

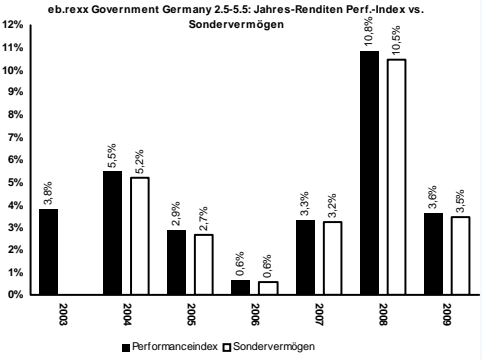
## iShares eb.rexx<sup>®</sup> Government Germany 2.5-5.5 (DE)

July 2010

The **iShares eb.rexx<sup>®</sup> Government Germany 2.5-5.5 (DE)** Investment Fund was founded on 11 June 2003 under German law. This simplified prospectus summarises the most important information regarding the Investment Fund. You can obtain further details from the full prospectus and the latest annual and semi-annual reports.

Unit classes	iShares eb.rexx <sup>®</sup> Government Germany 2.5-5.5 (DE) (WKN: 628 948; ISIN: DE0006289481)
Capital Investment Company	The Investment Fund is managed by BlackRock Asset Management Deutschland AG, Max-Joseph-Str. 6, 80333 Munich, Germany.
Term	The Investment Fund was founded for an unlimited period.
Custodian Bank	State Street Bank GmbH Brienner Straße 59 80333 Munich, Germany
Auditor	KPMG AG Wirtschaftsprüfungsgesellschaft Munich Office Ganghoferstr. 29 80339 Munich, Germany
Investment objective	The primary objective of iShares eb.rexx <sup>®</sup> Government Germany 2.5-5.5 (DE) is to track the performance of the underlying bond index, the eb.rexx <sup>®</sup> Government Germany 2.5-5.5 (price index) of Deutsche Börse AG. To achieve this objective, the fund will attempt to replicate the eb.rexx <sup>®</sup> Government Germany 2.5-5.5 (price index) as closely as possible.
Investment strategy	The eb.rexx <sup>®</sup> Government Germany tracks the largest and most liquid German government bonds, which enjoy benchmark status in Europe. Only government bonds with an outstanding volume of at least EUR 4 billion and a residual term to maturity of between 2.5 and 5.5 years qualify for the index. The investment ratio is at least 90% of the value of the Investment Fund. The duplication ratio is at least 95% of the value of the Investment Fund. Bank balances may be acquired up to a maximum of 10% of the value of the Investment Fund. The base currency is the euro.

Risk profile	The unit value can fluctuate. Investors may not recover the full value of their investment. If the index falls in value, causing the value of the Investment Fund to fall, the Company's fund management will not attempt to limit losses through hedging transactions or sales of equities (i.e. the fund is not "actively" managed). Consequently, unit holders are fully exposed to a fall in market value of their fund units in the event of a decline in the underlying index. Because of the close link between the Investment Fund and the underlying index and because certain issuer and investment limits may be exceeded as a result, risk will only be diversified to a limited extent. You can obtain a more extensive description of the risks involved in the full prospectus.
Market risk	The price or market performance of financial products is especially dependent on the movements in the capital markets, which in turn are influenced by the general state of the global economy and by the economic and political conditions in the respective countries. Negative price and market developments lead to a reduction in the price and value of these financial products.
Risk of changes in interest rates	Investing in fixed-rate securities is associated with the possibility that the level of market interest rates existing at the time a security is issued may change. If market interest rates rise in comparison with the interest rates at the time of issue, the prices of fixed-rate securities will generally fall. This price trend means that the current return on a fixed-rate security is roughly equivalent to the current market interest rate. The price fluctuations are different, however, depending on the maturity of the fixed-rate securities. Fixed-rate securities with shorter maturities generally have lower price risks than fixed-rate securities with longer maturities. However, fixed-rate securities with shorter maturities generally have lower returns in comparison with fixed-rate securities with longer maturities.
Concentration risk	The underlying index of the Investment Fund concentrates investments on a particular national market. This makes the Investment Fund exclusively dependent on the performance of this national market, and not on the overall market.
Risk of default	The default of an issuer or of counterparty may result in losses for the Investment Fund. Issuer risk describes the effect of the particular developments concerning the respective issuer which, in addition to the general trends on the capital markets, have an effect on the price of a security. Even if securities are carefully selected, losses may result if issuers become insolvent. The risk of default associated with this Investment Fund is extremely low, since a sovereign default of the Federal Republic of Germany is highly unlikely.

<p>Performance</p>	<p>Average annual performance of the Investment Fund:</p> <p>1-year period: 3,47% (01/01/2009 – 31/12/2009)</p> <p>3-year period: 5,67% (01/01/2007 – 31/12/2009)</p> <p>5-year period: 4,03% (01/01/2005 – 31/12/2009)</p>  <p>Past performance of the Investment Fund is not a predictor of future results for the Investment Fund.</p>
<p>Profile of a typical investor</p>	<p>An investment in the Investment Fund is suitable for investors who do not yet have experience in the financial markets. The units are subject to only low fluctuations in value, but such fluctuations may still cause the unit values to fall below the purchase price, and the investor may suffer a loss of capital as a result. The investment horizon should be at least three years.</p>
<p>Tax basis</p>	<p>The Investment Fund is tax-exempt in Germany. The tax treatment of fund income for the investor depends on the tax regulations applicable in individual cases. A tax consultant should be consulted for information about investors' individual tax charges (particularly persons not resident for tax purposes). You can obtain details about tax treatment of this Investment Fund from the full prospectus.</p>
<p>Issue and redemption prices and expenses</p>	<p><b>Issue premium</b> 0% in exchange trading, 2% over the counter.</p> <p><b>Redemption fee</b> 0% in exchange trading, 1% over the counter.</p> <p><b>Fixed fee</b> 0.15% p.a. of the average value of the iShares eb.rexx<sup>®</sup> Government Germany 2.5-5.5 (DE) share class; the fixed fee is charged to the share class.</p>

## Breakdown of the fixed fee

The following payments and expenses are covered by the fixed fee:

- Fee for the management of the Investment Fund (fund management, administrative activities);
- custodian fee;
- expenses for the publication and mailing of the annual and semi-annual reports prepared for investors;
- expenses for the publication of the annual and semi-annual reports, issue and redemption prices and distributions, if applicable;
- the Company's auditors' fees for auditing the Investment Fund;
- expenses for the publication of the bases of taxation and the certification that the tax information was determined in accordance with German tax law;
- Licence fees for the use of the underlying index,
- marketing and sales costs.

## Other costs

The following expenses may also be charged to the Investment Fund:

- Expenses resulting from the purchase and sale of assets;
- Customary bank custody fees, including customary bank charges for the custody of foreign securities abroad and related taxes, if applicable,
- Ongoing expenses related to account management.
- Costs for applying and enforcing legal claims of the Investment Fund,
- Costs for the setting up and on-going checking of an external creditworthiness rating for the Investment Fund.

The Company can retain up to 40% of the proceeds from entering into securities lending transactions on behalf of the Investment Fund in the form of a fixed indemnification in respect of costs arising in connection with the preparation and execution of such security-lending transactions.

## Total Expense Ratio (TER) for the past year

0.16%<sup>1</sup>

You can obtain the breakdown of the TER from the full prospectus.

Issue, redemption and exchange of units

Subscription and redemption orders are accepted by the Custodian Bank and the Company. The Company is obliged to redeem the units at the currently valid redemption price that corresponds to the unit value, less a redemption fee, if applicable.

<sup>1</sup> Due to additional income from securities lending, a profit related compensation in the amount of 0.0774 % p.a. of the average fund volume was additionally charged.

# Simplified Prospectus



Purchase or sale of units on an exchange	The units of the Investment Fund are admitted for (official) trading on the Frankfurt Stock Exchange. No issue premiums or redemption fees apply to units purchased or sold on an exchange. Normal costs and fees associated with exchange trading and custody are not affected by the above. You can obtain details about exchange trading from the full prospectus.
Income	The final year-end distribution shall take place annually within four months after the end of the year. In addition, the Company may carry out interim distributions during the year. If units are held in custody at the Custodian Bank, the Custodian Bank's branches credit the distributions to the account at no charge. If the units are held in custody at another bank or savings bank, there may be additional expenses.
Publication of prices	The issue and redemption prices are determined on each valuation day by the Custodian Bank with the participation of the Company. They are available from the Company's head office and from the Custodian Bank and are published on the Internet at <a href="http://www.iShares.de">www.iShares.de</a> . In addition, the Frankfurt Stock Exchange prices are published regularly in the "Börsen-Zeitung". All exchange trading days are valuation days for units of the Investment Fund.
Outsourcing	The Company has outsourced the following activities to other companies: Fund Advisory Auditing Risk & Compliance IT Support Financial accounting
Availability of sales documents	The full and simplified prospectus, the Terms and Conditions and the current annual and semi-annual reports are available free of charge from: BlackRock Asset Management Deutschland AG Max-Joseph-Str. 6, 80333 Munich, Germany Tel: +49 (0) 89 42729 – 5858, Fax: +49 (0) 89 42729 – 5958 <a href="mailto:info@iShares.de">info@iShares.de</a> , <a href="http://www.iShares.de">www.iShares.de</a>
Supervisory Authority	German Federal Financial Supervisory Authority (BaFin) Lurgiallee 12 60439 Frankfurt/Main, Germany

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