

iShares DivDAX® (DE)

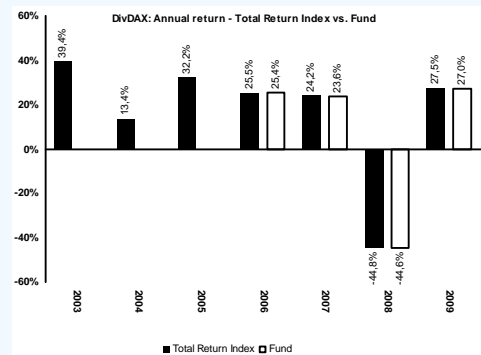
July 2010

The **iShares DivDAX® (DE)** Investment Fund was founded on 4 April 2005 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 DivDAX® (DE) (WKN: 263 527; ISIN: DE0002635273)
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 DivDAX® (DE) is to track the performance of the underlying equity index, the DivDAX® (price index) of Deutsche Börse AG. To achieve this objective, the fund will attempt to replicate the DivDAX® (price index) equity index.
Investment strategy	Of the 30 most actively traded and highly capitalised German companies, iShares DivDAX® (DE) tracks those 15 that have the highest dividend yields. In principle, only a maximum of 15 equities, which are also included in Deutsche Börse AG's select index DAX®, qualify for the index. The investment ratio is at least 95% of the value of the Investment Fund. The duplication ratio is at least 95% of the value of the Investment Fund. Bank balances and money market instruments may be acquired up to a maximum of 5% of the value of the Investment Fund. Futures contracts and options on the underlying index and on individual components of the underlying index may be used exclusively for the purpose of maintaining the investment ratio. 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.
Currency risk	The value of assets denominated in foreign currencies is subject to price fluctuation.
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. Counterparty risk is the risk that a counterparty to a contract partially or completely defaults on its liabilities. This applies to all contracts that are entered into on behalf of an Investment Fund.
Risk notice for the use of derivatives	The Company may conduct transactions with derivatives on behalf of the Investment Fund to maintain the cash ratio as defined by § 11(6) of the General Terms and Conditions. This may on occasion increase the risk of loss for the Investment Fund.
Special notice for increased volatility	There is no increased volatility with the iShares DivDAX® (DE).

<p>Performance</p>	<p>Average annual performance of the Investment Fund:</p> <p>3-year period: -4,58% (01/01/2007 – 31/12/2009)</p> <p>1-year period: 26,98% (01/01/2009 – 31/12/2009)</p> <p>From inception on 4 April 2005 to 31 December 2009: 6,84%</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 already have some experience in the financial markets. Investors must be willing and able to accept substantial fluctuations in the value of the units and the possibility of a significant loss of capital. The investment horizon should be at least five years.</p>
<p>Tax basis</p>	<p>The Investment Fund is tax-free 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>Issue premium 0% in exchange trading, 2% over the counter.</p> <p>Redemption fee 0% in exchange trading, 1% over the counter.</p> <p>Fixed fee 0.30%</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.

	<p>Other costs The following expenses may also be charged to the Investment Fund:</p> <ul style="list-style-type: none"> • 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. <p>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.</p> <p>The Company can retain up to 30% of the net off-setting, net compensatory damages and/or net settlement payments arising from participation in domestic and foreign security-related class actions or related legal proceedings as a fixed indemnification towards the costs incurred by the Company in this regard.</p> <p>The Company can retain up to 40% of the earnings in excess of the net dividend payments by way of a fixed indemnification in respect of the costs arising in connection with the preparation and execution of the underlying dividend-optimisation transactions.</p> <p>Total Expense Ratio (TER) for the past year 0.32% You can obtain the breakdown of the TER from the full prospectus.</p>
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.
Purchase or sale of units on an exchange	The units of the Investment Fund are admitted for (official) trading on the Frankfurt and Vienna Stock Exchanges. 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	<p>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.</p> <p>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.</p>
Publication of prices	<p>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 www.iShares.de. 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.</p>
Outsourcing	<p>The Company has outsourced the following activities to other companies:</p> <ul style="list-style-type: none"> Fund Advisory Auditing Risk & Compliance IT Support Financial accounting
Availability of sales documents	<p>The full and simplified prospectus, the Terms and Conditions and the current annual and semi-annual reports are available free of charge from:</p> <p>BlackRock Asset Management Deutschland AG Max-Joseph-Str. 6, 80333 Munich, Germany Tel: +49 (0) 89 42729 – 5858, Fax: +49 (0) 89 42729 – 5958 info@iShares.de, www.iShares.de</p>
Supervisory Authority	<p>German Federal Financial Supervisory Authority (BaFin) Lurgiallee 12 60439 Frankfurt/Main, Germany</p>

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