

## CONDENSED FINANCIAL REPORT

iShares Core S&P/ASX 200 ETF

ARSN 146 083 141

**iShares**<sup>®</sup>  
by **BLACKROCK**<sup>®</sup>

**For the half-year ended 31 December 2016**

BlackRock Investment Management (Australia) Limited  
13 006 165 975

Australian Financial Services Licence No 230523

# iShares Core S&P/ASX 200 ETF

ARSN 146 083 141

## Condensed Financial Report - For the half-year ended 31 December 2016

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## Directors' Report

The directors of BlackRock Investment Management (Australia) Limited (ABN 13 006 165 975) (the "Responsible Entity"), the Responsible Entity of iShares Core S&P/ASX 200 ETF (the "Fund"), present their interim report together with the condensed financial statements of the Fund, for the half-year ended 31 December 2016 and the auditor's report thereon.

These condensed financial statements have been prepared for the iShares Core S&P/ASX 200 ETF as it is a disclosing entity under the *Corporations Act 2001*.

### Fund Objectives

The Fund aims to provide investors with the performance of the market, before fees and expenses, composed of the 200 largest Australia securities listed on the ASX.

### Responsible Entity

The registered office and principal place of business of the Responsible Entity and the Fund is Level 26, 101 Collins Street, Melbourne, VIC 3000.

### Principal Activities

The Fund invested in accordance with the provisions of the Fund's Constitution.

The Fund is currently listed on the Australian Securities Exchange (ASX). The admission date was 9 December 2010.

The Fund did not have any employees during the half-year ended 31 December 2016 (31 December 2015: Nil).

There were no significant changes in the nature of the Fund's activities during the half-year ended 31 December 2016 (31 December 2015: Nil).

### Directors

The following persons held office as directors of the Responsible Entity during the half-year or since the end of the half-year and up to the date of this report:

Director	Date appointed
M S McCorry	Appointed 2 December 2009
A Telfer	Appointed 12 December 2013
S Flatman	Appointed 28 January 2015
K Barnes	Appointed 9 March 2015
J Collins	Appointed 29 July 2015
D Rohe	Appointed 27 July 2016

### Review and Results of Operations

During the half-year, the Fund continued to invest funds in accordance with target asset allocations as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

## Directors' Report (continued)

### Review and Results of Operations (continued)

#### Results

The performance of the Fund, as represented by the results of its operations, was as follows:

	Half-year ended	
	31 December 2016	31 December 2015
	\$'000	\$'000
Profit/(loss) before finance costs attributable to unitholders	48,260	(2,423)
Distributions paid and payable	7,196	10,733

#### Returns

The table below demonstrates the performance of the Fund as represented by the total return.

	Returns*		
	1 July 2016 to 31 December 2016	1 July 2015 to 31 December 2015	1 July 2014 to 31 December 2014
	%	%	%
iShares Core S&P/ASX 200 ETF returns	10.57	(0.99)	2.56

\* Returns (after fees) are calculated on the assumption that all distributions are reinvested in the Fund, and include the effect of compounding.

#### Significant Changes in State of Affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Fund that occurred during the financial half-year under review.

#### Rounding of Amounts

The Fund is a registered scheme of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the directors' report and financial statements. Amounts in the directors' report and the financial statements have been rounded in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, unless otherwise indicated.

#### Additional Disclosure

The Fund has applied the relief available in ASIC Corporations (Directors' Report Relief) Instrument 2016/188 issued by the Australian Securities and Investments Commission in the preparation of this report. Accordingly, the additional information otherwise required to be included in the directors' report has been disclosed in Notes 5 and 6 of the financial statements.

## Directors' Report (continued)

### Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 4.

The condensed financial statements were authorised for issue by the directors on 8 March 2017.

This report is made in accordance with a resolution of the directors.



Director  
S Flatman

Sydney  
8 March 2017

The Board of Directors  
BlackRock Investment Management (Australia) Limited  
Level 26  
101 Collins Street  
Melbourne, VIC, 3000

8 March 2017

Dear Directors,

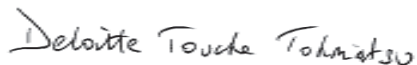
### **iShares Core S&P/ASX 200 ETF**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of BlackRock Investment Management (Australia) Limited as Responsible Entity of iShares Core S&P/ASX 200 ETF (the "Fund").

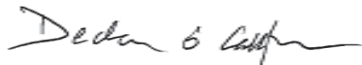
As lead audit partner for the review of the financial statements of the Fund for the financial period 1 July 2016 to 31 December 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely,



DELOITTE TOUCHE TOHMATSU



Declan O'Callaghan  
Partner  
Chartered Accountants

iShares Core S&P/ASX 200 ETF  
Condensed Statement of Profit or Loss and Other Comprehensive Income  
For the half-year ended 31 December 2016

**Condensed Statement of Profit or Loss and Other Comprehensive Income**

	Notes	Half-year ended	
		31 December 2016 \$'000	31 December 2015 \$'000
<b><i>Investment income</i></b>			
Interest income		24	22
Dividend/distribution income		10,115	9,230
Net gains/(losses) on financial instruments held at fair value through profit or loss (including FX gains/(losses))	4	38,474	(11,290)
Other income		<u>16</u>	<u>-</u>
<b><i>Total net investment income/(loss)</i></b>		<b><u>48,629</u></b>	<b><u>(2,038)</u></b>
<b><i>Expenses</i></b>			
Responsible Entity's fees		359	359
Transaction costs		1	-
Other expenses		<u>9</u>	<u>26</u>
<b><i>Total operating expenses</i></b>		<b><u>369</u></b>	<b><u>385</u></b>
<b><i>Profit/(loss) before financing costs attributable to unitholders</i></b>		<b><u>48,260</u></b>	<b><u>(2,423)</u></b>
<b><i>Finance costs attributable to unitholders</i></b>			
Distributions to unitholders	5	(7,196)	(10,733)
(Increase)/decrease in net assets attributable to unitholders	6	<u>(41,064)</u>	<u>13,156</u>
<b><i>Profit/(loss) for the half-year</i></b>		<b><u>-</u></b>	<b><u>-</u></b>
Other comprehensive income		-	-
<b><i>Total comprehensive income for the half-year</i></b>		<b><u>-</u></b>	<b><u>-</u></b>

The above Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

## Condensed Statement of Financial Position

		As at	
		31 December 2016	30 June 2016
	Notes	\$'000	\$'000
<b>Assets</b>			
Cash and cash equivalents		5,141	3,197
Financial assets held at fair value through profit or loss	7	537,774	432,440
Cash held on collateral		122	-
Receivables		<u>1,171</u>	<u>5,617</u>
<b>Total assets</b>		<u><b>544,208</b></u>	<u><b>441,254</b></u>
<b>Liabilities</b>			
Distribution payable	5	-	12,292
Payables		<u>124</u>	<u>1,947</u>
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<u><b>124</b></u>	<u><b>14,239</b></u>
<b>Net assets attributable to unitholders - liability</b>	6	<u><b>544,084</b></u>	<u><b>427,015</b></u>

The above Condensed Statement of Financial Position should be read in conjunction with the accompanying notes.



Condensed Statement of Changes in Equity

	Half-year ended	
	31 December 2016	31 December 2015
	\$'000	\$'000
<i>Total equity at the beginning of the financial half-year</i>	-	-
Profit/(loss) for the half-year	-	-
Other comprehensive income for the half-year	-	-
<i>Total comprehensive income for the half-year</i>	-	-
Transactions with owners in their capacity as owners	-	-
<i>Total equity at the end of the financial half-year</i>	-	-

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity. As a result there was no equity at the start or end of the half-year.

The above Condensed Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## Condensed Statement of Cash Flows

	Half-year ended	
	31 December 2016	31 December 2015
Notes	\$'000	\$'000
<b><i>Cash flows from operating activities</i></b>		
Proceeds from sale of financial instruments held at fair value through profit or loss	15,872	29,298
Purchase of financial instruments held at fair value through profit or loss	(84,670)	(98,077)
Transaction costs	(1)	-
Interest received	26	20
Dividends/distributions received	12,924	11,346
Other income received	22	-
Responsible Entity's fees paid	(368)	(345)
Operating expenses paid	<u>(9)</u>	<u>-</u>
<b><i>Net cash inflow/(outflow) from operating activities</i></b>	<b><u>(56,204)</u></b>	<b><u>(57,758)</u></b>
<b><i>Cash flows from financing activities</i></b>		
Proceeds from creations by unitholders	76,246	78,440
Distributions paid	<u>(18,098)</u>	<u>(17,616)</u>
<b><i>Net cash inflow/(outflow) from financing activities</i></b>	<b><u>58,148</u></b>	<b><u>60,824</u></b>
<b><i>Net increase/(decrease) in cash and cash equivalents</i></b>	<b>1,944</b>	<b>3,066</b>
Cash and cash equivalents at the beginning of the half-year	<u>3,197</u>	<u>848</u>
<b><i>Cash and cash equivalents at the end of the half-year</i></b>	<b><u>5,141</u></b>	<b><u>3,914</u></b>
Non-cash financing activities	6 <u>1,390</u>	<u>1,249</u>

The above Condensed Statement of Cash Flows should be read in conjunction with the accompanying notes.

## 1 Statement of Compliance

The condensed financial statements are general purpose financial statements prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

These condensed financial statements do not include all the notes normally included in an annual financial report. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

## 2 Basis of Preparation and Accounting Policies

These condensed financial statements include financial statements for iShares Core S&P/ASX 200 ETF (the “Fund”) as an individual entity. The Fund was constituted on 26 August 2010.

The Fund is a registered scheme of a kind referred to in ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission relating to the “rounding off” of amounts in the directors’ report and financial statements. Amounts in the directors’ report and the financial statements have been rounded in accordance with ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial statements are consistent with those adopted and disclosed in the Fund’s 2016 annual financial report for the financial year ended 30 June 2016.

There are no new standards, interpretations or amendments to existing standards that are effective for the first time for the financial half-year beginning 1 July 2016 that would be expected to have a material impact on the Fund.

## 3 Financial Risk Management

### (a) Fair Values of Financial Assets and Liabilities

The carrying amounts of the Fund’s assets and liabilities at the end of each reporting period approximate their fair values.

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Condensed Statement of Profit or Loss and Other Comprehensive Income.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair value. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

#### (i) Fair value in an active market

The fair value of financial assets and liabilities traded in active markets is based on their last traded prices at the end of the reporting period without any deduction for estimated future selling costs.

The Fund values its investments in accordance with the accounting policies set out in Note 2. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

The quoted market price used for financial assets and financial liabilities held by the Fund is the last traded market price. Where the last traded price does not fall within the bid-ask spread, an assessment is performed by the Responsible Entity to determine the appropriate valuation price to use that is most representative of fair value.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual regularly occurring market transactions on an arm’s length basis.

#### (ii) Fair value in an inactive or unquoted market

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm’s length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

### 3 Financial Risk Management (continued)

#### (a) Fair Values of Financial Assets and Liabilities (continued)

##### (ii) Fair value in an inactive or unquoted market (continued)

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Fund would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward foreign exchange contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

Investments in other unlisted unit trusts are recorded at the net asset value per unit as reported by the Responsible Entity of such funds.

#### (b) Fair Value Hierarchy

The Fund classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Responsible Entity. The Responsible Entity considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following tables present the Fund's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 31 December 2016 and 30 June 2016.

As at 31 December 2016	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
Financial assets held for trading:				
Futures	81	-	-	81
Financial assets designated at fair value through profit or loss:				
Listed equity securities	472,318	180	-	472,498
Listed unit trusts	<u>65,195</u>	<u>-</u>	<u>-</u>	<u>65,195</u>
<b>Total</b>	<b><u>537,594</u></b>	<b><u>180</u></b>	<b><u>-</u></b>	<b><u>537,774</u></b>

### 3 Financial Risk Management (continued)

#### (b) Fair Value Hierarchy (continued)

As at 30 June 2016	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
Financial assets held for trading:				
Futures	23	-	-	23
Financial assets designated at fair value through profit or loss:				
Listed equity securities	373,304	-	-	373,304
Listed unit trusts	<u>59,113</u>	<u>-</u>	<u>-</u>	<u>59,113</u>
<b>Total</b>	<b><u>432,440</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>432,440</u></b>

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities, trusts, exchange traded derivatives and money market securities.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include investment grade corporate bonds, certain listed equities, certain unlisted unit trusts, and over-the-counter derivatives. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Investments classified within level 3 have significant unobservable inputs, as they are infrequently traded. As observable prices are not available for these securities, the Responsible Entity has used valuation techniques to derive fair value.

The Fund's assets and liabilities not measured at fair value on a recurring basis (but fair value disclosures are required) at 31 December 2016 and 30 June 2016 have been classified as level 2. The carrying amounts of these assets and liabilities approximate their fair values as at the end of the reporting date.

The following tables present the transfers between levels:

At 31 December 2016	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Transfers between levels 1 and 2:			
Listed equity securities	(180)	180	-

Transfer from level 1 to level 2 was due to listed equity security being traded infrequently.

There were no transfers between levels for recurring fair value measurements during the year ended 30 June 2016.

The Fund did not hold any level 3 instruments during the half year ended 31 December 2016 (30 June 2016: Nil).

### 3 Financial Risk Management (continued)

#### (b) Fair Value Hierarchy (continued)

The following table presents the movement in level 3 instruments for the year ended 30 June 2016 by class of financial instrument.

30 June 2016	Equity securities \$'000
Opening balance	27
Purchases	1
Sales	(8)
Gains/(losses) recognised in the Condensed Statement of Profit or Loss and Other Comprehensive Income	(20)
Transfers into Level 3	-
Transfers out of Level 3	-
<b>Closing balance</b>	<b>-</b>
Total unrealised gains/(losses) for the half-year included in the Condensed Statement of Profit or Loss and Other Comprehensive Income for financial assets and liabilities held at the end of the reporting period	-

### 4 Net Gains/(Losses) on Financial Instruments Held at Fair Value Through Profit or Loss

The net gains/(losses) recognised in relation to financial assets and financial liabilities held at fair value through profit or loss:

	Half-year ended	
	31 December 2016 \$'000	31 December 2015 \$'000
<b>Financial assets and liabilities</b>		
Net gain/(loss) on financial assets and liabilities held for trading (including FX gains/(losses))	381	11
Net gain/(loss) on financial assets and liabilities designated at fair value through profit or loss (including FX gains/(losses))	<u>38,093</u>	<u>(11,301)</u>
<b>Net gains/(losses) on financial instruments held at fair value through profit or loss (including FX gains/(losses))</b>	<b><u>38,474</u></b>	<b><u>(11,290)</u></b>

### 5 Distributions to Unitholders

The distributions during the half-year were as follows:

	Half-year ended			
	31 December 2016		31 December 2015	
	\$'000	CPU	\$'000	CPU
Distributions paid - Quarter 1	7,196	32.80	6,660	39.94
Distributions payable - Quarter 2	-	-	<u>4,073</u>	21.93
	<u>7,196</u>		<u>10,733</u>	

## 6 Net Assets Attributable to Unitholders

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. There are no separate classes of units and each unit has the same rights attaching to it as other units of the Fund. Units are created and redeemed at the unitholders' option at prices based on the value of the Fund's net assets at the time of creation/redemption less transaction costs. The Fund is required to distribute all taxable income to the unitholders.

Movement in number of units and net assets attributable to unitholders during the half-year were as follows:

	31 December 2016 No. '000	30 June 2016 No. '000	31 December 2016 \$'000	30 June 2016 \$'000
Opening balance	19,874	15,216	427,015	349,056
Creations	3,300	10,875	74,615	242,271
Redemptions	-	(6,300)	-	(135,491)
Units issued upon reinvestment of distributions	64	83	1,390	1,855
Increase/(decrease) in net assets attributable to unitholders	-	-	41,064	(30,676)
<b>Closing balance</b>	<b>23,238</b>	<b>19,874</b>	<b>544,084</b>	<b>427,015</b>

### Capital Risk Management

The Fund manages its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily creations and redemptions at the discretion of unitholders.

The Fund monitors the level of daily creations and redemptions relative to the liquid assets in the Fund. As of 31 December 2016 the capital of the Fund is represented in the net assets attributable to unitholders table.

In the event of a significant redemption, the Fund's Constitution allows the delay of payment beyond the usual redemption timeframe but no later than the maximum number of days specified in the Constitution for satisfying redemption requests. Further, in certain circumstances such as disrupted markets, the Constitution allows payment to be delayed beyond the maximum number of days.

## 7 Financial Assets Held at Fair Value Through Profit or Loss

	As at	
	31 December 2016 Fair value \$'000	30 June 2016 Fair value \$'000
<b>Held for trading</b>		
Futures	81	23
Total held for trading	81	23
<b>Designated at fair value through profit or loss</b>		
Listed equity securities	472,498	373,304
Listed unit trusts	65,195	59,113
Total designated at fair value through profit or loss	537,693	432,417
<b>Total financial assets held at fair value through profit or loss</b>	<b>537,774</b>	<b>432,440</b>

## 8 Segment Information

The Fund operates solely in the business of providing investors with the performance of the market, before fees and expenses, as represented by the S&P/ASX 200 Accumulation Index. The Responsible Entity, which is the chief operating decision maker for the purposes of assessing performance and determining the allocation of resources, ensures that the Fund's holdings and performance are in accordance with the S&P/ASX 200 Accumulation Index. Accordingly, no additional qualitative or quantitative disclosures are required.

## 9 Events Occurring After the Reporting Period

The Fund announced on 5 January 2017 an interim distribution 23.81 cents per unit, which equates to \$5,534,083 in finance costs. The interim distribution ex-date was 4 January 2017 and payment was on 16 January 2017.

No other significant events have occurred since the end of the reporting period up to the date of signing the Condensed Financial Statements which would impact on the financial position of the Fund disclosed in the Condensed Statement of Financial Position as at 31 December 2016 or on the results and cash flows of the Fund for the half-year ended on that date.



## Directors' Declaration

The directors of the Responsible Entity declare that:

- (a) In the opinion of the directors of the Responsible Entity, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and
- (b) In the opinion of the directors of the Responsible Entity, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Fund.

Signed in accordance with a resolution of the Responsible Entity made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the directors of the Responsible Entity.



Director  
S Flatman

Sydney  
8 March 2017

## Independent Auditor's Review Report to the unitholders of iShares Core S&P/ASX 200 ETF

We have reviewed the accompanying half-year financial report of iShares Core S&P/ASX 200 ETF (the "Fund"), which comprises the condensed statement of financial position as at 31 December 2016, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration as set out on pages 5 to 15.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of BlackRock Investment Management (Australia) Limited (the "Responsible Entity"), as Responsible Entity for the Fund are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Fund's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Auditor's Independence Declaration*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Responsible Entity, would be in the same terms if given to the directors as at the time of this auditor's review report.

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Fund is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Fund's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU

*Declan O Callaghan*

Declan O'Callaghan  
Partner  
Chartered Accountants  
Sydney, 8 March 2017