

**ISHARES III PUBLIC LIMITED COMPANY**  
**CONSOLIDATED SIMPLIFIED PROSPECTUS**

26 July 2010

This Consolidated Simplified Prospectus contains key information in relation to the sub-funds (the “Funds”) of iShares III public limited company (the “Company”). The Company is an open-ended umbrella investment company with variable capital and having segregated liability between its funds incorporated in Ireland on 22 January 2008 and authorised on 6 March 2008 by the Irish Financial Services Regulatory Authority pursuant to the European Communities (UCITS) Regulations, 2003, as amended. The Company has thirty-one Funds which are listed below with the Base Currency of the Funds:

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

Potential investors are advised to read the full prospectus dated 24 May 2010 and, if applicable, any relevant Fund supplement, global supplement and addendum (the “Full Prospectus”) before making an investment decision. The rights and duties of the investor as well as the investor’s legal relationship with the Company are laid down in the Full Prospectus.

**Investment Objectives and Policies of the Funds:**

<b>Fixed Income Funds</b>	
<b>Corporate Bond Funds</b>	
<i>Investment Objective:</i>	
<b>iShares Barclays Capital Euro Corporate Bond</b>	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 Capital Euro Corporate Bond Index.
<b>iShares Barclays Capital Euro Corporate Bond 1-5</b>	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 Capital Euro Corporate 1-5 Year Bond Index.
<b>iShares Markit iBoxx £ Corporate Bond ex-Financials</b>	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.
<b>iShares Barclays Capital Euro Corporate Bond ex-Financials 1-5</b>	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 Capital Euro Aggregate Corporate ex Financials 1-5 Year Bond Index.
<b>iShares Barclays Capital Euro Corporate Bond ex-Financials</b>	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 Capital Euro Corporate ex-Financials Bond Index.
<b>Covered Bond Funds</b>	
<i>Investment Objective:</i>	
<b>iShares Markit iBoxx Euro Covered Bond</b>	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.

<b>Government Bond Funds</b>	
<i>Investment Objectives:</i>	
<b>iShares Citigroup Global Government Bond</b>	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.
<b>iShares Barclays Capital Global Aggregate Bond</b>	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 Capital Global Aggregate Bond Index.
<b>iShares Barclays Capital Euro Aggregate Bond</b>	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 Capital Euro Aggregate Bond Index.
<b>iShares Barclays Capital Euro Treasury Bond 0-1</b>	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 Barclays Capital Euro Treasury 0-12 Months Index.
<b>iShares Barclays Capital Euro Treasury Bond</b>	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 Capital Euro Treasury Bond Index.
<b>iShares Barclays Capital Euro Government Bond 5-7</b>	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 Capital Euro Government Bond 5-7 Yr Term Index.
<b>iShares Barclays Capital Euro Government Bond 10-15</b>	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 Capital Euro Government Bond 10-15 Yr Term Index.
<b>iShares FTSE Gilts UK 0-5</b>	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.
<b>Inflation Linked Bond Funds</b>	
<i>Investment Objective:</i>	
<b>iShares Barclays Capital Global Inflation-Linked Bond</b>	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 on government inflation-linked bonds issued globally.
<p><i>Investment Policies:</i></p> <p>The objectives of the fixed income Funds are achieved by investing in a portfolio of corporate, covered, government or inflation-linked bond issues that are component securities of each Fund's Benchmark Index. The fixed income Funds may utilise optimisation techniques extensively and may be able to provide a return similar to that of their Benchmark Indices by investing only in a relatively small number of the constituents of their Benchmark Indices. Derivatives can be used for efficient portfolio management and direct investment purposes.</p> <p>The portfolios are passively managed and cannot exceed the exposure limits set out in the Regulations and outlined in Schedule III of the Full Prospectus.</p>	

<b>Equity Funds</b>	
<b>Developed Equity</b>	
<i>Investment Objectives:</i>	
<b>iShares MSCI Japan (Acc)</b>	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.
<b>iShares S&amp;P 500 (Acc)</b>	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 Index.
<b>iShares MSCI Europe (Acc)</b>	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.
<b>iShares MSCI World (Acc)</b>	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.
<b>iShares MSCI Europe ex-EMU</b>	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.

<b>iShares MSCI Canada</b>	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 Canada Index.
<b>iShares MSCI Australia</b>	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 Australia Index.
<b>Emerging Equity</b>	
<i>Investment Objectives:</i>	
<b>iShares MSCI GCC Countries ex-Saudi Arabia</b>	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.
<b>iShares MSCI Emerging Markets (Acc)</b>	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.
<b>iShares MSCI South Africa</b>	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 South Africa Index.
<b>Size/Style Equity</b>	
<i>Investment Objectives:</i>	
<b>iShares MSCI Emerging Markets SmallCap</b>	The investment objective of this Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the MSCI Emerging Markets SmallCap Index.
<b>iShares MSCI Japan SmallCap</b>	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.
<b>iShares S&amp;P SmallCap 600</b>	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 Index.
<b>iShares MSCI Pacific ex-Japan</b>	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.
<b>iShares FTSE Developed World ex-UK</b>	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.
<b>iShares EURO STOXX 50 (Acc)</b>	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.
<i>Investment Policies:</i>	
<p>The objectives of the equity Funds are achieved by investing in portfolios of equity securities that so far as practicable and possible consist of the component securities of each Fund's Benchmark Index. Derivatives can be used for efficient portfolio management and direct investment purposes.</p> <p>The portfolios are passively managed and cannot have more than 10% exposure to any one issuer, except for iShares MSCI Pacific ex-Japan, iShares EURO STOXX 50 (Acc), iShares MSCI Canada, iShares MSCI Australia and iShares MSCI South Africa where the portfolios can, in exceptional market conditions, have up to 35% exposure to any one issuer.</p>	

### **Risk Profile:**

**Investors' attention is drawn to the following risk factors in relation to the Funds. A more detailed description of the risk factors that apply to the Company is set out in the Full Prospectus.**

### ***Investment Risk***

The value of investments may fall as well as rise, and investors may not receive back the amount invested.

The performance of the Funds is measured against specific indices. It should be noted that to comply with certain tax and regulatory constraints the Funds may not be able to track the constituent holdings of the indices which could give rise to a difference between the performance of the Benchmark Indices and the Funds (please see the section "Benchmark Indices" in the Full Prospectus for more information).

The attention of Shareholders and potential investors is drawn to the taxation risks associated with investing in the Company (please see the section "Taxes" in the Full Prospectus for more information). Investors should note that exemptions, thresholds and rates of tax are subject to change.

The Funds will be exposed to a credit risk on parties with whom they trade and may also bear the risk of settlement default. To the extent that the Company invests in derivatives, the use of such derivatives may also expose the Funds to the risk that the legal documentation of the contract may not accurately reflect the intention of the parties.

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.

### **Secondary Trading Risk**

If the shares are listed on one or more 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 on a stock exchange they will remain listed on that stock exchange.

Since foreign exchanges are open on days when the shares of the Funds are not priced, the value of the securities in the Funds' portfolios may change on days when Shareholders will not be able to purchase or sell the Funds' shares.

Prospective investors are reminded that in certain circumstances their right to redeem shares may be suspended (please see the section "Temporary Suspension of Valuation of the Shares and of Sales, Redemptions and Conversions" in the Full Prospectus for more information).

### **Performance Data:**

There is no performance data available as the Funds are less than one full financial year old.

**Please note that past performance should not be taken as an indicator of future performance. The data attached does not include subscription or redemption charges.**

### **Profile of a Typical Investor:**

The Funds are suitable for investors seeking a total return for a period of 5 to 10 years.

Appendix I attached outlines the level of volatility an investor should expect when investing in the Funds.

### **Dividend Policy:**

#### ***Dividends***

The Company intends to declare dividends on the shares of the Funds (with the exception of iShares Barclays Capital 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) and iShares MSCI Emerging Markets (Acc), iShares MSCI South Africa, iShares MSCI Canada and iShares MSCI Australia) in respect of each financial year, which are normally equal to the total income of the Funds, net of any expenses for that financial year. Dividends on shares will normally be declared with a view to their being paid either monthly, quarterly (January, April, July and October) or semi-annually (January and July) each year. Dividends will be declared in the Base Currency of the applicable Funds.

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 Euros or US Dollars 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. Foreign exchange conversions in relation to dividends are executed by the Registrar or its UK affiliate, Computershare Investor Services plc. Shareholders who wish to receive dividend payments in specifically Sterling, Euros or US Dollars should inform the Registrar. Foreign exchange conversions of dividend payments are at the cost and risk of Shareholders.

Appendix I attached outlines the frequency at which dividends are paid by the Funds.

### **Fees and Expenses:**

#### ***Shareholder Expenses***

##### ***Subscription Fee***

It is not intended to charge a subscription fee.

##### ***Redemption Fee***

It is not intended to charge a redemption fee.

##### ***Switching Fee***

The switching charge for the switching of shares in a Fund into shares of another Fund may be up to 3% of the Net Asset Value per share.

#### ***Annual Operating Expenses***

##### ***Total Expense Ratio***

The total expense ratio for the Funds is set out in Appendix I attached.

The Company employs an “all-in-one” fee structure for its Funds, with each Fund paying all of its fees, costs and expenses as a single flat fee (the “Total Expense Ratio” or “TER”). The Manager is responsible for discharging all operational expenses, including, but not limited to, fees and expenses of the Directors, Investment Manager, Custodian, and Registrar from the amounts received by the Manager from the TER. Such operational expenses include regulatory and audit fees. In the event that a Fund’s costs and expenses in connection with the operation of the Funds exceed the stated TER, the Manager will discharge any excess amounts out of its own assets.

#### ***Portfolio Turnover Rate***

There is no portfolio turnover rate data available as the Funds are less than one full financial year old.

#### **Taxation:**

The Company is resident in Ireland for tax purposes and is not subject to Irish taxation charges on incomes or gains. Generally, no Irish stamp duty is payable on the issue, transfer or redemption of shares in the Company.

**Potential investors should consult with their professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of shares under the laws of the jurisdiction in which they may be subject to tax.**

#### **Publication of Share Price:**

The Net Asset Value per share for the Funds is published daily on the Business Day following the Valuation Point for the applicable Funds by means of a Regulatory Information Service as well as the official iShares website on ([www.iShares.com](http://www.iShares.com)) and shall be made available at the registered office of the Administrator on or before the close of business of each Dealing Day.

#### **How to Buy/Sell Shares:**

##### **Subscriptions/Redemptions on the Primary Market**

Subscriptions/redemptions for shares in the primary market may be made, subject to the charges listed above and provided they are received in the correct format, to the Administrator at: -

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

Tel: 00 353 1 523 3795  
Fax: 00 353 1 853 8650

(Hours of business 9 am to 5 pm (Irish time) Mon-Fri)

##### **Subscriptions /Redemptions on the Secondary Market**

It is intended to apply to have the shares of Funds admitted for trading on the London Stock Exchange, the Borsa Italiana, the Frankfurt Stock Exchange (Xetra), the SWX Swiss Exchange, Euronext Amsterdam by NYSE Euronext and Euronext Paris by NYSE Euronext. However, the Company does not warrant or guarantee that such listings will take place. Shares may be bought and sold on these exchanges where the Fund is listed on that exchange. Please consult your professional advisor or broker for more information.

#### **Additional Important Information:**

##### **Directors of the Company**

Mr William Roberts  
Mr John Donohoe  
Mr Barry O'Dwyer  
Mr Nicholas Hall  
Mr Des Murray  
Mr Mark Stockley  
Ms Michelle Scrimgeour  
Mr Geoff Radcliffe

##### **Manager**

BlackRock Asset Management Ireland Limited  
JP Morgan House, International Financial Services Centre, Dublin  
1, Ireland

##### **Custodian**

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

<b>Administrator</b>	State Street Fund Services (Ireland) Limited
<b>Registrar</b>	Computershare Investor Services (Ireland) Ltd
<b>Investment Manager and Promoter</b>	BlackRock Advisors (UK) Limited
<b>Auditors</b>	PricewaterhouseCoopers Chartered Accountants Dublin One Spencer Dock, North Wall Quay, Dublin 1, Ireland
<b>Legal Advisers to the Company</b>	William Fry
<b>Secretary</b>	JP Morgan Administration Services (Ireland) Limited

Additional information and copies of the Full Prospectus, and the latest annual and half yearly reports once produced, may be obtained (free of charge) from:

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

Tel 00 353 1 523 3795  
Fax 00 353 1 853 8650  
(Hours of business 9am to 5pm (Irish Time) Mon – Fri)

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## Appendix I

Fund name	Level of volatility	Dividend Frequency	TER	Portfolio Turnover	Minimum Subscription (In kind and cash dealings) and Minimum Redemption (In kind and cash dealings)	Minimum Subscription and Minimum Redemption (Cash only dealings)
iShares S&P SmallCap 600	High	Semi-Annually	0.40%	N/A	100,000 shares	N/A
iShares MSCI Japan SmallCap	High	Semi-Annually	0.59%	N/A	200,000 shares	N/A
iShares Barclays Capital Global Inflation-Linked Bond	Low to Moderate	N/A	0.25%	N/A	40,000 shares	N/A
iShares Markit iBoxx Euro Covered Bond	Low	Semi-Annually	0.20%	N/A	40,000 shares	N/A
iShares MSCI Emerging Markets SmallCap	High	Semi-Annually	0.74%	N/A	100,000 shares	N/A
iShares MSCI GCC Countries ex-Saudi Arabia	High	Semi-Annually	0.80%	N/A	100,000 shares	N/A
iShares Citigroup Global Government Bond	Low to Moderate	Semi-Annually	0.20%	N/A	Cash dealings only	\$250,000.00/2,500 shares typically paid in cash
iShares Barclays Capital Global Aggregate Bond	Low to Moderate	Semi-Annually	0.30%	N/A	Cash dealings only	\$250,000.00/2,500 shares typically paid in cash
iShares Barclays Capital Euro Aggregate Bond	Low	Semi-Annually	0.25%	N/A	Cash dealings only	€250,000.00/2,500 shares typically paid in cash
iShares Barclays Capital Euro Corporate Bond	Low	Semi-Annually	0.20%	N/A	Cash dealings only	€250,000.00/2,500 shares typically paid in cash
iShares Barclays Capital Euro Treasury Bond 0-1	Low	Semi-Annually	0.20%	N/A	Cash dealings only	€250,000.00/2,500 shares typically paid in cash
iShares Barclays Capital Euro Treasury Bond	Low	Semi-Annually	0.20%	N/A	Cash dealings only	€250,000.00/2,500 shares typically paid in cash
iShares Barclays Capital Euro Government Bond 5-7	Low	Semi-Annually	0.20%	N/A	20,000 share	N/A
iShares Barclays Capital Euro Government Bond 10-15	Low	Semi-Annually	0.20%	N/A	20,000 shares	N/A
iShares FTSE Gilts UK 0-5	Low	Semi-Annually	0.20%	N/A	20,000 shares	N/A
iShares MSCI Europe ex-EMU	Moderate to High	Quarterly	0.40%	N/A	100,000 shares	N/A
iShares MSCI Pacific ex-Japan	Moderate to High	Quarterly	0.60%	N/A	100,000 shares	N/A
iShares FTSE Developed World ex-UK	Moderate to High	Quarterly	0.50%	N/A	100,000 shares	N/A
iShares EURO STOXX 50 (Acc)	Moderate to High	N/A	0.35%	N/A	100,000 shares	N/A
iShares MSCI Japan (Acc)	Moderate to High	N/A	0.59%	N/A	200,000 shares	N/A
iShares S&P 500 (Acc)	Moderate to High	N/A	0.40%	N/A	200,000 shares	N/A
iShares MSCI World (Acc)	Moderate to High	N/A	0.50%	N/A	400,000 shares	N/A
iShares MSCI Europe (Acc)	Moderate to High	N/A	0.35%	N/A	200,000 shares	N/A

## Appendix I

iShares MSCI Emerging Markets (Acc)	High	N/A	0.75%	N/A	Cash dealings only	Equivalent of 200,000 shares paid in cash
iShares Barclays Capital Euro Corporate Bond 1-5	Low	Semi-Annually	0.20%	N/A	Cash dealings only	€250,000.00/2,500 shares typically paid in cash
iShares Barclays Capital Euro Corporate Bond ex-Financials	Low	Semi-Annually	0.20%	N/A	Cash dealings only	€250,000.00/2,500 shares typically paid in cash
iShares Barclays Capital Euro Corporate Bond ex-Financials 1-5	Low	Semi-Annually	0.20%	N/A	Cash dealings only	€250,000.00/2,500 shares typically paid in cash
iShares Markit iBoxx £ Corporate Bond ex-Financials	Low to Moderate	Semi-Annually	0.20%	N/A	Cash dealings only	£250,000.00/2,500 shares typically paid in cash
iShares MSCI South Africa	High	N/A	0.74%	N/A	100,000 shares	N/A
iShares MSCI Canada	Moderate to High	N/A	0.59%	N/A	100,000 shares	N/A
iShares MSCI Australia	Moderate to High	N/A	0.59%	N/A	100,000 shares	N/A