Meetings and Votes of Shareholders

Shareholders (i.e. investors who have their names entered on the share register of the Company) will be entitled to attend and vote at general meetings of the Company. The annual general meeting of the Company will be held in Ireland normally within six months of the end of each financial year of the Company. Notices convening each annual general meeting will be sent to Shareholders together with the annual report and audited financial statements not less than twenty-one days before the date fixed for the meeting.

5. Accounts and Information

The Company's accounting period will end on 30 June in each year.

The Company will prepare an annual report and audited financial statements for the year ending 30 June in each year. The annual report and audited financial statements will be published within four months following the year end date. In addition, the Company will prepare a semi-annual report and unaudited financial statements (made up to 31 December) and this will be published within two months following this period end. The Company will supply copies of the annual reports and semi-annual reports to Shareholders free of charge on request.

Copies of this Prospectus, the Supplements (if any) and annual and semi-annual reports of the Company may be obtained from the Administrator at the address given under "Directory".

6. Distribution of assets on a liquidation

(a) If the Company shall be wound up, the liquidator shall, subject to the provisions of the Acts, apply the assets of the Company on the basis that any liability incurred or attributable to a Fund shall be discharged solely out of the assets of that Fund.

(b) The assets available for distribution among the members shall then be applied in the following priority:-

(i) firstly, in the payment to the holders of the Shares of each class of each Fund a sum in the currency in which that class is designated or in any other currency selected by the liquidator as nearly as possible equal (at a rate of exchange determined by the liquidator) to the Net Asset Value of the Shares held by such holders respectively as at the date of commencement to wind up provided that there are sufficient assets available in the relevant Fund to enable such payment to be made. In the event that, as regards any class of Shares, there are insufficient assets available in the relevant Fund to enable such payment to be made, recourse shall be had to the assets of the Company (if any) not comprised within any of the Funds and not (save as provided in the Acts) to the assets comprised within any of the Funds;

(ii) secondly, in the payment to the holders of the Subscriber Shares of sums up to the nominal amount paid thereon out of the assets of the Company not comprised within any Funds remaining after any recourse thereto under sub-paragraph (b)(i) above. In the event that there are insufficient assets aforesaid to enable such payment to be made, no recourse shall be had to the assets comprised within any of the Funds;

(iii) thirdly, in the payment to the holders of each class of Shares of any asset remaining in the relevant Fund of any balance being made in proportion to the number of Shares held; and

(iv) fourthly, in the payment to the holders of the Shares of any balance then remaining and not comprised within any of the Funds such payment being made in proportion to the value of each Fund and within each Fund to the value of each class and in proportion to the number of Shares held in each class.

(c) The Company will sell the assets if requested by a Shareholder and the cost of such sale shall be charged to the redeeming Shareholder.

(d) A Fund may be wound up in accordance with the Acts and in such event the provisions of paragraph (b)(i) and Article 126 of the Articles will apply with the relevant changes being applied in respect of that Fund.

7. Circumstances of a Winding Up

The Company shall be wound up in the following circumstances:

(a) by the passing of a special resolution for a winding-up;

(b) where the Company does not commence business within a year of being incorporated or where it suspends its business for a year;

(c) where the number of members falls below the statutory minimum (currently 2);

(d) where the Company is unable to pay its debts and a liquidator has been appointed;

(e) where the appropriate court in Ireland is of the opinion that the Company's affairs and the powers of the Directors have been exercised in a manner oppressive to members;

(f) the appropriate court in Ireland is of the opinion that it is just and equitable that the Company should be wound up.

8. Directors' and Other Interests

(a) As at the date of this Prospectus, none of the Directors, nor any other connected person has any material interest in the Shares of the Company or any options in respect of such Shares.

(b) For the purposes of this paragraph "connected person" means in respect of any Director:

(i) his spouse, child or step-child;

(ii) a person acting in his capacity as the trustee of any trust, the principal beneficiaries of which are the Director, his spouse or any of his children or step-children or any body corporate which he controls;

(iii) a partner of the Director; or

(iv) a company controlled by that Director.

The Directors are entitled to such annual fees as may be agreed. The Articles provide that each Director shall be entitled to such remuneration for his services as the Directors shall from time to time resolve, provided that no Director may be paid in excess of a figure set out in the Prospectus without the approval of the Board of Directors. These fees are paid out of the Total Expense Ratio.

(c) Save for the contracts listed in paragraph 11 below, no Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature and conditions or significant in relation to the business of the Company.

(d) Mr Bamping, Mr Miley, Mr O'Dwyer and Mr Radcliffe are employees of the BlackRock Group (of which the Manager and Investment Manager are part), and Mr Hall is a former employee of the BlackRock Group. Mr Hall is a director of the Investment Manager. The Directors are also directors of the Manager.

(e) No loan or guarantee has been provided by the Company to any Director.

(f) Members of the BlackRock Group (i.e. BlackRock, Inc. and its subsidiaries and affiliates) may hold Shares for their own account and on behalf of discretionary clients. The Directors are satisfied that in the nature of the Company's business such holdings will not prejudice its independent operation. All relations between the Company and members of the BlackRock Group will be conducted at arms' length on a normal commercial basis.

(g) No Director:

7. (i) has any unspent convictions;

(ii) has become bankrupt or entered into any voluntary arrangement;

8. (iii) has been a director of any company or a partner of any firm which, at that time or within twelve months after his ceasing to become a director or a partner (as the case may be), had a receiver appointed or went into compulsory liquidation, or creditors voluntary liquidation or went into administration, or entered into company or partnership voluntary arrangements or made any composition or arrangement with its creditors;

9. (iv) has owned an asset or been a partner of a partnership owning an asset over which a receiver has been appointed at that time or within twelve months after his ceasing to be a partner; or

10. (v) has had any public criticism against him by any statutory or regulatory authority (including recognised professional bodies) or has been disqualified by a court from acting as a director or acting in the management or conduct of the affairs of any company.

9. Litigation

Save as disclosed in the Company's annual report and audited financial statements, the Company is not and has not been engaged in any litigation or arbitration proceedings as a defendant and the Directors are not aware of any litigation or claim pending or threatened by or against the Company since its incorporation, where such litigation, arbitration proceedings or claim may have a significant effect on the

Company’s financial position or profitability. Where appropriate, the Company has participated in certain shareholder class actions brought against the underlying companies in which it invests. Such shareholder class actions are funded by third party funders and the Company does not act as the lead claimant.

10. Miscellaneous

(a) The Company does not have as at the date of this Prospectus any loan capital (including term loans) outstanding or created but unissued, or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdraft, liabilities under acceptances or acceptance credits, obligations under finance leases, hire purchase, commitments, guarantees or other contingent liabilities.

(b) The Company does not have, nor has it had since its incorporation, any employees.

(c) Save as disclosed in paragraph 8 above, no Director has any interest direct or indirect in the promotion of the Company or in any assets which have been acquired or disposed of by or leased to the Company or are proposed to be acquired by, disposed of or leased to the Company, nor is there any contract or arrangement subsisting at the date of this document in which a Director is materially interested and which is unusual in its nature and conditions or significant in relation to the business of the Company.

(d) The Company has not and does not intend to purchase or acquire nor agree to purchase or acquire any real property.

(e) The name “iShares” is a trademark of BlackRock. Inc. or its subsidiaries. On termination of the Management Agreement referred to at paragraph 11, the Company has undertaken (inter alia) to call a general meeting of the Shareholders of the Company to change the name of the Company to a name not resembling or including “iShares”.

11. Inspection of Documents

Copies of the following documents will be available for inspection at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays), free of charge, at the registered offices of the Company in Dublin and at the offices of the Investment Manager in London and may be obtained, on request free of charge, from the Administrator:-

(a) this Prospectus, any Supplement and any KIID;

(b) the Memorandum and Articles;

(c) the latest annual and semi-annual reports of the Company.

12. UK Facilities Agent

UK investors can contact the UK facilities agent (the Investment Manager) at BlackRock Advisors (UK) Limited, 12 Throgmorton Avenue, London EC2N 2DL for details regarding pricing and redemption, making a complaint and for the inspection (free of charge) and for the obtaining of copies in English of scheme documentation listed in paragraph 11(a) and (b) above (free of charge) and documentation listed at paragraph 11(c) above (at no more than a reasonable charge).

TAXATION

General

The information given is not exhaustive and does not constitute legal or tax advice. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Shares under the laws of the jurisdictions in which they may be subject to tax.

The following is a brief summary of certain aspects of Irish and United Kingdom taxation law and practice relevant to the transactions contemplated in this Prospectus. It is based on the law and practice and official interpretation currently in effect as at the date of this Prospectus, all of which are subject to change.

Dividends, interest and capital gains (if any) which the Company receives with respect to its Investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of Investments are located. It is anticipated that the Company may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. Therefore, such withholding taxes may be considered as generally irrecoverable as the Company itself is exempt from income tax. If this position changes in the future and the application of a lower rate results in a repayment to the Company, the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Shareholders rateably at the time of the repayment.

This section does not cover tax implications for UK resident individual investors that are not domiciled in the UK or any financial traders or any other investors that may hold Shares in the Company in the course of their trade or profession. It also does not cover taxation implications in respect of life companies and UK authorised investment funds investing in the Company.

Irish Taxation

The Directors have been advised that on the basis that the Company is resident in Ireland for taxation purposes the taxation position of the Company and the Shareholders is as set out below.

Definitions
For the purposes of this section, the following definitions shall apply.

"Courts Service"

The Courts Service is responsible for the administration of moneys under the control or subject to the order of the Courts.

"Exempted Irish Investor"

means:

(i) an Intermediary (within the meaning of Section 739B of the Taxes Act);

(ii) a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Act or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the Taxes Act applies;

(iii) a company carrying on life assurance business within the meaning of Section 706 of the Taxes Act;

(iv) an investment undertaking within the meaning of Section 739(B)(1) of the Taxes Act;

(v) a special investment scheme within the meaning of Section 737 of the Taxes Act;

(vi) a unit trust to which Section 731(5)(a) of the Taxes Act applies;

(vii) a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act;

(viii) a person who is entitled to exemption from income tax and capital gains tax under Section 784A(2) of the Taxes Act where the shares held are assets of an approved retirement fund or an approved minimum retirement fund;

(ix) a credit union within the meaning of Section 2 of the Credit Union Act;

(x) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Act and the shares are assets of a PRSA;

(xi) the National Pension Reserve Fund Commission;

(xii) a company that is within the charge to corporation tax in accordance with Section 739D(6)(k) of the Taxes Act, in respect of payments made to it by the Company, that has made a declaration to that effect and that has provided the Company with its tax reference;

(xiii) a company that is or will be within the charge to corporation tax in accordance with Section 110(2) of the Taxes Act in respect of payments made to it by the Fund;

(xiv) a qualifying management company within the meaning of Section 739B(1) of the Taxes Act;

(xv) a specified company being a person referred to in Section 739D(6)(g) of the Taxes Act;

(xvi) the National Asset Management Agency being a person referred to in Section 739D(ka) of the Taxes Act; or

(xvii) any other Irish Resident or Irish Ordinary Resident who may be permitted to own shares under taxation legislation or by written practice or concession of the Irish Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising tax exemptions associated with the Company giving rise to a charge to tax in the Company.

provided that a Relevant Declaration is in place.

"Intermediary"

means a person who:-

(i) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or

(ii) holds shares in an investment undertaking on behalf of other persons.

"Ireland" means the Republic of Ireland/ the State.

"Irish Ordinary Resident"

(i) in the case of an individual, means an individual who is ordinarily resident in Ireland for tax purposes.

(ii) in the case of a trust, means a trust that is ordinarily resident in Ireland for tax purposes.

The following definition has been issued by the Irish Revenue in relation to the ordinary residence of individuals:

The term "ordinary residence" as distinct from "residence", relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity.

An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year.

For example, an individual who is resident in Ireland for the tax years:-

- 1 January 2010 to 31 December 2010;

- 1 January 2011 to 31 December 2011; and

- 1 January 2012 to 31 December 2012

will become Irish Ordinary Resident with effect from 1 January 2013.

An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which s/he is not resident. Thus, an individual who is resident and ordinarily resident in Ireland in the tax year 1 January 2010 to 31 December 2010 and departs from Ireland in that tax year will remain ordinarily resident up to the end of the tax year 1 January 2013 to 31 December 2013.

"Irish Resident"

(i) in the case of an individual, means an individual who is resident in Ireland for tax purposes.

(ii) in the case of a trust, means a trust that is resident in Ireland for tax purposes.

(iii) in the case of a company, means a company that is resident in Ireland for tax purposes.

The following definitions have been issued by the Irish Revenue in relation to the residence of individuals and companies:

An individual will be regarded as being resident in Ireland for a tax year if s/he:

- spends 183 days or more in Ireland in that tax year; or

- has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that tax year together with the number of days spent in Ireland in the preceding tax year. Presence in a tax year by an individual of not more than 30 days in Ireland will not be reckoned for the purpose of applying the two year test. From 1 January 2009 presence in Ireland for a day means the personal presence of an individual at any point during that day.

A company which has its central management and control in Ireland is resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which is incorporated in Ireland is resident in Ireland except where:-

- the company or a related company carries on a trade in Ireland, and either the company is ultimately controlled by persons resident in a Member State or in countries with which Ireland has a double taxation treaty, or the company or a related company are quoted companies on a recognised stock exchange in the EU or in a taxation treaty country;

or

- the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

It should be noted that the determination of a company's residence for tax purposes can be complex in certain cases and potential investors are referred to the specific legislative provisions that are contained in Section 23A of the Taxes Act.

"Personal Portfolio Investment Undertaking" means an investment undertaking, under the terms of which some or all of the property of the undertaking may be, or was, selected by, or the selection of some or all of the property may be, or was, influenced by –

(i) the investor,

(ii) a person acting on behalf of the investor,

(iii) a person connected with the investor,

(iv) a person connected with a person acting on behalf of the investor,

(v) the investor and a person connected with the investor, or

(vi) a person acting on behalf of both the investor and a person connected with the investor.

An investment undertaking is not a Personal Portfolio Investment Undertaking if the only property which may or has been selected was available to the public at the time that the property is available for selection by an investor and is clearly identified in the investment undertaking's marketing or other promotional material. The investment undertaking must also deal with all investors on a non-discriminatory basis. In the case of investments deriving 50% or more of their value from land, any investment made by an individual is limited to 1% of the total capital required.

"Relevant Declaration" means the declaration relevant to the Shareholder as set out in Schedule 2B of the Taxes Act.

"Relevant Period" means a period of 8 years beginning with the acquisition of a Share by a Shareholder and each subsequent period of 8 years beginning immediately after the preceding Relevant Period.

"Taxes Act", The Taxes Consolidation Act, 1997 (of Ireland) as amended.

The Company

The Company shall be regarded as resident in Ireland for tax purposes if the central management and control of its business is exercised in Ireland and the Company is not regarded as resident elsewhere. It is the intention of the Directors that the business of the Company will be conducted in such a manner as to ensure that it is Irish resident for tax purposes.

The Directors have been advised that the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Act. Under current Irish law and practice, on that basis, it is not chargeable to Irish tax on its income and gains.

However, tax can arise on the happening of a "chargeable event" in the Company. A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, cancellation or transfer of Shares or appropriation or cancellation of Shares of a Shareholder by the Company for the purposes of meeting the amount of tax payable on a gain arising on a transfer. It also includes the ending of a Relevant Period.

No tax will arise on the Company in respect of chargeable events in respect of a Shareholder who is neither Irish Resident nor Irish Ordinary Resident at the time of the chargeable event provided that a Relevant Declaration is in place and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

It is no longer necessary to obtain a Relevant Declaration from Shareholders who are neither Irish Resident nor Irish Ordinary Resident where the investment undertaking is not actively marketed to Irish investors and the Irish Revenue Commissioners have given the investment undertaking the appropriate approval. A chargeable event will not arise if at the time of the chargeable event appropriate equivalent measures have been put in place by the Company to ensure that Shareholders in the Company are neither Irish Resident nor Irish Ordinary Resident and the Company has received approval from the Irish Revenue Commissioners to this effect and the approval has not been withdrawn. In the absence of a Relevant Declaration or the appropriate approval from the Irish Revenue Commissioners there is a presumption that the investor is Irish Resident or Irish Ordinary Resident. Where a Relevant Declaration is required but is not provided to the Company by a Shareholder or where approval is required in relation to appropriate equivalent measures but has not been received from the Irish Revenue Commissioners and tax is subsequently deducted by the Company on the occurrence of a chargeable event, Irish legislation provides for a refund of such tax only to companies within the charge to Irish corporation tax, to certain incapacitated persons and in certain other limited circumstances.

A chargeable event does not include:

- an exchange by a Shareholder, effected by way of an arm's length bargain where no payment is made to the Shareholder, of Shares in the Company for other Shares in the Company;

- any transactions (which might otherwise be a chargeable event) in relation to Shares held in a recognised clearing system as designated by order of the Irish Revenue Commissioners; (in this regard CREST has been designated as a "recognised clearing system" and it is the current intention of the Directors that all Shares in the Company will be held in the CREST or another similarly recognised clearing system);

- a transfer by a Shareholder of the entitlement to a Share where the transfer is between spouses, former spouses, civil partners or former civil partners, subject to certain conditions;

- an exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the Taxes Act) of the Company with another investment undertaking.

Where the chargeable event is the ending of a Relevant Period to the extent that any tax arises on such a deemed disposal, such tax will be allowed as a credit against any tax payable on the subsequent encashment, redemption, cancellation or transfer of the relevant Shares.

In the case of Shares held in a "recognised clearing system", the Shareholder will have to account for the appropriate tax arising on the end of a Relevant Period on a self-assessment basis.

If the Company becomes liable to account for tax if a chargeable event occurs, the Company shall be entitled to deduct from the payment arising on a chargeable event an amount equal to the appropriate tax and/or where applicable, to appropriate or cancel such number of Shares held by the Shareholder or such beneficial owner of the Shares as are required to meet the amount of tax. The relevant Shareholder shall indemnify and keep the Company indemnified against loss arising to the Company by reason of the Company becoming liable to account for tax on the happening of a chargeable event if no such deduction, appropriation or cancellation has been made.

Please see the Shareholders section below dealing with the tax consequences for the Company and the Shareholders of chargeable events in respect of: -

(i) Shareholders whose Shares are held in a recognised clearing system;

(ii) Shareholders who are neither Irish Residents nor Irish Ordinary Residents and their Shares are not held in a recognised clearing system; and

(iii) Shareholders who are either Irish Residents or Irish Ordinary Residents and their Shares are not held in a recognised clearing system.

Dividends received by the Company from investment in Irish equities may be subject to Irish dividend withholding tax at the standard rate of income tax (currently 20%). However, the Company can make a declaration to the payer that it is a collective investment undertaking beneficially entitled to the dividends which will entitle the Company to receive such dividends without deduction of Irish dividend withholding tax.

(i) Shareholders whose Shares are held in a recognised clearing system

Where Shares are held in a "recognised clearing system" such as CREST, the obligation falls on the Shareholder (rather than the Company) to self-account for any tax arising on a taxable event. In the case of an individual, tax currently at the rate of 30% should be accounted for by the Shareholder in respect of a distribution where payments are made annually or at more frequent intervals. Similarly, tax currently at the rate of 33% should be accounted for on any distribution or gain arising to the individual Shareholder on an encashment, redemption or transfer of Shares by a Shareholder. Where the investment constitutes a personal portfolio investment undertaking ("PPIU"), tax at the standard rate of tax (currently 20%) plus 33% should be accounted for.

Where the individual Shareholder has not correctly included the income in a timely tax return, the individual's marginal rate of income tax applies (i.e. up to 41%) or 71% (i.e. marginal tax rate plus 30%) in the case of an investment that constitutes a PPIU.

Where the Shareholder is a company, any payment will be treated as income tax chargeable to tax under Case IV of Schedule D of the Taxes Act.

It should be noted that a Relevant Declaration or approval in relation to appropriate equivalent measures is not required to be made where the Shares, the subject of the application for subscription or registration of transfer on a transfer of Shares, are held in CREST or in another "recognised clearing system" so designated by the Irish Revenue Commissioners. It is the current intention of the Directors that all of the Shares will be held in CREST or in another "recognised clearing system".

If in the future, the Directors permit Shares to be held in certificated form outside CREST or another "recognised clearing system", prospective investors for Shares on subscription and proposed transferees of Shares will be required to complete a Relevant Declaration as a pre-requisite to being issued Shares in the Company or being registered as a transferee of the Shares (as the case may be). A Relevant Declaration will not be required to be completed in this regard where the Company has received approval from the Irish Revenue Commissioners where appropriate equivalent measures have been put in place.

To the extent that any Shares are not held in a "recognised clearing system", the following tax consequences will arise on a chargeable event.

(ii) Shareholders who are neither Irish Residents nor Irish Ordinary Residents and their Shares are not held in a recognised clearing system

The Company will not have to deduct tax on the occasion of a chargeable event in respect of a Shareholder if (a) the Shareholder is neither Irish Resident nor Irish Ordinary Resident, and the Shareholder has made a Relevant Declaration and the Company has no reason to believe that the Relevant Declaration is incorrect or (b) the Company has put in place appropriate equivalent measures to ensure that Shareholders in the Company are neither Irish Resident nor Irish Ordinary Resident and the Company has received the appropriate approval from the Irish Revenue Commissioners. In the absence of a Relevant Declaration or the approval from the Irish Revenue Commissioners referred to above tax will arise on the happening of a chargeable event in the Company regardless of the fact that a Shareholder is neither Irish Resident nor Irish Ordinary Resident. The appropriate tax that will be deducted is as described in paragraph (iii) below.

To the extent that a Shareholder is acting as an Intermediary on behalf of persons who are neither Irish Residents nor Irish Ordinary Residents no tax will have to be deducted by the Company on the occasion of a chargeable event provided that the Intermediary has made a Relevant Declaration that they are acting on behalf of such persons and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct or if the Company has received approval from the Irish Revenue Commissioners that appropriate equivalent measures are in place and this approval has not been withdrawn.

Shareholders who are neither Irish Residents nor Irish Ordinary Residents and who have made Relevant Declarations in respect of which the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct will not be liable to Irish tax in respect of income from their Shares and gains made on the disposal of their Shares. However, any corporate Shareholder which is not Irish Resident and which holds Shares directly or indirectly by or for a trading branch or agency in Ireland will be liable to Irish tax on income from the Shares or gains made on disposal of the Shares.

(iii) Shareholders who are Irish Residents or Irish Ordinary Residents and their Shares are not held in a recognised clearing system

Unless (a) a Shareholder is an Exempted Irish Investor (as defined above), makes a Relevant Declaration to that effect and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct, or (b) if the Company has obtained approval from the Irish Revenue Commissioners that appropriate equivalent measures are in place and this approval has not been withdrawn, tax at the rate of 30% will be required to be deducted by the Company from a distribution made annually or at more frequent intervals to a Shareholder (other than a company) who is Irish Resident or Irish Ordinary Resident. Similarly, tax at the rate of 33% will have to be deducted by the Company on any other distribution or gain arising to the Shareholder (other than a company) on an encashment, redemption, or transfer of Shares by a Shareholder who is Irish Resident or Irish Ordinary Resident. Tax will also have to be deducted in respect of Shares held at the end of a Relevant Period (in respect of any excess in value of the cost of the relevant Shares) to the extent that the Shareholder (other than a company) is Irish Resident or Ordinary Resident and is not an Exempted Irish Investor who has made a Relevant Declaration or in respect of whom the Irish Revenue Commissioners have given approval that appropriate equivalent measures are in place and this approval has not been withdrawn. Tax at a rate of 25% will have to be deducted by the Company where the Shareholder is a company regardless of the nature of this distribution. However, the Company will be exempt from making tax deductions in respect of distributions and gains on redemptions, cancellations, transfers or encashments of Shares held by Irish Residents and Irish Ordinary Residents where the relevant Shares are held in the CREST System or any other "recognised clearing system" designated by the Irish Revenue Commissioners.

In certain circumstances the Company may elect not to deduct tax on the happening of a chargeable event. Should the Company make this election the Shareholder will be liable to account for the tax payable under the self assessment system of taxation.

Anti avoidance provisions apply where an investment undertaking is regarded as a PPIU and the Shareholder is an individual. In such circumstances any payment to a Shareholder will be taxed at the standard rate of income tax (currently 20%) plus 33%. It is a matter of fact whether or not the Shareholder or a connected person has a right of selection as envisaged in the anti avoidance measures. Individual Shareholders should seek independent legal advice to ascertain whether the investment undertaking, as a result of their personal circumstances, could be regarded as a PPIU.

Irish Resident corporate Shareholders who receive distributions (where payments are made annually or at more frequent intervals) from which tax has been deducted will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D of the Taxes Act from which tax at the standard rate has been deducted. An Irish Resident corporate Shareholder whose Shares are held in connection with a trade will be taxable on any income or gains as part of that trade with a set-off against corporation tax payable for any tax deducted by the Company.

If the Shareholder is not a company he/she is liable to tax at the rate of 30% on distributions paid annually or at more frequent intervals from which tax has not been deducted, or the rate of 33% on other distributions and gains on disposal provided the Shareholder has correctly included details of the income in their tax return. If the Shareholder has not so included the income, then the Shareholder will be subject to tax at its marginal rate of income tax (either 20% or 41% as appropriate) or its marginal tax rate plus 33% in the case of an investment that constitutes a PPIU.

In general, non-corporate Shareholders who are Irish Resident or Irish Ordinary Resident will not be subject to further Irish tax on income from their Shares or gains made on disposal of the Shares where tax has been deducted by the Company on payments received. Where a currency gain is made by a Shareholder on the disposal of his/her Shares, such Shareholder may be liable to Irish capital gains tax in the year of assessment in which the Shares are disposed of.

Any Shareholder who is Irish Resident or Irish Ordinary Resident and receives a distribution or receives a gain on an encashment, redemption, cancellation or transfer of Shares from which tax has not been deducted by the Company may be liable to income tax or corporation tax on the amount of such distribution or gain.

(iv) Irish Courts Service

Where Shares are held by the Courts Service no tax is deducted by the Company on payments made to the Courts Service. Where money under the control or subject to the order of the Court Service is applied to acquire Shares in the Company, the Courts Service assumes, in respect of those Shares acquired, the responsibilities of the Company with regard to, inter alia, deduction of tax in respect of chargeable events, filing returns and collection of the tax.

In addition, the Courts Service must make, in respect of each year of assessment, on or before 28 February in the year following the year of assessment, a return to the Revenue Commissioners which:-

i) specifies the total amount of gains arising to the investment undertaking in respect of the units acquired and

ii) specifies in respect of each person who is or was beneficially entitled to those units-

   a. where available, the name and address of the person,

   b. the amount of total gains to which the person has beneficial entitlement, and

   c. such other information as the Revenue Commissioners may require.

Stamp Duty

No stamp duty is payable in Ireland on the issue, transfer, repurchase or redemption of Shares in the Company. Where any subscription for or redemption of Shares is satisfied by the in kind transfer of Irish securities or other Irish property, Irish stamp duty might arise on the transfer of such securities or property.

No Irish stamp duty will be payable by the Company on the conveyance or transfer of stocks or marketable securities provided that the stocks or marketable securities in question have not been issued by a company registered in Ireland and provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property or to any stocks or marketable securities of a company (other than a company which is a collective investment undertaking within the meaning of Section 739B of the Taxes Act) which is registered in Ireland.

Capital Acquisitions Tax

The disposal of Shares will not be subject to Irish gift or inheritance tax (Capital Acquisitions Tax) provided that the Company falls within the definition of investment undertaking (within the meaning of Section 739B of the Taxes Act), and that: (a) at the date of the gift or inheritance, the donee or successor is neither domiciled nor ordinarily resident in Ireland; (b) at the date of the disposition, the Shareholder disposing of the Shares is neither domiciled nor ordinarily resident in Ireland; and (c) the Shares are comprised in the gift or inheritance at the date of such gift or inheritance and at the valuation date.

European Union Taxation of Savings Income Directive

On June 3 2003 the European Commission published a new directive (EC Directive 2003/48/EC) regarding the taxation of savings income. Depending on the location of the paying agent, it is proposed that Member States are required to provide to the tax authorities of another Member State details of payments of interest (which may include distributions or redemption payments by collective investment funds) or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State, or to operate a withholding system in relation to such payments. Ireland and the United Kingdom amongst others have opted for exchange of information rather than a withholding tax system. The directive has been enacted into legislation by Member States and applies to interest payments made on or after 1 July 2005.

Accordingly, the Custodian, Administrator, Registrar, transfer agent or such other entity considered a "paying agent" for the purposes of the Taxation of Savings Income Directive may be required to disclose details of dividends or redemption payments to investors in the Company who are individuals or residual entities to the Irish Revenue Commissioners who will pass such details to the Member State where the investor resides. To the extent that the paying agent is located in the jurisdictions that operate a withholding tax system under the terms of the Directive, rather than an exchange of information system, tax may be deducted from interest payments to investors.

For the purposes of the Directive, interest payments include income distributions made by certain collective investment funds, to the extent that the fund has invested more than 15% of its assets directly or indirectly in interest bearing securities and income realised upon the sale, refund or redemption of fund units to the extent that the fund has invested 25% of its assets directly or indirectly in interest bearing securities.

United Kingdom Taxation

It is the intention of the Directors to conduct the affairs of the Company so that it does not become resident in the United Kingdom for taxation purposes. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom through a permanent establishment situated there, the Company will not be subject to United Kingdom corporation tax on its income or chargeable gains.

Subject to their personal circumstances, Shareholders resident in the United Kingdom for taxation purposes may be liable to United Kingdom income tax or corporation tax in respect of any dividends or other income distributions of any Share class of the Company (including any dividends funded out of realised capital profits of the Company). In addition, UK Shareholders holding Shares at the end of each 'reporting period' (as defined for United Kingdom tax purposes) will potentially be subject to United Kingdom income tax or corporation tax on their portion of a Share class's 'reported income', to the extent that this amount exceeds dividends received. The terms 'reported income', 'reporting period' and their implications are discussed in further detail below. Both dividends and reported income will be treated as dividends received from a foreign corporation, subject to any re-characterisation as interest, as described below. There is no withholding by the Company for Irish tax on dividends payable to United Kingdom investors on the basis that it is the current intention that all Shares will be held in CREST or in another "recognised clearing system" (see previous section headed "Irish Taxation" for further details).

When United Kingdom resident individuals receive dividends or reported income from the Company, there may be a non-refundable tax credit equivalent to 10% of the dividend plus the tax credit, which may be offset against their liability to tax. However, where the Fund holds more than 60% of its assets in interest bearing (or similar) form, any distribution will be treated as interest in the hands of the UK individual investor. This means that no tax credit will be available and the relevant tax rates will be those applying to interest.

From 1 July 2009, following the enactment of Finance Act 2009, dividend distributions received by UK resident companies, including the Company, are likely to fall within one of a number of exemptions from United Kingdom corporation tax. In addition, distributions to non-UK companies carrying on a trade in the United Kingdom through a permanent establishment in the United Kingdom should also fall within the exemption from United Kingdom corporation tax on dividends to the extent that the Shares held by that company are used by, or held for, that permanent establishment. Reported income will be treated in the same way as a dividend distribution for these purposes.

Shareholdings in the Company are likely to constitute interests in offshore funds, as defined in section 355 of the Taxation (International & other provisions) Act 2010 TIOPA 2010 for the purposes of the United Kingdom Finance Act 2008, with each Share class of the Fund treated as a separate 'offshore fund' for these purposes.

The Offshore Funds (Tax) Regulations 2009 (SI2009/3001) provide that if an investor resident or ordinarily resident in the United Kingdom for taxation purposes holds an interest in an offshore fund and that offshore fund is a 'non-reporting fund', any gain accruing to that investor upon the sale or other disposal of that interest will be charged to United Kingdom tax as income rather than a capital gain. Alternatively, where an investor resident or ordinarily resident in the United Kingdom holds an interest in an offshore fund that has been a 'reporting fund' for all periods of account for which they hold their interest, any gain accruing upon sale or other disposal of the interest will be subject to tax as a capital gain rather than income; with relief for any accumulated or reinvested profits which have already been subject to United Kingdom income tax or corporation tax on income (even where such profits are exempt from United Kingdom corporation tax).

Where an offshore fund may have been a non-reporting fund for part of the time during which the United Kingdom Shareholder held their interest and a reporting fund for the remainder of that time, there are elections which can potentially be made by the Shareholder in order to pro-rate any gain made upon disposal; the impact is that the portion of the gain made during the time when the offshore fund was a reporting fund would be taxed as a capital gain. Such elections have specified time limits from the date of change in status of the fund in which they can be made.

It should be noted that a "disposal" for United Kingdom taxation purposes includes a switching between Funds and may include a switching between Share classes of Funds.

In broad terms, a 'reporting fund' is an offshore fund that meets certain upfront and annual reporting requirements to HM Revenue & Customs and its Shareholders. The Directors intend to manage the affairs of the Company and the Funds so that these upfront and annual duties are met and continue to be met on an ongoing basis for each Share class within the Fund that intends to seek United Kingdom reporting fund status with effect from inception. Such annual duties will include calculating and reporting the income returns of the offshore fund for each reporting period (as defined for United Kingdom tax purposes) on a per-Share basis to all relevant Shareholders (as defined for these purposes). UK Shareholders who hold their interests at the end of the reporting period to which the reported income relates, will be subject to income tax or corporation tax on the excess (if any) of the reported income over any distributions paid in respect of the reporting period. The excess reported income will be deemed to arise to United Kingdom Shareholders six months following the last day of the reporting period.

Once reporting fund status is obtained from HM Revenue & Customs for the relevant Share classes the status should continue to apply on an ongoing basis, provided the annual requirements are undertaken.

The Company has been granted UK Reporting Fund status for iShares S&P SmallCap 600, iShares MSCI Japan SmallCap, iShares Barclays Global Inflation-Linked Bond, iShares Markit iBoxx Euro Covered Bond, iShares Barclays Euro Aggregate Bond, iShares Barclays Euro Corporate Bond, iShares MSCI Emerging Markets SmallCap, iShares Barclays Euro Treasury Bond 0-1, iShares Citigroup Global Government Bond, iShares MSCI GCC Countries ex-Saudi Arabia, iShares FTSE Developed World ex-UK, iShares MSCI Pacific ex-Japan, iShares MSCI Europe ex-EMU, iShares Barclays Euro Government Bond 5-7, iShares Barclays Euro Government Bond 10-15, iShares Barclays Euro Treasury Bond, iShares FTSE Gilts UK 0-5, iShares MSCI World (Acc), iShares MSCI Europe (Acc), iShares MSCI Emerging Markets (Acc), iShares S&P 500 (Acc), iShares MSCI Japan (Acc), iShares iBoxx £ Corporate Bond ex-Financials, iShares Barclays Euro Corporate Bond 1-5, iShares Barclays Euro Corporate Bond ex-Financials, iShares Barclays Euro Corporate Bond ex-Financials 1-5, iShares EURO STOXX 50 (Acc), iShares MSCI South Africa, iShares MSCI Australia, iShares MSCI Canada and iShares Barclays Emerging Market Local Govt Bond for the accounting period ending in 2011 and each accounting period thereafter. It is also the intention of the Company to maintain UK Reporting Fund status for these Share classes for the accounting period ending in 2012 and each accounting period thereafter.

Investors should refer to their tax advisors in relation to the implications of the Company obtaining such status.

In accordance with Regulation 90 of the Offshore Funds (Tax) Regulations 2009, Shareholder reports are made available within six months of the end of the reporting period at www.ishares.com/en/pc/about/tax. The intention of the Offshore Fund Reporting regulations is that reportable income data shall principally be made available on a website accessible to UK investors. Alternatively, the Shareholders may if they so require, request a hard copy of the reporting fund data for any given year. Such requests must be made in writing to the following address:

Head of Product Tax, BlackRock Investment Management (UK) Limited, 12 Throgmorton Avenue, London EC2N 2DL.

Each such request must be received within three months of the end of the reporting period. Unless the Investment Manager is notified to the contrary in the manner described above, it is understood that investors do not require their report to be made available other than by accessing the appropriate website.

An individual Shareholder domiciled or deemed for United Kingdom tax purposes domiciled in the United Kingdom may be liable to United Kingdom Inheritance Tax on their Shares in the event of death or on making certain categories of lifetime transfer.

The attention of individual Shareholders ordinarily resident in the United Kingdom is drawn to the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007. These provisions are aimed at preventing the avoidance of income tax by individuals through transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled outside the United Kingdom and may render them liable to income tax in respect of undistributed income of the Company on an annual basis. The legislation is not directed towards the taxation of capital gains.

The attention of corporate Shareholders is drawn to the current provisions of Chapter IV Part XVII of ICTA, which subjects certain United Kingdom resident companies to corporation tax on profits of companies not so resident in which they have an interest. The provisions affect United Kingdom resident companies which are deemed to have an interest of at least 25% in the profits of a non-resident company, which is controlled by residents of the United Kingdom, and is resident in a low tax jurisdiction. The legislation is not directed towards the taxation of capital gains.

The attention of persons resident or ordinarily resident in the United Kingdom for taxation purposes (and who, if individuals, are also domiciled in the United Kingdom for those purposes) is drawn to the fact that the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 could be material to any such person whose proportionate interest in the Company (whether as a Shareholder or otherwise as a "participator" for United Kingdom taxation purposes) when aggregated with that of persons connected with that person is 10%, or greater, if, at the same time, the Company is itself controlled in such matter that it would, were it to be resident in the United Kingdom for taxation purposes, be a "close" company for those purposes. Section 13 could, if applied, result in a person with such an interest in the Company being treated for the purposes of United Kingdom taxation of chargeable gains as if a part of any capital gain accruing to the Company (such as on a disposal of any of its Investments) had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person's proportionate interest in the Company (determined as mentioned above).

Under the corporate debt tax regime in the United Kingdom any corporate Shareholder which is within the charge to United Kingdom corporation tax will be taxed on the increase in value of its holding on a fair value basis (rather than on disposal) or will obtain tax relief on any equivalent decrease in value, if the Investments held by the offshore fund within which the Shareholder invests, consist of more than 60% (by value) of "qualifying investments". Qualifying investments are broadly those, which yield a return directly or indirectly in the form of interest.

Transfer taxes may be payable by the Company in the United Kingdom and elsewhere in relation to the acquisition and/or disposal of Investments. In particular, stamp duty reserve tax at the rate of 0.5% (or, if the transfer does not take place in Dematerialised Form, stamp duty at an equivalent rate) will be payable by the Company in the United Kingdom on the acquisition of shares in companies incorporated in the United Kingdom or which maintain a share register in the United Kingdom. This liability will arise in the course of the Company's normal investment activity and on the acquisition of Investments from subscribers on subscription for Shares.

The Shares in the Company can be held in Individual Savings Accounts or Self-invested Personal Pensions or personalised portfolio bonds.

In the absence of an exemption applicable to a prospective Shareholder (such as that available to intermediaries under section 88A of the Finance Act 1986) stamp duty reserve tax (or stamp duty) at the same rate as above will also be payable by prospective Shareholders on the acquisition of shares in companies incorporated in the United Kingdom or which maintain a share register in the United Kingdom for the purpose of subsequent subscription for Shares, and may arise on the transfer of Investments to Shareholders on redemption.

Because the Company is not incorporated in the United Kingdom and the register of holders of Shares will be kept outside the United Kingdom, no liability to stamp duty reserve tax will arise by reason of the transfer, subscription for or redemption of Shares except as stated above. Liability to stamp duty will not arise provided that any instrument in writing transferring Shares in the Company is executed and retained at all times outside the United Kingdom.

It is the intention of the Company that assets held by the Funds will generally be held for investment purposes and not for the purposes of trading. Even if Her Majesty's Revenue & Customs ("HMRC") successfully argued that a Fund is trading for UK tax purposes, it is expected that the conditions of the Investment Management Exemption ("IME") should be met, although no guarantee is given in this respect. Assuming that the requirements of the IME are satisfied, the Fund should not be subject to UK tax in respect of the profits / gains earned on its investments (except in respect of income for which every investor is inherently subject to UK tax). This is on the basis that the investments held by the Funds meet the definition of a "specified transaction" as defined in The Investment Manager (Specified Transactions) Regulations 2009. It is expected that the assets held by the Company should meet the definition of a "specified transaction", although no guarantee is given in this respect.

If the Company failed to satisfy the conditions of the IME or if any investments held are not considered to be a "specified transaction", this may lead to tax leakage within the Funds.

In addition to the above, if HMRC successfully argue that a Fund is trading for UK tax purposes, the returns earned by the Fund from its interest in the underlying assets may need to be included in the Fund's calculation of "income" for the purposes of computing the relevant amount to report to investors in order to meet the requirements for UK Reporting Fund status. However, it is considered that the investments held by the Funds should meet the definition of an "investment transaction" as defined by The Offshore Funds (Tax) Regulations 2009 ("the regulations") which came into force on 1 December 2009. Therefore, it is considered that these investments should be considered as "non-trading transactions" as outlined in the regulations. This assumption is on the basis that the Company meets both the "equivalence condition" and the "genuine diversity of ownership" condition as outlined in the regulations.

Investors who are insurance companies within the charge to United Kingdom taxation holding their Shares in a Fund for the purposes of their long-term business (other than their pensions business) will be deemed to dispose of and immediately reacquire those Shares at the end of each accounting period. In general terms, the chargeable gains and allowable losses arising under the annual deemed disposal rules are aggregated and one-seventh of the net amount thus emerging is chargeable (where there are net gains) or allowable (where there are net losses) at the end of the accounting period in which the deemed disposals have taken place.

Other jurisdictions

The following sets out a summary of the tax status that Share classes have obtained in various jurisdictions. Please note that this summary does not set out the tax implications for investors resident in such jurisdictions and the investors should refer to their tax advisors in relation to tax implications on investing in a Share class.

German Taxation

It is the intention of the Company to seek German Tax Transparent status for all Share classes.

Investors should refer to their tax advisors in relation to the implications of the Company obtaining such status.

Austrian Taxation

It is the intention of the Company to seek Austrian Reporting Fund status for all Share classes.

Investors should refer to their tax advisors in relation to the implications of the Company obtaining such status.

Up to date listings of the various tax reporting statuses obtained by the Company are available on the "Tax Information" section of the iShares website at www.ishares.com.

Foreign Account Tax Compliance Act ('FATCA')

The Hiring Incentives to Restore Employment Act (the "Hire Act") was signed into US law in March 2010. It includes provisions generally known as FATCA. The intention of these is that details of US investors holding assets outside the US will be reported by financial institutions to the IRS, as a safeguard against US tax evasion. As a result of the Hire Act, and to discourage non-US financial institutions from staying outside this regime, all US securities held by a financial institution that does not enter and comply with the regime will be subject to a US tax withholding of 30% on gross sales proceeds as well as income. This regime will become effective in phases between 1 July 2013 and 1 January 2017. The basic terms of the Hire Act currently appear to include the Company as a 'Financial Institution', such that in order to comply, the Company may require all Shareholders to provide mandatory documentary evidence of their tax residence. However, the Hire Act grants the US Treasury Secretary extensive powers to relax or waive the requirements where an institution is deemed to pose a low risk of being used for the purposes of US tax evasion. The detailed regulations that are expected to define how widely those powers will in fact be exercised have not yet been finalised, and accordingly the Company cannot at this time accurately assess the extent of the requirements that FATCA may place upon it.

SCHEDULE I

The Regulated Markets

With the exception of permitted investment in unlisted securities and off-exchange FDI, investment in securities or FDI will be made only in securities or FDI which are listed or traded on stock exchanges and markets listed below in this Prospectus or any Supplement thereto or revision thereof. The list is currently as follows:

Recognised Investment Exchanges

1. Recognised investment exchanges in any Member State, Australia, Canada, Hong Kong, Iceland, Japan, Liechtenstein, Norway, New Zealand, Switzerland or the United States.

2. The following recognised investment exchanges:-

Argentina	Buenos Aires Stock Exchange
	Mercado Abierto Electronico S.A.
Bahrain	Bahrain Stock Exchange
Brazil	Sao Paulo Stock Exchange
	Bolsa de Mercadorias & Futuros
Chile	La Bolsa Electronica de Chile
	Santiago Stock Exchange
China	Shanghai Stock Exchange
	Shenzhen Stock Exchange
Colombia	Bolsa de Valores de Columbia
Egypt	Egyptian Stock Exchange
India	Mumbai Stock Exchange
	National Stock Exchange of India
	Delhi Stock Exchange
	Madras Stock Exchange
	Bangalore Stock Exchange Ltd
	Calcutta Stock Exchange
	Inter-connected Stock Exchange of India Ltd
Indonesia	Indonesian Stock Exchange
Israel	Tel Aviv Stock Exchange
The Republic of Korea	Korea Exchange (Stock Market)
	Korea Exchange (KOSDAQ)
Kuwait	Kuwait Stock Exchange
Malaysia	Bursa Malaysia
Mexico	Bolsa Mexicana de Valores (Mexican Stock Exchange)
Oman	Muscat Securities Market (MSM)
	Muscat Stock Exchange
Peru	Bolsa de Valores de Lima
Philippines	Philippines Stock Exchange
Qatar	Doha Securities Market (DSM)
Russia	Moscow Exchange MICEX-RTS
Singapore	Singapore Exchange
South Africa	JSE Securities Exchange
Taiwan	Taiwan Stock Exchange
Thailand	Stock Exchange of Thailand
Turkey	Istanbul Stock Exchange
UAE – Abu Dhabi	Abu Dhabi Securities Market
UAE - Dubai	Dubai Financial Market (DFM)
	Dubai International Financial Exchange (DIFX)
	Dubai Mercantile Exchange

Markets

3. The following regulated markets including regulated markets on which FDI may be traded:-

    (a) the markets organised by the International Capital Market Association;

    (b) the market conducted by "listed money market institutions" as described in the Bank of England publication "The Regulation of the Wholesale Cash and OTC Derivatives Markets (in Sterling, foreign currency and bullion)";

    (c) AIM – the Alternative Investment Market in the UK, regulated and operated by the LSE;

    (d) NASDAQ in the United States;

    (e) the market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York;

(f) the over-the-counter market in the United States regulated by the Financial Industry Regulatory Authority;

(g) the French market for "Titres de Creance Negotiable" (over-the-counter market in negotiable debt instruments);

(h) The Korea Exchange (Futures Market);

(i) the over-the-counter market in Canadian Government Bonds, regulated by the Investment Industry Regulatory Organisation of Canada;

(j) any approved derivative market within the European Economic Area on which FDI are traded.

The above markets are listed in accordance with the requirements of the Central Bank, it being noted the Central Bank does not issue a list of approved markets or stock exchanges.

SCHEDULE II

Investment Techniques and Instruments for Efficient Portfolio Management/Direct Investment Purposes

A. Investment in FDI

The following provisions apply whenever a Fund proposes to engage in transactions in FDI including, but not limited to, futures, forwards, swaps, inflation swaps (which may be used to manage inflation risk), options, swaptions and warrants, where the transactions are for the purposes of the efficient portfolio management of any Fund or for direct investment purposes (and such intention is disclosed in the Fund's investment policy). Where it does intend to engage in transactions in relation to FDI, the Manager will employ a risk management process to enable it to manage, monitor and measure, on a continuous basis, the various risks associated with FDI and their contribution to the overall risk profile of a Fund's portfolio. Only FDI which have been included in the risk management process will be used. The Company will, on request, provide supplemental information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investment.

The conditions and limits for the use of such techniques and instruments in relation to each Fund are as follows:

1. A Fund's global exposure (as prescribed in the Notices) relating to FDI must not exceed its total Net Asset Value.

2. Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Notices. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Notices).

3. A Fund may invest in FDI dealt in OTC provided that the counterparties to OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

4. Investment in FDI are subject to the conditions and limits laid down by the Central Bank.

B. Efficient Portfolio Management - Other Techniques and Instruments

1. In addition to the investments in FDI noted above in Section A of this Schedule II, the Company may employ other techniques and instruments relating to transferable securities and money market instruments for efficient portfolio management purposes subject to the conditions imposed by the Central Bank. Techniques and instruments which relate to transferable securities and money market instruments and which are used for the purpose of efficient portfolio management, including FDI which are not used for direct investment purposes, shall be understood as a reference to techniques and instruments which fulfil the following criteria:

   (a) they are economically appropriate in that they are realised in a cost-effective way;

   (b) they are entered into for one or more of the following specific aims:

      (i) reduction of risk;

      (ii) reduction of cost;

      (iii) generation of additional capital or income for the Fund with a level of risk which is consistent with the risk profile of the Fund and the risk diversification rules set out in the Notices;

   (c) their risks are adequately captured by the risk management process of the Fund; and

   (d) they cannot result in a change to the Fund's declared investment objectives or add supplementary risks in comparison to the general risk policy as described in the sales documents.

   Techniques and instruments (other than FDI) may be used for efficient portfolio management purposes subject to the conditions set out below.

2. Use of Repurchase/Reverse Repurchase and Securities Lending Arrangements

   The Company on behalf of a Fund may enter into repurchase / reverse repurchase agreements and stocklending agreements subject to the conditions and limits set out in the Notices and in accordance with the requirements of the Central Bank.

SCHEDULE III

Investment Restrictions

Investment of the assets of the relevant Fund must comply with the Regulations. The Regulations provide:

1	**Permitted Investments**
	Investments of a Fund are confined to:
1.1	Transferable securities and money market instruments, as prescribed in the Notices, which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
1.2	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
1.3	Money market instruments other than those dealt on a regulated market.
1.4	Units of UCITS.
1.5	Units of non-UCITS as set out in the Central Bank's Guidance Note 2/03.
1.6	Deposits with credit institutions as prescribed in the Notices.
1.7	FDI as prescribed in the Notices.
2	**Investment Restrictions**
2.1	Each Fund may invest no more than 10% of its Net Asset Value in transferable securities and money market instruments other than those referred to in paragraph 1.
2.2	Each Fund may invest no more than 10% of its Net Asset Value in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1) within a year. This restriction will not apply in relation to investment by a Fund in certain US securities known as Rule 144A securities provided that: - the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and - the securities are not illiquid securities i.e. they may be realised by the Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.
2.3	Subject to paragraph 2.4, each Fund may invest no more than 10% of its Net Asset Value in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
2.4	The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5% of its Net Asset Value in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the Net Asset Value of the Fund.
2.5	The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
2.6	The transferable securities and money market instruments referred to in 2.4 and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
2.7	Each Fund may not invest more than 20% of its Net Asset Value in deposits made with the same credit institution. Deposits with any one credit institution, other than • a credit institution authorised in the EEA (a Member State, Norway, Iceland, Liechtenstein); • a credit institution authorised within a signatory state (other than an EEA member state) to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States); or • a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand held as ancillary liquidity, must not exceed 10% of its Net Asset Value. This limit may be raised to 20% in the case of deposits made with the trustee/custodian.

2.8	The risk exposure of a Fund to a counterparty to an OTC FDI may not exceed 5% of its Net Asset Value. This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA member state) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand
2.9	Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of a Fund's Net Asset Value: - investments in transferable securities or money market instruments; - deposits, and/or - counterparty risk exposures arising from OTC FDI transactions.
2.10	The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of a Fund's Net Asset Value.
2.11	Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of a Fund's Net Asset Value may be applied to investment in transferable securities and money market instruments within the same group.
2.12	Each Fund may invest up to 100% of its Net Asset Value in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members. The individual issuers must be drawn from the following list: OECD Governments (provided the relevant issues are investment grade), Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority and Straight-A Funding LLC. Each Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.
3	**Investment in Collective Investment Schemes ("CIS")**
3.1	Subject to section 3.2, investments made by a Fund in units of other CIS may not exceed, in aggregate, 10% of the assets of the Fund.
3.2	Notwithstanding the provisions of section 3.1, where the investment policy of a Fund states in the Prospectus or a Supplement that it may invest more than 10% of its assets in other UCITS or collective investment undertakings, the following restrictions shall apply instead of the restrictions set out at section 3.1 above: (a) Each Fund may not invest more than 20% of its Net Asset Value in any one CIS. (b) Investments in non-UCITS CIS may not, in aggregate, exceed 30% of its Net Asset Value.
3.3	The CIS are prohibited from investing more than 10% of net assets in other open-ended CIS.
3.4	When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the Manager or by any other company with which the Manager is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, switching or redemption fees on account of the Fund's investment in the units of such other CIS.
3.5	Where a commission (including a rebated commission) is received by the Fund's manager/investment adviser by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Fund.
3.6	Where the investment policy of a Fund states that it may invest in other Funds of the Company, the following restrictions will apply:- • a Fund will not invest in another Fund of the Company which itself holds Shares in other Funds within the Company; • a Fund which invests in another Fund of the Company will not be subject to subscription, switching or redemption fees; and

	• the Manager will not charge a management fee to a Fund in respect of that portion of the Fund's assets invested in another Fund of the Company (this provision also applies to the annual fee charged by the Investment Manager where this fee is paid directly out of the assets of the Company).
4	**Index Tracking UCITS**
4.1	A Fund may invest up to 20% of its Net Asset Value in shares and/or debt securities issued by the same body where the investment policy of the Fund is to replicate an index which satisfies the criteria set out in the Notices and is recognised by the Central Bank
4.2	The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.
5	**General Provisions**
5.1	An investment company, or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
5.2	A UCITS may acquire no more than: (i) 10% of the non-voting shares of any single issuing body; (ii) 10% of the debt securities of any single issuing body; (iii) 25% of the units of any single CIS; (iv) 10% of the money market instruments of any single issuing body. NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.
5.3	5.1 and 5.2 shall not be applicable to: (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities; (ii) transferable securities and money market instruments issued or guaranteed by a non-Member State; (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members; (iv) shares held by a Fund in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed. (v) Shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.
5.4	A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
5.5	The Central Bank may allow recently authorised Funds to derogate from the provisions of 2.3 to 2.11, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
5.6	If the limits laid down herein are exceeded for reasons beyond the control of a Fund, or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.
5.7	A Fund may not carry out uncovered sales of: - transferable securities; - money market instruments; - units of CIS; or - FDI.
5.8	A Fund may hold ancillary liquid assets.
6	**FDI**
6.1	Any Fund's global exposure (as prescribed in the Notices) relating to FDI must not exceed its total Net Asset Value.

6.2	Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Notices. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Notices.)
6.3	Any Fund may invest in FDI dealt in OTC provided that - The counterparties to OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
6.4	Investment in FDI are subject to the conditions and limits laid down by the Central Bank.

Borrowing Restrictions

The Regulations provide that the Company in respect of each Fund:

(a) may not borrow, other than borrowings which in the aggregate do not exceed 10% of the Net Asset Value of the Fund and provided that this borrowing is on a temporary basis. The Custodian may give a charge on the assets of the Fund in order to secure borrowings. Credit balances (e.g. cash) may not be offset against borrowings when determining the percentage of borrowings outstanding;

(b) may acquire foreign currency by means of a back-to-back loan. Foreign currency obtained in this manner is not classed as borrowings for the purpose of the borrowing restriction in paragraph (a), provided that the offsetting deposit: (i) is denominated in the Base Currency of the Fund and (ii) equals or exceeds the value of the foreign currency loan outstanding. However, where foreign currency borrowings exceed the value of the back-to-back deposit, any excess is regarded as borrowing for the purposes of paragraph (a) above.

SCHEDULE IV

Benchmark Index disclaimers

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- **The accuracy or completeness of the STOXX Index and its data;**
- **The merchantability and the fitness for a particular purpose or use of the STOXX Index and its data;**
- **STOXX and its Licensors will have no liability for any errors, omissions or interruptions in the STOXX Indices or its data;**

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SCHEDULE V

Recognised Stock Exchange Listings

There are currently 35 Funds of the Company.

As at the date of this Prospectus, the Funds are listed and traded as follows:

	Main Market of the LSE	Borsa Italiana	NYSE Euronext Paris	NYSE Euronext Amsterdam	Frankfurt Stock Exchange (XTF Exchange Traded Fund platform)	SIX Swiss Exchange	Bolsa Mexicana de Valores (Mexican Stock Exchange)
iShares Barclays Euro Aggregate Bond	✓	✓		✓	✓	✓	
iShares Barclays Euro Corporate Bond	✓	✓		✓	✓	✓	
iShares Barclays Euro Corporate Bond 1-5	✓	✓			✓		
iShares Barclays Euro Corporate Bond ex-Financials	✓				✓		
iShares Barclays Euro Corporate Bond ex-Financials 1-5	✓				✓		
iShares Barclays Euro Government Bond 5-7	✓	✓		✓	✓	✓	
iShares Barclays Euro Government Bond 10-15	✓	✓		✓	✓	✓	
iShares Barclays Euro Treasury Bond	✓	✓			✓		
iShares Barclays Euro Treasury Bond 0-1	✓	✓		✓	✓		
iShares Barclays Global Aggregate Bond							
iShares Citigroup Global Government Bond	✓				✓	✓	
iShares EURO STOXX 50 (Acc)	✓	✓		✓	✓	✓	
iShares FTSE Developed World ex-UK	✓						
iShares FTSE Gilts UK 0-5	✓						✓
iShares Barclays Global Inflation-Linked Bond	✓				✓	✓	✓
iShares Markit iBoxx £ Corporate Bond ex Financials	✓						
iShares MSCI Emerging Markets (Acc)	✓	✓		✓	✓	✓	
iShares MSCI Emerging Markets SmallCap	✓				✓	✓	
iShares MSCI Europe (Acc)	✓	✓		✓	✓	✓	
iShares MSCI Europe ex-EMU	✓						
iShares MSCI GCC Countries ex-Saudi Arabia	✓			✓	✓		
iShares MSCI Japan (Acc)	✓	✓		✓	✓	✓	
iShares MSCI Japan SmallCap	✓				✓	✓	
iShares MSCI Pacific ex-Japan	✓	✓			✓	✓	✓
iShares MSCI World (Acc)	✓	✓		✓	✓	✓	
iShares S&P 500 (Acc)	✓	✓		✓	✓	✓	
iShares S&P SmallCap 600	✓				✓		
iShares Markit iBoxx Euro Covered Bond	✓	✓		✓	✓		
iShares MSCI Australia	✓				✓	✓	
iShares MSCI South Africa	✓				✓		
iShares MSCI Canada	✓				✓	✓	
iShares Barclays Emerging Market Local Govt Bond	✓	✓			✓		
iShares Barclays EM Asia Local Govt Capped Bond	✓						
iShares Barclays EM Europe Local Govt Capped Bond							

iShares Barclays EM Latin America Local Govt Capped Bond							

The Shares of each Fund are issued on different terms and conditions to those of the other Funds.

SCHEDULE VI

US Persons

1. Pursuant to Regulation S of the 1933 Act, "US Person" means:
   1.1 any natural person resident in the United States;
   1.2 any partnership or corporation organized or incorporated under the laws of the United States;
   1.3 any estate of which any executor or administrator is a US person;
   1.4 any trust of which any trustee is a US person;
   1.5 any agency or branch of a foreign entity located in the United States;
   1.6 any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person;
   1.7 any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; or
   1.8 any partnership or corporation if:
      (a) organized or incorporated under the laws of any non-US jurisdiction; and
      (b) formed by a US Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the Act) who are not natural persons, estates or trusts.

2. Notwithstanding (1) above, any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States shall not be deemed a "US Person."

3. Notwithstanding (1) above, any estate of which any professional fiduciary acting as executor or administrator is a US Person shall not be deemed a US Person if:
   3.1 an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate; and
   3.2 the estate is governed by non-US law.

4. Notwithstanding (1) above, any trust of which any professional fiduciary acting as trustee is a US Person shall not be deemed a US Person if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person.

5. Notwithstanding (1) above, an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country shall not be deemed a US Person.

6. Notwithstanding (1) above, any agency or branch of a US Person located outside the United States shall not be deemed a "US Person" if:
   6.1 the agency or branch operates for valid business reasons; and
   6.2 the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located.

7. The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans shall not be deemed "US Persons."

The Directors may amend the above listed meanings without notice to Shareholders as necessary in order to best reflect then-current application US law and regulation.

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