

## iShares Dow Jones U.S. Select Dividend (DE)

July 2010

The **iShares Dow Jones U.S. Select Dividend (DE)** Investment Fund was launched on 28 September 2005 under German law. This simplified sales prospectus contains a summary of the most important information concerning the Fund. Please consult the full prospectus and the current annual report and semi-annual report for further information.

<b>Unit class</b>	iShares Dow Jones U.S. Select Dividend (DE). (WKN (German Securities ID No.): A0D8Q4; ISIN: DE000A0D8Q49)
<b>Investment company</b>	The fund is managed by BlackRock Asset Management Deutschland AG, Max-Joseph-Str. 6, 80333 Munich, Germany.
<b>Term</b>	The Investment Fund was established for an unlimited period.
<b>Custodian bank</b>	State Street Bank GmbH Brienner Straße 59 80333 Munich, Germany
<b>Auditors</b>	KPMG AG Wirtschaftsprüfungsgesellschaft Munich Office Ganghoferstr. 29 80339 Munich, Germany
<b>Investment objective</b>	The primary objective of the iShares U.S. Select Dividend Fund is to track the performance of the U.S. stock market, as measured by the Euro-denominated Dow Jones U.S. Select Dividend® index. To achieve this objective, the fund attempts to replicate the Dow Jones U.S. Select Dividend® (price index) as precisely as possible.

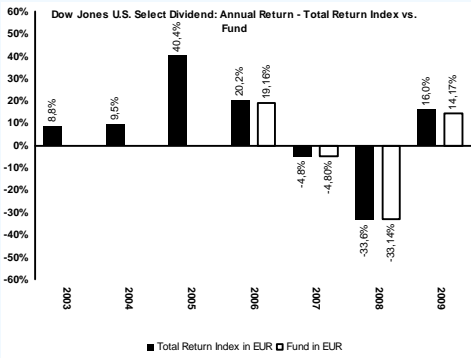
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<b>Investment strategy</b>	The Dow Jones U.S. Select Dividend index is weighted in accordance with the dividend yields of the companies it contains. Out of the stock universe of the Dow Jones U.S. Total Market Index, which contains all the companies in the USA, the index contains those 100 companies that report the highest dividend yields, taking into account additional selection criteria. 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. The Fund may acquire bank deposits and money market instruments worth up to 5% of the Fund's value. Futures contracts and warrants on the underlying index and on individual securities in the underlying index may be used only for the purpose of maintaining the investment ratio. The base currency is the US Dollar.
<b>Risk profile</b>	The unit value may fluctuate. The investor may not recover the full value of his/her investment. If the index falls in value, causing the value of the unit shares in 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 following a reduction in the Underlying Index. Due to 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 sales prospectus.
<b>Market risk</b>	The price or market value 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.
<b>Risk of default</b>	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 impacting 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 relates to the risk that a counterparty to a contract partially or completely defaults on his/her liabilities. This applies to all contracts that are entered into on behalf of an Investment Fund.
<b>Currency risk</b>	The value of assets denominated in foreign currencies is subject to fluctuations in price.

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Concentration risk	The Underlying Index of the Investment Fund focuses on investments in assets in 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 reference when using derivatives	The Company may trade in derivatives on behalf of the Investment Fund to maintain the cash quota pursuant to §11 par. 6 of the "General Terms and Conditions" This may, on occasion, increase the risk of loss for the Investment Fund.																								
Special reference for increased volatility	The iShares Dow Jones U.S. Select Dividend (DE) does not entail any increased volatility.																								
Performance	<p>Average annual Fund performance:</p> <p>3-year period: -10,09% (01/01/2007 - 31/12/2009)</p> <p>1-year period: 14,17% (01/01/2009 - 31/12/2009)</p> <p>Past performance of the Investment Fund does not predict the future performance of the Investment Fund.</p>  <table><caption>Dow Jones U.S. Select Dividend: Annual Return - Total Return Index vs. Fund</caption><thead><tr><th>Year</th><th>Total Return Index in EUR (%)</th><th>Fund in EUR (%)</th></tr></thead><tbody><tr><td>2003</td><td>8,8%</td><td></td></tr><tr><td>2004</td><td>5,5%</td><td></td></tr><tr><td>2005</td><td>40,7%</td><td></td></tr><tr><td>2006</td><td>20,2%</td><td>19,16%</td></tr><tr><td>2007</td><td>-4,87%</td><td>-4,87%</td></tr><tr><td>2008</td><td>-41,33%</td><td>-41,33%</td></tr><tr><td>2009</td><td>14,17%</td><td>14,17%</td></tr></tbody></table>	Year	Total Return Index in EUR (%)	Fund in EUR (%)	2003	8,8%		2004	5,5%		2005	40,7%		2006	20,2%	19,16%	2007	-4,87%	-4,87%	2008	-41,33%	-41,33%	2009	14,17%	14,17%
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Profile of a typical investor	Investment in the Investment Fund is suitable for investors with existing experience in the financial markets. The investor must be willing and able to accept significant 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.																								
Tax basis	The Investment Fund is tax-free in Germany. The tax treatment of the Fund income for the investor depends on the tax regulations applicable in individual cases. A tax adviser should be consulted for information about investors' individual tax liabilities (particularly persons not resident for tax purposes). You can obtain details about tax treatment of this Investment Fund from the full prospectus.																								

**Issue and redemption prices and expenses****Issue premium**

0% in stock exchange trading, 2% over-the-counter.

**Redemption fee**

0% in stock exchange trading, 1% over-the-counter.

**Fixed fee**

0.30% p.a. of the average value of the iShares Dow Jones U.S. Select Dividend (DE) unit class; the unit class will be charged the fixed fee.

## **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><b>Other costs</b></p> <p>The following expenses may also be charged to the Investment Fund:</p> <ul style="list-style-type: none"> <li>• Expenses resulting from the purchase and sale of assets;</li> <li>• Customary bank custody fees, including customary bank charges for the custody of foreign securities abroad and related taxes, if applicable,</li> <li>• Ongoing expenses related to account management.</li> <li>• Costs for applying and enforcing legal claims of the Investment Fund,</li> <li>• Costs for the setting up and on-going checking of an external creditworthiness rating for the Investment Fund.</li> </ul> <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><b>Total Expense Ratio (TER) for the past year</b> 0.32%</p> <p>You can find the breakdown of the TER in the full sales prospectus.</p>
<p><b>Issue, redemption and exchange of units</b></p>	<p>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 corresponding to the unit value, less a redemption fee, if applicable.</p>

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<b>Purchase or sale of units on the stock market</b>	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 stock exchange trading and custody are not affected by the above. You can find more details about stock exchange trading in the full sales prospectus.
<b>Revenues</b>	<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>
<b>Publication of price</b>	The issue and redemption prices are determined on the valuation day by the Custodian Bank with the help 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 prices on the Frankfurt Stock Exchange are regularly published in the "Börsen-Zeitung". All exchange trading days are valuation days for units of the Investment Fund.
<b>Outsourcing</b>	<p>The Company has outsourced the following activities to other companies:</p> <ul style="list-style-type: none"><li>• Fund Advisory</li><li>• Auditing</li><li>• Risk &amp; Compliance</li><li>• IT service</li><li>• Financial accounting</li></ul>

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**Availability of the sales documents**

The full and simplified sales 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  
info@iShares.com, www.iShares.de

**Regulatory Authority**

Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)  
Lurgiallee 12  
60439 Frankfurt

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