

7 November 2017

Market Announcements Office  
ASX Limited

## ANNUAL REPORT TO SHAREHOLDERS

FOR RELEASE UNDER EACH FUND LISTED BELOW

BlackRock Investment Management (Australia) Limited, on behalf of iShares® (iShares, Inc.), makes this announcement regarding certain iShares exchange traded funds listed on ASX.

Attached is a copy of the Annual Report which has been lodged with the U.S. Securities and Exchange Commission for the iShares ETF(s) with a fiscal year end of 31 August 2017.

Unless otherwise stated, financial information in the attached document is in U.S. dollars.

The table below provides details of the iShares ETF(s) this announcement relates to. All information included in the attached document relating to funds of iShares, Inc. not detailed in the below table should be disregarded.

ASX Code	Fund Name
IJP	iShares MSCI Japan ETF
IKO	iShares MSCI South Korea Capped ETF

### Important Notice

**Before investing in an iShares ETF, you should carefully consider whether such products are appropriate for you, read the applicable prospectus or product disclosure statement (PDS) available at [www.blackrock.com.au](http://www.blackrock.com.au) and consult an investment adviser.**

An iShares ETF is not sponsored, endorsed, issued, sold or promoted by the provider of the index which a particular fund seeks to track. No index provider makes any representation regarding the advisability of investing in the iShares ETFs. Further information on the index providers can be found on BIMAL's website terms and conditions at [www.blackrock.com.au](http://www.blackrock.com.au).

For more information about iShares ETFs go to [www.blackrock.com/au/ishares](http://www.blackrock.com/au/ishares) or call 1300 474 273.

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\*\* END \*\*

## 2017 ANNUAL REPORT



### **iShares, Inc.**

- ▶ iShares Edge MSCI Min Vol Global ETF | ACWV | BATS
- ▶ iShares MSCI Australia ETF | EWA | NYSE Arca
- ▶ iShares MSCI Canada ETF | EWC | NYSE Arca
- ▶ iShares MSCI Japan ETF | EWJ | NYSE Arca
- ▶ iShares MSCI Mexico Capped ETF | EWW | NYSE Arca
- ▶ iShares MSCI South Korea Capped ETF | EWY | NYSE Arca



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# Management's Discussion of Fund Performance

*iSHARES®*, INC.

## GLOBAL EQUITY MARKET OVERVIEW

Global equity markets posted strong returns for the 12 months ended August 31, 2017 (the "reporting period"). The MSCI ACWI, a broad global equity index that includes both developed and emerging markets, returned 17.11% in U.S. dollar terms for the reporting period.

The primary factor behind the robust performance of global equity markets was improving global economic growth, driven largely by the continuation of accommodative monetary policies from many of the world's central banks. Signs of stronger economic activity in Europe emerged as the European Central Bank ("ECB") maintained policies such as quantitative easing and negative interest rates. Economic growth rates in China and Japan, the largest economies in Asia, also increased during the reporting period, reflecting efforts by the People's Bank of China ("PBOC") and the Bank of Japan ("BOJ") to stimulate economic activity. Stronger economic growth led several central banks to consider reducing their economic stimulus measures. For example, late in the reporting period, the ECB discussed the possibility of tapering its quantitative easing program, while the PBOC increased short-term interest rates during the first half of 2017.

On a regional basis, European equity markets posted the best returns among developed markets, advancing by approximately 20% in U.S. dollar terms for the reporting period. European stocks benefited from improving economic conditions and stronger corporate earnings. In addition, election outcomes in France and the Netherlands eased investor concerns about nationalist presidential candidates and their opposition to the European Union ("E.U."). Currency fluctuations also contributed meaningfully to European equity performance in U.S. dollar terms as the euro appreciated by approximately 6% against the U.S. dollar during the reporting period. The best-performing European stock markets included Austria, Italy, and Spain, while Ireland and Belgium posted the weakest returns.

Equity markets in the Asia-Pacific region gained about 16% in U.S. dollar terms for the reporting period, led by Singapore and Hong Kong. Japanese stocks also posted strong returns, benefiting from improving consumer spending and employment trends that contributed to the ongoing recovery in the Japanese economy. However, equity market returns in Japan were hindered by a decline in the Japanese yen, which depreciated by approximately 6% against the U.S. dollar.

The U.S. stock market returned approximately 15% for the reporting period. Despite mixed U.S. economic data, U.S. stocks advanced initially in anticipation of pro-business fiscal policies from the new presidential administration. Although the administration struggled to implement its fiscal agenda, stocks continued to move higher as better global economic conditions led to a notable improvement in corporate earnings growth, particularly for multinational companies with significant operations outside of the U.S. U.S. stocks advanced despite three short-term interest rate increases by the U.S. Federal Reserve Bank (the "Fed") during the reporting period, which increased the short-term interest rate target to its highest level since October 2008. The Fed also unveiled a plan to start reducing the amount of U.S. Treasury bonds and mortgage-backed securities on its balance sheet before the end of 2017.

Emerging markets stocks outperformed those in developed markets, returning more than 23% in U.S. dollar terms for the reporting period. Emerging markets in Eastern Europe were the best performers, led by Poland, Greece, and Hungary. Equity markets in the Middle East trailed for the reporting period amid continued geopolitical conflict in the region.

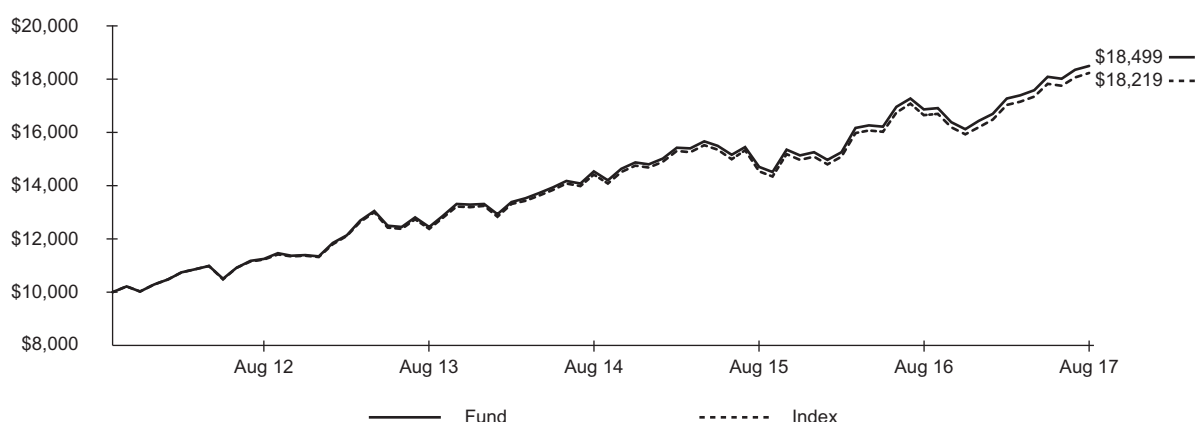
# Management's Discussion of Fund Performance

## iSHARES® EDGE MSCI MIN VOL GLOBAL ETF

Performance as of August 31, 2017

	Average Annual Total Returns			Cumulative Total Returns		
	NAV	MARKET	INDEX	NAV	MARKET	INDEX
1 Year	9.75%	9.60%	9.47%	9.75%	9.60%	9.47%
5 Years	10.48%	10.32%	10.18%	64.58%	63.42%	62.39%
Since Inception	11.04%	11.01%	10.76%	84.99%	84.69%	82.19%

### GROWTH OF \$10,000 INVESTMENT (SINCE INCEPTION AT NET ASSET VALUE)



The inception date of the Fund was 10/18/11. The first day of secondary market trading was 10/20/11.

Past performance is no guarantee of future results. Performance results do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares. See "About Fund Performance" on page 18 for more information.

### Shareholder Expenses

Actual			Hypothetical 5% Return			
Beginning Account Value (3/1/17)	Ending Account Value (8/31/17)	Expenses Paid During Period <sup>a</sup>	Beginning Account Value (3/1/17)	Ending Account Value (8/31/17)	Expenses Paid During Period <sup>a</sup>	Annualized Expense Ratio
\$ 1,000.00	\$ 1,071.50	\$ 1.04	\$ 1,000.00	\$ 1,024.20	\$ 1.02	0.20%

<sup>a</sup> Expenses are calculated using the Fund's annualized expense ratio (as disclosed in the table), multiplied by the average account value for the period, multiplied by the number of days in the period (184 days) and divided by the number of days in the year (365 days). See "Shareholder Expenses" on page 18 for more information.

The iShares Edge MSCI Min Vol Global ETF (the "Fund") seeks to track the investment results of an index composed of developed and emerging market equities that, in the aggregate, have lower volatility characteristics relative to the broader developed and emerging equity markets, as represented by the MSCI ACWI Minimum Volatility (USD) Index (the "Index"). The Fund invests in a representative sample of securities included in the Index that collectively has an investment profile similar to the Index. Due to the use of representative sampling, the Fund may or may not hold all of the securities that are included in the Index. For the 12-month reporting period ended August 31, 2017, the total return for the Fund was 9.75%, net of fees, while the total return for the Index was 9.47%.

Low-volatility stocks in the U.S., the largest country weight in the Index during the reporting period, contributed the most to the Index's return. U.S. stocks rose initially due to optimism about potentially stimulative fiscal policies from the new presidential

# Management's Discussion of Fund Performance (Continued)

## iSHARES® EDGE MSCI MIN VOL GLOBAL ETF

administration, and they sustained their advance as corporate earnings growth improved, particularly among multinational companies with significant operations outside of the U.S.

Low-volatility stocks in Japan and Taiwan also contributed meaningfully to the Index's return for the reporting period. A weaker Japanese yen, which bolstered export growth, and increased consumer spending domestically helped Japan's economy expand throughout the reporting period. Taiwan's technology-heavy stock market rose to its highest level in 27 years.

Other noteworthy contributors to the Index's return for the reporting period included Switzerland, Hong Kong, and Denmark. On the downside, low-volatility stocks in the U.K. and Singapore detracted fractionally from the Index's return.

From a sector perspective, the financials sector contributed the most to the Index's return for the reporting period, benefiting from improving global economic conditions, the Fed's interest rate increases, and expectations of less stringent regulatory policies in the U.S. Insurers and banks led the advance in the financials sector.

The information technology sector also contributed meaningfully to the Index's return for the reporting period, led by software and services companies. Other contributors to the Index's performance included the healthcare and industrials sectors, while the real estate and consumer staples sectors detracted from the Index's return.

The Index seeks lower volatility than the broader market with returns in line with the market over the long term. For the reporting period, the Index trailed the broader market, as represented by the MSCI ACWI Index. As the broader market rose sharply, stocks with relatively low volatility characteristics underperformed.

Relative to the broader market, the Index's lack of exposure to France detracted from performance as the French equity market generated strong returns for the reporting period. In contrast, an overweight allocation in the Index to Japan benefited relative performance. On a sector basis, overweight allocations in the Index to the telecommunication services and consumer staples sectors weighed on relative performance as these sectors underperformed during the reporting period. On the positive side, an underweight allocation in the Index to the energy sector benefited relative performance.

### ALLOCATION BY SECTOR As of 8/31/17

<i>Sector</i>	<i>Percentage of Total Investments*</i>
Health Care	16.64%
Financials	13.73
Consumer Staples	13.12
Information Technology	12.46
Industrials	9.79
Consumer Discretionary	9.06
Utilities	8.25
Telecommunication Services	8.24
Real Estate	4.33
Materials	2.75
Energy	1.63
<b>TOTAL</b>	<b><u>100.00%</u></b>

### TEN LARGEST COUNTRIES As of 8/31/17

<i>Country</i>	<i>Percentage of Total Investments*</i>
United States	56.64%
Japan	12.69
Switzerland	5.06
Taiwan	4.04
Canada	3.61
Hong Kong	3.46
China	3.23
United Kingdom	1.56
Denmark	1.33
Singapore	0.90
<b>TOTAL</b>	<b><u>92.52%</u></b>

\* Excludes money market funds.



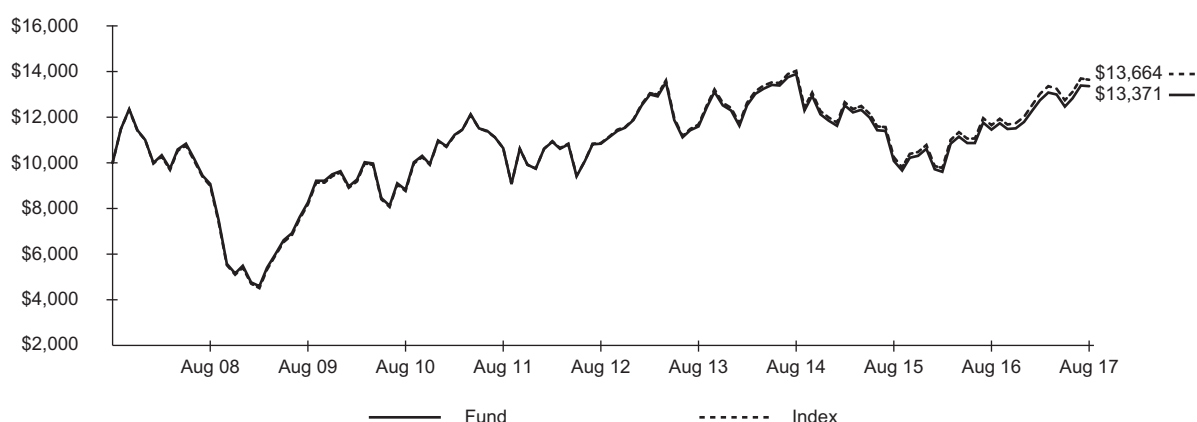
# Management's Discussion of Fund Performance

## iSHARES® MSCI AUSTRALIA ETF

Performance as of August 31, 2017

	Average Annual Total Returns			Cumulative Total Returns		
	NAV	MARKET	INDEX	NAV	MARKET	INDEX
1 Year	16.70%	17.71%	17.08%	16.70%	17.71%	17.08%
5 Years	4.28%	4.27%	4.67%	23.30%	23.24%	25.65%
10 Years	2.95%	2.87%	3.17%	33.71%	32.72%	36.64%

### GROWTH OF \$10,000 INVESTMENT (AT NET ASSET VALUE)



Past performance is no guarantee of future results. Performance results do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares. See "About Fund Performance" on page 18 for more information.

### Shareholder Expenses

Actual			Hypothetical 5% Return			Annualized Expense Ratio
Beginning Account Value (3/1/17)	Ending Account Value (8/31/17)	Expenses Paid During Period <sup>a</sup>	Beginning Account Value (3/1/17)	Ending Account Value (8/31/17)	Expenses Paid During Period <sup>a</sup>	
\$ 1,000.00	\$ 1,047.30	\$ 2.53	\$ 1,000.00	\$ 1,022.70	\$ 2.50	0.49%

<sup>a</sup> Expenses are calculated using the Fund's annualized expense ratio (as disclosed in the table), multiplied by the average account value for the period, multiplied by the number of days in the period (184 days) and divided by the number of days in the year (365 days). See "Shareholder Expenses" on page 18 for more information.

# Management's Discussion of Fund Performance (Continued)

## iSHARES® MSCI AUSTRALIA ETF

The iShares MSCI Australia ETF (the "Fund") seeks to track the investment results of an index composed of Australian equities, as represented by the MSCI Australia Index (the "Index"). The Fund invests in a representative sample of securities included in the Index that collectively has an investment profile similar to the Index. Due to the use of representative sampling, the Fund may or may not hold all of the securities that are included in the Index. For the 12-month reporting period ended August 31, 2017, the total return for the Fund was 16.70%, net of fees, while the total return for the Index was 17.08%.

As a resource-rich country, Australia is a key exporter of commodities. During the reporting period, rising commodities prices amid strengthening global demand drove up Australia's mineral export levels, in turn pushing the country's trade surplus to a record high. Improving economic growth in China was beneficial, as China takes in approximately 32% of Australia's exports. Heavy flooding in the wake of Cyclone Debbie, however, temporarily constrained coal production as mines were damaged and roads and ports were closed.

During the reporting period, the largest contributor to the Index's performance from a sector standpoint was financials. Banks were strong performers despite the dual challenges of margin erosion and increased capital requirements. In the first half of 2017, major banks increased their return on equity and reduced their average cost-to-income ratio, while increased competition and low interest rates modestly decreased margins.

Another key contributor to the Index's performance was the materials sector. The metals and mining industry led sector gains, reflecting the rebound in global demand amid rising prices. Increasing steel production in China supported demand for metallurgical coal and iron ore, both used in steel production. The consumer staples and healthcare sectors also contributed to the Index's performance during the reporting period.

On the downside, the telecommunication services sector detracted modestly from the Index's return for the reporting period. Although rising mobile broadband use offset a decline in revenues, increased usage required additional investment in mobile infrastructure.

The Australian dollar rose about 5% relative to the U.S. dollar during the reporting period, which made Australian investments worth more when translated back into U.S. dollars.

### ALLOCATION BY SECTOR As of 8/31/17

<i>Sector</i>	<i>Percentage of Total Investments*</i>
Financials	42.05%
Materials	17.31
Real Estate	8.43
Consumer Staples	7.72
Health Care	7.05
Industrials	5.59
Energy	4.79
Consumer Discretionary	2.87
Utilities	2.29
Telecommunication Services	1.38
Information Technology	0.52
<b>TOTAL</b>	<b><u>100.00%</u></b>

### TEN LARGEST FUND HOLDINGS As of 8/31/17

<i>Security</i>	<i>Percentage of Total Investments*</i>
Commonwealth Bank of Australia	10.42%
Westpac Banking Corp.	8.34
BHP Billiton Ltd.	6.99
Australia & New Zealand Banking Group Ltd.	6.86
National Australia Bank Ltd.	6.42
CSL Ltd.	4.64
Wesfarmers Ltd.	3.83
Woolworths Ltd.	2.67
Rio Tinto Ltd.	2.29
Macquarie Group Ltd.	2.23
<b>TOTAL</b>	<b><u>54.69%</u></b>

\* Excludes money market funds.

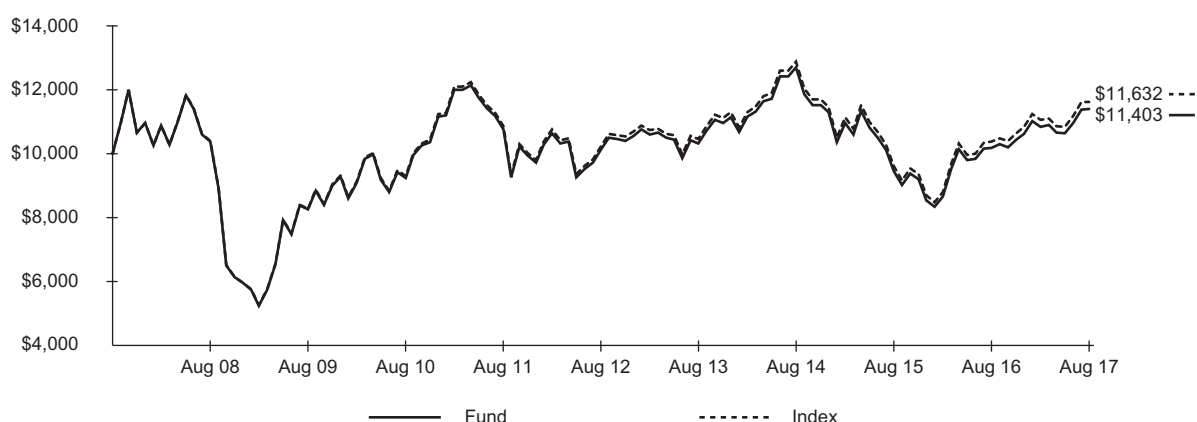
# Management's Discussion of Fund Performance

## iSHARES® MSCI CANADA ETF

Performance as of August 31, 2017

	Average Annual Total Returns			Cumulative Total Returns		
	NAV	MARKET	INDEX	NAV	MARKET	INDEX
1 Year	11.88%	12.08%	12.08%	11.88%	12.08%	12.08%
5 Years	2.39%	2.42%	2.56%	12.51%	12.71%	13.49%
10 Years	1.32%	1.30%	1.52%	14.03%	13.76%	16.32%

### GROWTH OF \$10,000 INVESTMENT (AT NET ASSET VALUE)



Past performance is no guarantee of future results. Performance results do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares. See "About Fund Performance" on page 18 for more information.

### Shareholder Expenses

Actual			Hypothetical 5% Return			
Beginning Account Value (3/1/17)	Ending Account Value (8/31/17)	Expenses Paid During Period <sup>a</sup>	Beginning Account Value (3/1/17)	Ending Account Value (8/31/17)	Expenses Paid During Period <sup>a</sup>	Annualized Expense Ratio
\$ 1,000.00	\$ 1,050.90	\$ 2.53	\$ 1,000.00	\$ 1,022.70	\$ 2.50	0.49%

<sup>a</sup> Expenses are calculated using the Fund's annualized expense ratio (as disclosed in the table), multiplied by the average account value for the period, multiplied by the number of days in the period (184 days) and divided by the number of days in the year (365 days). See "Shareholder Expenses" on page 18 for more information.

# Management's Discussion of Fund Performance (Continued)

## iSHARES® MSCI Canada ETF

The iShares MSCI Canada ETF (the "Fund") seeks to track the investment results of an index composed of Canadian equities, as represented by the MSCI Canada Index (the "Index"). The Fund invests in a representative sample of securities included in the Index that collectively has an investment profile similar to the Index. Due to the use of representative sampling, the Fund may or may not hold all of the securities that are included in the Index. For the 12-month reporting period ended August 31, 2017, the total return for the Fund was 11.88%, net of fees, while the total return for the Index was 12.08%.

Canada's economy grew steadily during the reporting period, reaching an annualized pace of 4.5% for the second quarter of 2017. Household spending was a key driver of strength, supported by strong wages, low unemployment, and inexpensive credit. Exports also contributed to economic momentum, with energy products experiencing the largest increase. As a sign that the Canadian export market was diversifying, shipments to non-U.S. trade partners grew 15% during the reporting period. Real estate prices continued their multi-year boom, rising throughout the reporting period. Citing strong economic conditions, Canada's central bank raised its key interest rate in July 2017, from 0.50% to 0.75%.

The financials sector, which represented about 42% of the Index on average during the reporting period, made the largest contribution to the Index's return. Banks led sector gains, reflecting solid earnings among large banks despite low interest rates. Insurers and diversified financial companies also contributed, benefiting from economic growth and the prospect of rising interest rates.

Another meaningful contributor to the Index's performance for the reporting period was the industrials sector. The road and rail industry led strength in the sector, partly due to a boost from a government infrastructure plan.

Additionally, the materials and consumer discretionary sectors contributed to the Index's performance, with the metals and mining industry and strong consumer spending levels, respectively, supporting gains in the sectors. On the downside, the healthcare sector detracted modestly from the Index's performance during the reporting period.

The Canadian dollar rose about 5% relative to the U.S. dollar during the reporting period, which made Canadian investments worth more when translated back into U.S. dollars.

Special note: Effective September 1, 2017, the Fund will begin to track a new underlying index, the MSCI Canada Custom Capped Index, and will cease to track the Index. The change to a capped benchmark is being implemented to seek to reduce tracking error and improve the investor experience.

### ALLOCATION BY SECTOR As of 8/31/17

<i>Sector</i>	<i>Percentage of Total Investments*</i>
Financials	42.30%
Energy	21.18
Materials	10.86
Industrials	7.67
Consumer Discretionary	5.27
Consumer Staples	4.29
Information Technology	2.74
Telecommunication Services	2.50
Utilities	2.17
Real Estate	0.69
Health Care	0.33
<b>TOTAL</b>	<b><u>100.00%</u></b>

### TEN LARGEST FUND HOLDINGS As of 8/31/17

<i>Security</i>	<i>Percentage of Total Investments*</i>
Royal Bank of Canada	8.17%
Toronto-Dominion Bank (The)	7.42
Bank of Nova Scotia (The)	5.60
Canadian National Railway Co.	4.63
Enbridge Inc.	4.36
Suncor Energy Inc.	3.89
Bank of Montreal	3.45
TransCanada Corp.	3.27
Manulife Financial Corp.	2.89
Canadian Imperial Bank of Commerce	2.69
<b>TOTAL</b>	<b><u>46.37%</u></b>

\* Excludes money market funds.

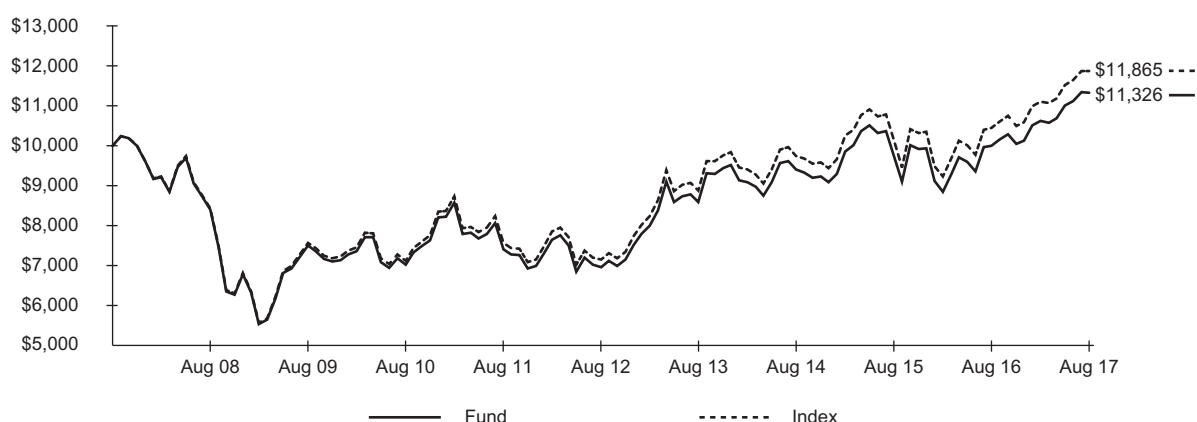
# Management's Discussion of Fund Performance

## iSHARES® MSCI JAPAN ETF

Performance as of August 31, 2017

	Average Annual Total Returns			Cumulative Total Returns		
	NAV	MARKET	INDEX	NAV	MARKET	INDEX
1 Year	13.31%	13.43%	13.69%	13.31%	13.43%	13.69%
5 Years	10.23%	10.17%	10.68%	62.78%	62.27%	66.10%
10 Years	1.25%	1.29%	1.72%	13.26%	13.68%	18.65%

### GROWTH OF \$10,000 INVESTMENT (AT NET ASSET VALUE)



Past performance is no guarantee of future results. Performance results do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares. See "About Fund Performance" on page 18 for more information.

### Shareholder Expenses

Actual			Hypothetical 5% Return			Annualized Expense Ratio
Beginning Account Value (3/1/17)	Ending Account Value (8/31/17)	Expenses Paid During Period <sup>a</sup>	Beginning Account Value (3/1/17)	Ending Account Value (8/31/17)	Expenses Paid During Period <sup>a</sup>	
\$ 1,000.00	\$ 1,067.30	\$ 2.55	\$ 1,000.00	\$ 1,022.70	\$ 2.50	0.49%

<sup>a</sup> Expenses are calculated using the Fund's annualized expense ratio (as disclosed in the table), multiplied by the average account value for the period, multiplied by the number of days in the period (184 days) and divided by the number of days in the year (365 days). See "Shareholder Expenses" on page 18 for more information.

# Management's Discussion of Fund Performance (Continued)

## iSHARES® MSCI Japan ETF

The **iShares MSCI Japan ETF** (the "Fund") seeks to track the investment results of an index composed of Japanese equities, as represented by the MSCI Japan Index (the "Index"). The Fund invests in a representative sample of securities included in the Index that collectively has an investment profile similar to the Index. Due to the use of representative sampling, the Fund may or may not hold all of the securities that are included in the Index. For the 12-month reporting period ended August 31, 2017, the total return for the Fund was 13.31%, net of fees, while the total return for the Index was 13.69%.

Japan's economy expanded for the reporting period, reaching its longest period of sustained growth since 2006. Consumer spending and exports were dual drivers of growth. Private consumption, which represented more than half of the country's gross domestic product, rose as demand for clothing and mobile phones climbed. A weaker Japanese yen and global economic growth supported export demand.

Every sector contributed to the Index's performance for the reporting period. The information technology sector was the largest sector contributor to the Index's gain. Companies in the sector generally benefited from rising demand as global economic growth strengthened. Increased shipments included those of flat panels, semiconductor manufacturing equipment, and electronics to Asian neighbors. The technology hardware and equipment industry and the software and services industry were the leading contributors in the sector.

Another significant contributor to the Index's return for the reporting period was the industrials sector. Accelerating manufacturing activity supported the sector, driven by increased export demand, particularly for cars. Trading companies and distributors led the sector's gains, followed by machinery companies.

Consumer discretionary stocks also contributed to the Index's performance. Consumer spending, which has been a soft spot in the Japanese economy for several years, trended upward during the reporting period. The consumer durables industry supported the sector the most. Autos and components companies also contributed to the sector's return amid strong global car sales.

The Japanese yen declined about 6% relative to the U.S. dollar during the reporting period, which made Japanese investments worth less when translated back into U.S. dollars.

### ALLOCATION BY SECTOR As of 8/31/17

<i>Sector</i>	<i>Percentage of Total Investments*</i>
Industrials	20.56%
Consumer Discretionary	20.07
Information Technology	12.70
Financials	12.30
Consumer Staples	7.85
Health Care	7.29
Materials	6.73
Telecommunication Services	5.55
Real Estate	4.11
Utilities	1.94
Energy	0.90
<b>TOTAL</b>	<b><u>100.00%</u></b>

### TEN LARGEST FUND HOLDINGS As of 8/31/17

<i>Security</i>	<i>Percentage of Total Investments*</i>
Toyota Motor Corp.	4.47%
Mitsubishi UFJ Financial Group Inc.	2.25
SoftBank Group Corp.	2.04
Sumitomo Mitsui Financial Group Inc.	1.56
Keyence Corp.	1.54
Sony Corp.	1.51
KDDI Corp.	1.49
Honda Motor Co. Ltd.	1.47
Mizuho Financial Group Inc.	1.26
Takeda Pharmaceutical Co. Ltd.	1.22
<b>TOTAL</b>	<b><u>18.81%</u></b>

\* Excludes money market funds.

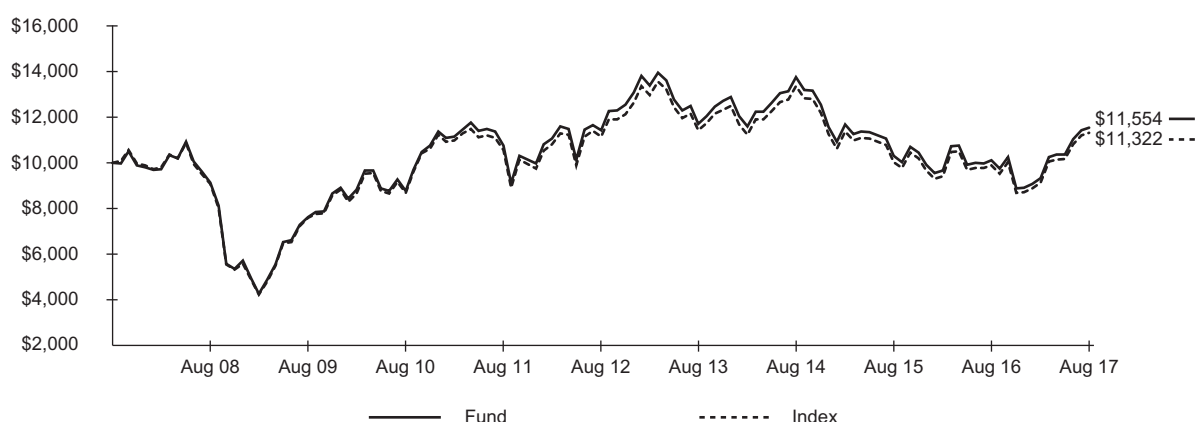
# Management's Discussion of Fund Performance

## iSHARES® MSCI MEXICO CAPPED ETF

Performance as of August 31, 2017

	Average Annual Total Returns			Cumulative Total Returns		
	NAV	MARKET	INDEX	NAV	MARKET	INDEX
1 Year	14.03%	13.60%	14.26%	14.03%	13.60%	14.26%
5 Years	0.22%	0.01%	0.29%	1.10%	0.05%	1.46%
10 Years	1.46%	1.44%	1.25%	15.54%	15.33%	13.22%

### GROWTH OF \$10,000 INVESTMENT (AT NET ASSET VALUE)



Index performance through November 30, 2007 reflects the performance of the MSCI Mexico Index. Index performance beginning on December 1, 2007 through February 11, 2013 reflects the performance of the MSCI Mexico Investable Market Index. Index performance beginning on February 12, 2013 reflects the performance of the MSCI Mexico IMI 25/50 Index.

Past performance is no guarantee of future results. Performance results do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares. See "About Fund Performance" on page 18 for more information.

### Shareholder Expenses

Actual			Hypothetical 5% Return			Annualized Expense Ratio
Beginning Account Value (3/1/17)	Ending Account Value (8/31/17)	Expenses Paid During Period <sup>a</sup>	Beginning Account Value (3/1/17)	Ending Account Value (8/31/17)	Expenses Paid During Period <sup>a</sup>	
\$ 1,000.00	\$ 1,236.30	\$ 2.76	\$ 1,000.00	\$ 1,022.70	\$ 2.50	0.49%

<sup>a</sup> Expenses are calculated using the Fund's annualized expense ratio (as disclosed in the table), multiplied by the average account value for the period, multiplied by the number of days in the period (184 days) and divided by the number of days in the year (365 days). See "Shareholder Expenses" on page 18 for more information.

# Management's Discussion of Fund Performance (Continued)

## iSHARES® MSCI MEXICO CAPPED ETF

The iShares MSCI Mexico Capped ETF (the "Fund") seeks to track the investment results of a broad-based index composed of Mexican equities, as represented by the MSCI Mexico IMI 25/50 Index (the "Index"). The Fund invests in a representative sample of securities included in the Index that collectively has an investment profile similar to the Index. Due to the use of representative sampling, the Fund may or may not hold all of the securities that are included in the Index. For the 12-month reporting period ended August 31, 2017, the total return for the Fund was 14.03%, net of fees, while the total return for the Index was 14.26%.

Mexico is an export-driven economy, with manufactured goods representing 83% of shipments. The Mexican economy expanded during the reporting period, despite higher interest rates, rising inflation, and uncertainty about trade relations with the U.S. The U.S. presidential election temporarily raised the possibility of recession in Mexico amid concerns U.S. President Trump may end NAFTA, impose a 20% tax on Mexican imports, and pursue other policies that would be damaging to Mexican exports. Slow progress on the policies, however, alleviated such concerns. Manufacturing output increased, reflecting a rise in the country's automobile industry. Declining unemployment and solid remittance inflows helped the Mexican economy to retain its positive momentum.

Within the Index, the telecommunication services sector made the largest contribution to the Index's return during the reporting period. Due to major reforms implemented in 2014 to improve competition, revenues within the sector grew 10.9% for 2016, exceeding many analysts' expectations. Within the sector, wireless telecommunication services companies contributed the most to performance.

Another significant contributor to the Index's performance for the reporting period was the materials sector. Gains in the sector were supported by strength among metals and mining companies and construction materials suppliers.

The financials and consumer staples sectors also contributed significantly to the Index's performance for the reporting period. Financials companies benefited from improving global economic conditions. From an industry perspective, banks led the financial sector's advance. Food, beverage, and tobacco companies and food and staples retailers supported performance in the consumer staples sector.

In terms of currency performance, the Mexican peso appreciated against the U.S. dollar by approximately 6% during the reporting period, as the Mexican peso recovered following a steep drop after the U.S. presidential election.

### ALLOCATION BY SECTOR As of 8/31/17

<i>Sector</i>	<i>Percentage of Total Investments*</i>
Consumer Staples	26.12%
Financials	16.02
Telecommunication Services	15.77
Materials	14.97
Industrials	11.41
Consumer Discretionary	7.66
Real Estate	5.93
Utilities	1.47
Health Care	0.65
<b>TOTAL</b>	<b><u>100.00%</u></b>

### TEN LARGEST FUND HOLDINGS As of 8/31/17

<i>Security</i>	<i>Percentage of Total Investments*</i>
America Movil SAB de CV Series L	14.84%
Fomento Economico Mexicano SAB de CV	9.08
Grupo Financiero Banorte SAB de CV Series O	7.89
Cemex SAB de CV CPO	6.17
Wal-Mart de Mexico SAB de CV	5.76
Grupo Televisa SAB	4.50
Grupo Mexico SAB de CV Series B	4.46
Fibra Uno Administracion SA de CV	2.46
Grupo Aeroportuario del Sureste SAB de CV Series B	2.28
Alfa SAB de CV	2.14
<b>TOTAL</b>	<b><u>59.58%</u></b>

\* Excludes money market funds.



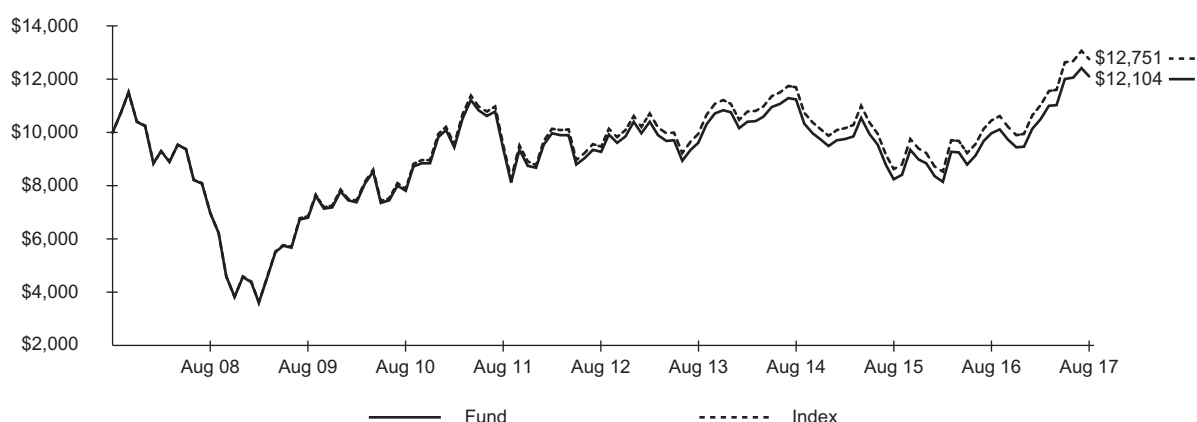
# Management's Discussion of Fund Performance

## iSHARES® MSCI SOUTH KOREA CAPPED ETF

Performance as of August 31, 2017

	Average Annual Total Returns			Cumulative Total Returns		
	NAV	MARKET	INDEX	NAV	MARKET	INDEX
1 Year	21.28%	22.88%	21.96%	21.28%	22.88%	21.96%
5 Years	5.45%	5.39%	6.13%	30.38%	30.02%	34.63%
10 Years	1.93%	1.87%	2.46%	21.04%	20.33%	27.51%

### GROWTH OF \$10,000 INVESTMENT (AT NET ASSET VALUE)



Index performance through February 11, 2013 reflects the performance of the MSCI Korea Index. Index performance beginning on February 12, 2013 reflects the performance of the MSCI Korea 25/50 Index.

Past performance is no guarantee of future results. Performance results do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares. See "About Fund Performance" on page 18 for more information.

### Shareholder Expenses

Actual			Hypothetical 5% Return			Annualized Expense Ratio
Beginning Account Value (3/1/17)	Ending Account Value (8/31/17)	Expenses Paid During Period <sup>a</sup>	Beginning Account Value (3/1/17)	Ending Account Value (8/31/17)	Expenses Paid During Period <sup>a</sup>	
\$ 1,000.00	\$ 1,153.00	\$ 3.31	\$ 1,000.00	\$ 1,022.10	\$ 3.11	0.61%

<sup>a</sup> Expenses are calculated using the Fund's annualized expense ratio (as disclosed in the table), multiplied by the average account value for the period, multiplied by the number of days in the period (184 days) and divided by the number of days in the year (365 days). See "Shareholder Expenses" on page 18 for more information.

# Management's Discussion of Fund Performance (Continued)

## iSHARES® MSCI SOUTH KOREA CAPPED ETF

The iShares MSCI South Korea Capped ETF (the "Fund") seeks to track the investment results of an index composed of South Korean equities, as represented by the MSCI Korea 25/50 Index (the "Index"). The Fund invests in a representative sample of securities included in the Index that collectively has an investment profile similar to the Index. Due to the use of representative sampling, the Fund may or may not hold all of the securities that are included in the Index. For the 12-month reporting period ended August 31, 2017, the total return for the Fund was 21.28%, net of fees, while the total return for the Index was 21.96%.

South Korea's stock market neared an all-time high during the reporting period, driven up largely by foreign demand for technology stocks. By contrast, the country's economic growth was tepid. Exports surged, hitting the eighth consecutive month of significant increases in August 2017. However, weak domestic demand limited economic growth and led the South Korean government to initiate a fiscal stimulus package aimed at creating public sector jobs and increasing social welfare subsidies.

The information technology sector was the largest sector at about 36% of the Index on average, and it was also the most significant contributor to the Index's performance. Information technology stocks generally benefited from growing demand in an improving global economic environment during the reporting period. Within the sector, the technology hardware and equipment industry was the largest contributor to performance. Gains in the semiconductors and semiconductor equipment industry reflected a surge in semiconductor chip exports, up 58% in July 2017 compared with a year earlier.

Another meaningful contributor to the Index's return for the reporting period was the financials sector. An improvement in global economic conditions, as well as expectations of a more lenient regulatory environment in the U.S., supported strength in the sector. From an industry standpoint, banks led the financial sector's advance.

The materials and energy sectors were also meaningful contributors to the Index's performance for the reporting period. Strength within the chemicals and the metals and mining industries supported the materials sector, while the oil, gas, and consumable fuels industry led energy sector gains. On the downside, the consumer staples and utilities sectors detracted modestly from the Index's return.

### ALLOCATION BY SECTOR As of 8/31/17

<i>Sector</i>	<i>Percentage of Total Investments*</i>
Information Technology	36.79%
Financials	14.95
Consumer Discretionary	12.34
Industrials	10.47
Materials	9.35
Consumer Staples	7.66
Health Care	3.10
Energy	2.87
Utilities	1.62
Telecommunication Services	0.85
<b>TOTAL</b>	<b><u>100.00%</u></b>

### TEN LARGEST FUND HOLDINGS As of 8/31/17

<i>Security</i>	<i>Percentage of Total Investments*</i>
Samsung Electronics Co. Ltd.	22.26%
SK Hynix Inc.	5.00
POSCO	3.20
Shinhan Financial Group Co. Ltd.	2.79
KB Financial Group Inc.	2.77
Hyundai Motor Co.	2.70
NAVER Corp.	2.64
LG Chem Ltd.	2.21
Hyundai Mobis Co. Ltd.	2.02
Hana Financial Group Inc.	1.86
<b>TOTAL</b>	<b><u>47.45%</u></b>

\* Excludes money market funds.

# About Fund Performance

Past performance is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Performance data current to the most recent month-end is available at [www.ishares.com](http://www.ishares.com). Performance results assume reinvestment of all dividends and capital gain distributions and do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares. The investment return and principal value of shares will vary with changes in market conditions. Shares may be worth more or less than their original cost when they are redeemed or sold in the market. Performance for certain funds may reflect a waiver of a portion of investment advisory fees. Without such a waiver, performance would have been lower.

Net asset value or “NAV” is the value of one share of a fund as calculated in accordance with the standard formula for valuing mutual fund shares. The price used to calculate market return (“Market Price”) is determined by using the midpoint between the highest bid and the lowest offer on the primary stock exchange on which shares of a fund are listed for trading, as of the time that such fund’s NAV is calculated. Certain funds may have a NAV which is determined prior to the opening of regular trading on its listed exchange and their market returns are calculated using the midpoint of the bid/ask spread as of the opening of regular trading on the exchange. Market and NAV returns assume that dividends and capital gain distributions have been reinvested at Market Price and NAV, respectively.

An index is a statistical composite that tracks a specified financial market or sector. Unlike a fund, an index does not actually hold a portfolio of securities and therefore does not incur the expenses incurred by a fund. These expenses negatively impact fund performance. Also, market returns do not include brokerage commissions that may be payable on secondary market transactions. If brokerage commissions were included, market returns would be lower.

## Shareholder Expenses

As a shareholder of a Fund, you incur two types of costs: (1) transaction costs, including brokerage commissions on purchases and sales of fund shares and (2) ongoing costs, including management fees and other fund expenses. The expense example, which is based on an investment of \$1,000 invested on March 1, 2017 and held through August 31, 2017, is intended to help you understand your ongoing costs (in dollars and cents) of investing in a Fund and to compare these costs with the ongoing costs of investing in other funds.

**Actual Expenses** — The table provides information about actual account values and actual expenses. Annualized expense ratios reflect contractual and voluntary fee waivers, if any. To estimate the expenses that you paid on your account over the period, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number under the heading entitled “Expenses Paid During Period.”

**Hypothetical Example for Comparison Purposes** — The table also provides information about hypothetical account values and hypothetical expenses based on each Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses. You may use this information to compare the ongoing costs of investing in your Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as brokerage commissions paid on purchases and sales of fund shares. Therefore, the hypothetical examples are useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

# Schedule of Investments

## iSHARES® EDGE MSCI MIN VOL GLOBAL ETF

August 31, 2017

Security	Shares	Value	Security	Shares	Value
<b>COMMON STOCKS — 99.45%</b>					
<b>BELGIUM — 0.30%</b>					
Colruyt SA	32,616	\$ 1,809,923	Guangdong Investment Ltd. <sup>a</sup>	5,436,000	\$ 8,029,203
Proximus SADP	153,567	5,406,980	Industrial & Commercial Bank of China Ltd. Class H	2,718,000	2,035,084
UCB SA	56,172	3,866,060	Jiangsu Expressway Co. Ltd. Class H	1,884,000	2,888,666
		11,082,963	Shandong Weigao Group Medical Polymer Co. Ltd. Class H	3,768,000	3,009,027
<b>CANADA — 3.60%</b>			Shenzhou International Group Holdings Ltd. <sup>a</sup>	942,000	7,546,640
Agnico Eagle Mines Ltd.	226,047	11,540,792	Sihuan Pharmaceutical Holdings Group Ltd.	4,077,000	1,567,987
Barrick Gold Corp.	107,361	1,925,861	Tencent Holdings Ltd.	90,600	3,808,547
BCE Inc.	264,552	12,542,350	Yum China Holdings Inc. <sup>c</sup>	665,910	23,546,578
Fairfax Financial Holdings Ltd.	13,137	6,801,168	Zijin Mining Group Co. Ltd. Class H	9,060,000	3,322,349
First Capital Realty Inc.	169,422	2,741,832			117,982,155
Franco-Nevada Corp. <sup>a</sup>	296,715	24,177,391	<b>CZECH REPUBLIC — 0.06%</b>		
Goldcorp Inc. <sup>a</sup>	580,746	7,948,635	Komerční Banka AS	53,907	2,371,618
Intact Financial Corp.	228,312	18,745,713			2,371,618
RioCan REIT	105,549	2,003,642	<b>DENMARK — 1.32%</b>		
Rogers Communications Inc. Class B	92,865	4,828,610	Chr Hansen Holding A/S	47,112	4,047,778
Shaw Communications Inc. Class B	680,859	15,129,597	Coloplast A/S Class B	161,721	13,222,659
TELUS Corp.	309,842	11,172,847	DONG Energy A/S <sup>d</sup>	256,398	13,328,212
Thomson Reuters Corp.	227,406	10,356,836	H Lundbeck A/S	118,686	7,548,839
Wheaton Precious Metals Corp.	112,797	2,333,762	ISS A/S	120,498	4,682,433
		132,249,036	William Demant Holding A/S <sup>a,c</sup>	219,252	5,793,262
<b>CHILE — 0.50%</b>					48,623,183
Banco de Chile	51,040,232	7,434,636	<b>FINLAND — 0.05%</b>		
SACI Falabella	1,075,422	10,812,232	Orion OYJ Class B	40,317	1,906,769
		18,246,868			1,906,769
<b>CHINA — 3.21%</b>			<b>GERMANY — 0.19%</b>		
Agricultural Bank of China Ltd. Class H	7,701,000	3,621,013	MAN SE	62,514	7,009,389
ANTA Sports Products Ltd. <sup>a</sup>	906,000	3,565,448			7,009,389
China Construction Bank Corp. Class H	8,607,000	7,544,164	<b>HONG KONG — 3.45%</b>		
China Huishan Dairy Holdings Co. Ltd. <sup>a,b</sup>	5,760,000	7	CK Infrastructure Holdings Ltd.	942,000	8,533,601
China Mobile Ltd.	2,355,000	24,974,925	CLP Holdings Ltd.	2,491,500	26,311,096
China Telecom Corp. Ltd. Class H	9,060,000	4,653,604	Hang Seng Bank Ltd.	1,313,700	30,213,698
China Unicom Hong Kong Ltd. <sup>c</sup>	2,718,000	3,959,036	HK Electric Investments & HK Electric Investments Ltd. <sup>a,d</sup>	4,983,000	4,571,414
COSCO SHIPPING Ports Ltd. <sup>a</sup>	1,812,000	2,141,584	HKT Trust & HKT Ltd.	6,727,000	8,681,164
CSPC Pharmaceutical Group Ltd.	7,248,000	11,316,824	Hong Kong & China Gas Co. Ltd. <sup>a</sup>	4,878,852	9,226,023
Fullshare Holdings Ltd. <sup>a</sup>	1,132,500	451,469	Link REIT	1,186,500	9,793,444

# Schedule of Investments (Continued)

## iSHARES® EDGE MSCI MIN VOL GLOBAL ETF

August 31, 2017

Security	Shares	Value	Security	Shares	Value
MTR Corp. Ltd.	2,590,500	\$ 15,142,929	Daiichi Sankyo Co. Ltd.	271,800	\$ 6,418,392
Power Assets Holdings Ltd. <sup>a</sup>	942,000	8,304,915	Daiwa House REIT		
Yue Yuen Industrial Holdings Ltd.	1,359,000	5,886,462	Investment Corp.	906	2,212,728
		126,664,746	Eisai Co. Ltd.	94,200	4,873,476
<b>INDIA — 0.32%</b>			FamilyMart UNY Holdings Co. Ltd.	92,400	5,003,671
Wipro Ltd. ADR <sup>a</sup>	1,962,849	11,659,323	FUJIFILM Holdings Corp.	94,200	3,699,186
		11,659,323	Japan Airlines Co. Ltd.	226,500	7,775,005
<b>INDONESIA — 0.85%</b>			Japan Prime Realty Investment Corp.	1,413	5,071,188
Bank Central Asia Tbk PT	9,694,200	13,768,932	Japan Real Estate Investment Corp.	1,413	7,317,918
Hanjaya Mandala Sampoerna Tbk PT	14,450,700	3,942,478	Japan Retail Fund Investment Corp.	2,718	4,995,924
Kalbe Farma Tbk PT	16,625,100	2,130,784	Kajima Corp.	453,000	4,152,980
Telekomunikasi Indonesia Persero Tbk PT	22,468,800	7,898,267	KDDI Corp.	45,300	1,221,198
Unilever Indonesia Tbk PT	906,000	3,432,641	Keikyu Corp.	942,000	9,996,874
		31,173,102	Kintetsu Group Holdings Co. Ltd.	471,000	1,775,986
<b>IRELAND — 0.47%</b>			Kirin Holdings Co. Ltd.	181,200	4,110,174
Kerry Group PLC Class A	101,925	9,479,800	Konami Holdings Corp.	135,900	7,075,295
Paddy Power Betfair PLC	22,197	1,947,318	Kyowa Hakko Kirin Co. Ltd.	90,600	1,589,575
Ryanair Holdings PLC ADR <sup>c</sup>	51,642	5,871,696	Kyushu Railway Co.	218,500	6,829,366
		17,298,814	Lawson Inc.	90,600	6,083,355
<b>ISRAEL — 0.69%</b>			McDonald's Holdings Co. Japan Ltd. <sup>a</sup>	141,300	6,271,584
Azrieli Group Ltd.	73,839	4,255,370	MEIJI Holdings Co. Ltd.	90,600	7,211,121
Bank Hapoalim BM	647,337	4,355,106	Miraca Holdings Inc.	94,200	4,275,204
Bank Leumi Le-Israel BM	770,553	4,034,680	Mitsubishi Tanabe Pharma Corp.	407,700	10,001,726
Check Point Software Technologies Ltd. <sup>a,c</sup>	33,522	3,750,106	Nagoya Railroad Co. Ltd.	1,359,000	6,075,123
Mizrahi Tefahot Bank Ltd. <sup>a</sup>	253,227	4,510,097	NH Foods Ltd.	150,000	4,402,144
Nice Ltd.	60,249	4,663,160	Nippon Building Fund Inc.	838	4,454,207
		25,568,519	Nippon Prologis REIT Inc.	2,784	6,040,516
<b>ITALY — 0.63%</b>			Nippon Telegraph & Telephone Corp.	453,000	22,505,942
Luxottica Group SpA	69,309	3,984,109	Nissin Foods Holdings Co. Ltd.	94,200	5,802,980
Recordati SpA	38,052	1,627,735	Nitori Holdings Co. Ltd.	100,300	15,474,232
Snam SpA	3,590,025	17,456,852	Nomura Real Estate Master Fund Inc.	4,983	6,578,502
		23,068,696	Nomura Research Institute Ltd.	227,030	8,828,715
<b>JAPAN — 12.63%</b>			NTT Data Corp.	1,180,500	12,742,450
ABC-Mart Inc.	47,100	2,417,908	NTT DOCOMO Inc.	815,400	18,918,080
Ajinomoto Co. Inc.	181,200	3,575,103	Obayashi Corp.	226,500	2,669,185
ANA Holdings Inc.	2,265,000	8,392,395	Oracle Corp. Japan	47,100	3,479,220
Astellas Pharma Inc.	860,700	10,819,357	Oriental Land Co. Ltd./Japan	141,300	10,603,277
Benesse Holdings Inc.	141,300	5,430,665	Otsuka Corp.	94,200	6,230,929
Canon Inc.	634,200	22,207,948			
Chugai Pharmaceutical Co. Ltd.	94,200	3,825,859			

# Schedule of Investments (Continued)

## iSHARES® EDGE MSCI MIN VOL GLOBAL ETF

August 31, 2017

Security	Shares	Value	Security	Shares	Value
Otsuka Holdings Co. Ltd.	518,100	\$ 20,849,218	<b>SOUTH KOREA — 0.76%</b>		
Park24 Co. Ltd.	186,600	4,481,045	Dongbu Insurance Co. Ltd.	29,445	\$ 1,963,696
Recruit Holdings Co. Ltd.	1,766,700	35,170,268	Kangwon Land Inc.	110,079	3,367,972
Sankyo Co. Ltd.	94,200	3,072,669	KT&G Corp.	19,479	1,977,958
Santen Pharmaceutical Co. Ltd.	226,500	3,510,894	NAVER Corp.	2,718	1,819,874
Secom Co. Ltd.	235,500	17,464,574	S-1 Corp.	28,992	2,306,299
Shimadzu Corp.	135,900	2,495,493	Samsung Biologics Co. Ltd. <sup>a,c,d</sup>	28,888	7,250,181
Shionogi & Co. Ltd.	47,100	2,479,961	Samsung Fire & Marine Insurance Co. Ltd.	15,855	3,887,822
Suntory Beverage & Food Ltd.	235,500	10,869,889	SK Telecom Co. Ltd.	24,462	5,499,394
Taisho Pharmaceutical Holdings Co. Ltd.	47,100	3,671,797			28,073,196
Takeda Pharmaceutical Co. Ltd.	271,800	15,007,529	<b>SPAIN — 0.06%</b>		
Terumo Corp.	181,200	6,997,093	Amadeus IT Group SA	36,693	2,271,517
Tobu Railway Co. Ltd.	1,413,000	7,805,779			2,271,517
Toho Co. Ltd./Tokyo	90,600	3,362,720	<b>SWITZERLAND — 5.04%</b>		
Toyo Suisan Kaisha Ltd.	141,300	5,218,831	Chocoladefabriken Lindt & Spruengli AG Registered	146	10,134,922
United Urban Investment Corp.	4,983	7,511,173	EMS-Chemie Holding AG Registered	12,684	8,651,781
USS Co. Ltd.	141,300	2,774,389	Givaudan SA Registered	1,359	2,771,738
Yamada Denki Co. Ltd.	362,400	1,959,186	Kuehne + Nagel International AG Registered	93,771	16,949,035
		464,139,171	Nestle SA Registered	455,265	38,538,822
<b>MALAYSIA — 0.80%</b>			Novartis AG Registered	229,671	19,334,426
Hong Leong Bank Bhd <sup>a</sup>	1,177,800	4,258,338	Partners Group Holding AG	14,043	9,089,226
IHH Healthcare Bhd <sup>a</sup>	2,536,800	3,558,233	Roche Holding AG	86,070	21,808,579
Malayan Banking Bhd	2,536,800	5,619,512	Schindler Holding AG Registered	35,334	7,408,742
Maxis Bhd <sup>a</sup>	3,005,300	4,067,588	Sika AG Bearer	453	3,205,411
Petronas Dagangan Bhd	317,100	1,811,788	Sonova Holding AG Registered	82,899	13,983,276
Public Bank Bhd	1,498,060	7,226,328	Straumann Holding AG Registered	11,778	7,531,302
Telekom Malaysia Bhd <sup>a</sup>	1,857,300	2,796,497	Swiss Prime Site AG Registered	65,685	5,932,839
		29,338,284	Swisscom AG Registered	39,411	19,832,632
<b>PHILIPPINES — 0.39%</b>					185,172,731
Aboitiz Equity Ventures Inc.	2,228,760	3,242,744	<b>TAIWAN — 4.02%</b>		
Bank of the Philippine Islands	1,363,539	2,821,942	Asustek Computer Inc.	942,000	7,803,440
BDO Unibank Inc.	3,415,629	8,484,003	Chang Hwa Commercial Bank Ltd.	8,077,361	4,416,199
		14,548,689	Chicony Electronics Co. Ltd.	954,956	2,398,544
<b>QATAR — 0.22%</b>			Chunghwa Telecom Co. Ltd.	6,795,000	23,641,439
Qatar National Bank QPSC	227,188	8,148,508	E.Sun Financial Holding Co. Ltd.	8,754,557	5,395,631
		8,148,508	Far EasTone Telecommunications Co. Ltd.	2,826,000	6,854,541
<b>SINGAPORE — 0.90%</b>			First Financial Holding Co. Ltd.	15,702,894	10,198,374
SATS Ltd.	1,268,400	4,511,320			
Singapore Airlines Ltd. <sup>a</sup>	996,600	7,566,234			
Singapore Press Holdings Ltd. <sup>a</sup>	1,439,500	2,925,641			
Singapore Telecommunications Ltd. <sup>a</sup>	6,613,800	18,019,926			
		33,023,121			



# Schedule of Investments (Continued)

## iSHARES® EDGE MSCI MIN VOL GLOBAL ETF

August 31, 2017

Security	Shares	Value	Security	Shares	Value
Formosa Petrochemical Corp.	2,265,000	\$ 7,993,058	TUI AG	443,487	\$ 7,474,635
Hon Hai Precision Industry Co. Ltd.	3,095,400	12,051,741			56,998,400
Hua Nan Financial Holdings Co. Ltd.	11,891,261	6,639,310	<b>UNITED STATES — 56.38%</b>		
Mega Financial Holding Co. Ltd.	15,402,000	12,376,106	3M Co.	26,727	5,460,861
Quanta Computer Inc.	942,000	2,144,385	Abbott Laboratories	246,885	12,576,322
Siliconware Precision Industries Co. Ltd.	3,624,000	5,739,991	Accenture PLC Class A	31,257	4,087,165
Synnex Technology International Corp.	3,171,250	3,541,242	Adobe Systems Inc. <sup>c</sup>	25,821	4,006,386
Taiwan Cooperative Financial Holding Co. Ltd.	13,996,454	7,374,122	Aetna Inc.	76,104	12,001,601
Taiwan Mobile Co. Ltd.	2,718,000	9,726,764	AGNC Investment Corp.	612,909	13,202,060
Taiwan Semiconductor Manufacturing Co. Ltd.	2,355,000	16,894,447	Alleghany Corp. <sup>c</sup>	18,384	10,345,964
WPG Holdings Ltd.	1,884,000	2,453,401	Allstate Corp. (The)	187,089	16,931,554
		147,642,735	Altria Group Inc.	460,248	29,179,723
<b>THAILAND — 0.78%</b>			American Tower Corp.	22,650	3,353,333
Advanced Info Service PCL NVDR	1,087,600	6,141,394	American Water Works Co. Inc.	90,600	7,329,540
Bangkok Dusit Medical Services PCL NVDR <sup>a</sup>	6,830,800	4,299,465	Annaly Capital Management Inc.	1,757,640	21,970,500
BTS Group Holdings PCL NVDR	10,604,400	2,762,477	ANSYS Inc. <sup>c</sup>	147,225	18,965,524
Bumrungrad Hospital PCL NVDR <sup>a</sup>	612,600	4,021,888	Aon PLC	70,668	9,834,159
CP ALL PCL NVDR	1,041,900	1,945,424	Aramark	113,250	4,608,143
Home Product Center PCL NVDR	7,146,800	2,152,327	Arch Capital Group Ltd. <sup>c</sup>	225,594	21,959,320
Krung Thai Bank PCL NVDR	6,071,400	3,419,219	AT&T Inc.	1,005,660	37,672,024
Siam Cement PCL (The) Foreign	271,800	4,092,757	Athene Holding Ltd. Class A <sup>c</sup>	187,995	10,059,612
		28,834,951	Automatic Data Processing Inc.	401,358	42,732,586
<b>UNITED ARAB EMIRATES — 0.28%</b>			AutoZone Inc. <sup>c</sup>	22,650	11,969,166
Emirates Telecommunications Group Co. PJSC	1,580,064	7,743,092	AvalonBay Communities Inc.	116,874	21,940,756
First Abu Dhabi Bank PJSC	849,375	2,404,917	Axis Capital Holdings Ltd.	156,738	9,441,897
		10,148,009	Baxter International Inc.	214,722	13,321,353
<b>UNITED KINGDOM — 1.55%</b>			Becton Dickinson and Co.	161,721	32,253,636
AstraZeneca PLC	25,821	1,510,866	Berkshire Hathaway Inc. Class B <sup>c</sup>	145,413	26,343,019
Compass Group PLC	469,972	10,004,223	Boston Scientific Corp. <sup>c</sup>	136,353	3,756,525
ConvaTec Group PLC <sup>c,d</sup>	2,032,535	7,513,978	Broadridge Financial Solutions Inc.	109,173	8,529,686
GlaxoSmithKline PLC	546,633	10,801,423	Campbell Soup Co.	130,464	6,027,437
Kingfisher PLC	1,419,184	5,465,954	CH Robinson Worldwide Inc.	155,379	10,974,419
Randgold Resources Ltd.	65,685	6,694,899	Charter Communications Inc. Class A <sup>c</sup>	42,129	16,790,092
Reckitt Benckiser Group PLC	79,728	7,532,422	Chipotle Mexican Grill Inc. <sup>c</sup>	4,077	1,291,227
			Chubb Ltd.	127,746	18,065,839
			Church & Dwight Co. Inc.	443,940	22,272,470
			Cigna Corp.	11,325	2,061,830
			Cincinnati Financial Corp.	108,267	8,319,236
			Cintas Corp.	115,062	15,534,521
			Cisco Systems Inc.	201,585	6,493,053
			Clorox Co. (The)	191,619	26,544,980
			CMS Energy Corp.	34,881	1,693,124
			Coca-Cola Co. (The)	523,215	23,832,443

# Schedule of Investments (Continued)

## iSHARES® EDGE MSCI MIN VOL GLOBAL ETF

August 31, 2017

Security	Shares	Value	Security	Shares	Value
Colgate-Palmolive Co.	144,960	\$ 10,384,934	JM Smucker Co. (The)	70,668	\$ 7,403,180
Comcast Corp. Class A	380,973	15,471,314	Johnson & Johnson	419,931	55,586,266
Consolidated Edison Inc.	503,283	42,411,658	Kellogg Co.	356,058	23,307,557
Constellation Brands Inc. Class A	34,428	6,889,043	Kimberly-Clark Corp.	107,361	13,236,538
Cooper Companies Inc. (The)	9,060	2,272,520	Laboratory Corp. of America		
Costco Wholesale Corp.	42,129	6,603,299	Holdings <sup>c</sup>	88,335	13,857,111
Crown Castle International Corp.	119,592	12,968,556	Liberty Broadband Corp.		
CVS Health Corp.	53,907	4,169,167	Class C <sup>c</sup>	27,180	2,759,585
Danaher Corp.	72,933	6,084,071	Lockheed Martin Corp.	35,787	10,928,992
Darden Restaurants Inc.	40,770	3,346,809	Lowe's Companies Inc.	25,821	1,907,914
Dell Technologies Inc. Class V <sup>c</sup>	373,725	28,003,214	Markel Corp. <sup>c</sup>	24,462	25,733,779
Dominion Energy Inc.	279,501	22,016,294	Marsh & McLennan		
Dr Pepper Snapple Group Inc.	115,968	10,558,886	Companies Inc.	305,775	23,874,912
Duke Energy Corp.	329,784	28,790,143	MasterCard Inc. Class A	45,488	6,063,550
eBay Inc. <sup>c</sup>	101,472	3,666,183	McCormick & Co. Inc./MD NVS	194,337	18,487,279
Ecolab Inc.	34,428	4,589,252	McDonald's Corp.	298,527	47,755,364
Edison International	32,163	2,578,829	Medtronic PLC	170,328	13,731,843
Eli Lilly & Co.	290,826	23,641,246	Merck & Co. Inc.	410,871	26,238,222
Equity Residential	132,276	8,882,333	Microsoft Corp.	36,693	2,743,536
Essex Property Trust Inc.	14,043	3,735,017	Monsanto Co.	69,309	8,123,015
Everest Re Group Ltd.	71,121	17,956,630	Motorola Solutions Inc.	164,439	14,490,365
Eversource Energy	77,010	4,851,630	Newmont Mining Corp.	114,156	4,376,741
Expeditors International of			NextEra Energy Inc.	37,833	5,694,245
Washington Inc.	239,184	13,418,222	Northrop Grumman Corp.	54,360	14,797,336
Exxon Mobil Corp.	348,357	26,590,090	O'Reilly Automotive Inc. <sup>c</sup>	28,086	5,508,507
F5 Networks Inc. <sup>c</sup>	15,402	1,838,691	Occidental Petroleum Corp.	95,583	5,706,305
Facebook Inc. Class A <sup>c</sup>	42,582	7,322,827	Oracle Corp.	66,138	3,328,726
Federal Realty Investment Trust	17,667	2,242,472	Patterson Companies Inc.	39,411	1,517,324
Fidelity National Information			Paychex Inc.	472,932	26,971,312
Services Inc.	137,259	12,754,106	PepsiCo Inc.	298,980	34,600,955
Fiserv Inc. <sup>c</sup>	105,549	13,057,467	Pfizer Inc.	650,508	22,065,231
FNF Group	125,934	6,075,056	PG&E Corp.	380,067	26,749,115
Gartner Inc. <sup>c</sup>	108,267	13,055,918	Procter & Gamble Co. (The)	469,761	43,344,847
General Mills Inc.	402,264	21,424,581	Progressive Corp. (The)	139,524	6,485,076
Genuine Parts Co.	38,052	3,151,847	Public Storage	70,215	14,417,948
Henry Schein Inc. <sup>c</sup>	71,121	12,352,295	Raytheon Co.	71,574	13,027,184
Hershey Co. (The)	62,967	6,606,498	Realty Income Corp. <sup>a</sup>	108,720	6,257,923
Home Depot Inc. (The)	53,907	8,079,042	RenaissanceRe Holdings Ltd.	57,768	8,038,995
Hormel Foods Corp.	141,336	4,344,669	Republic Services Inc.	411,324	26,834,778
Humana Inc.	23,103	5,951,795	Rollins Inc.	41,223	1,830,713
Intel Corp.	94,224	3,304,436	Ross Stores Inc.	63,420	3,706,899
International Business			SCANA Corp.	40,317	2,434,340
Machines Corp.	81,993	11,727,459	Sherwin-Williams Co. (The)	7,701	2,612,718
Intuitive Surgical Inc. <sup>c</sup>	33,522	33,678,548	Southern Co. (The)	637,824	30,781,386
Jack Henry & Associates Inc.	130,464	13,446,924	Starbucks Corp.	209,739	11,506,282



# Schedule of Investments (Continued)

## iSHARES® EDGE MSCI MIN VOL GLOBAL ETF

August 31, 2017

Security	Shares	Value
Stryker Corp.	211,551	\$ 29,906,965
Synopsys Inc. <sup>c</sup>	232,389	18,688,723
Sysco Corp.	137,259	7,229,432
Time Warner Inc.	100,566	10,167,223
TJX Companies Inc. (The)	318,459	23,024,586
Travelers Companies Inc. (The)	116,421	14,107,897
UDR Inc.	274,518	10,656,789
Ulta Salon Cosmetics & Fragrance Inc. <sup>c</sup>	5,889	1,301,528
United Parcel Service Inc. Class B	135,900	15,541,524
UnitedHealth Group Inc.	93,771	18,651,052
Vantiv Inc. Class A <sup>c</sup>	65,685	4,643,273
Varian Medical Systems Inc. <sup>c</sup>	150,849	16,027,706
Verizon Communications Inc.	682,218	32,725,997
Visa Inc. Class A	290,826	30,106,308
VMware Inc. Class A <sup>a,c</sup>	73,839	7,981,996
Wal-Mart Stores Inc.	288,108	22,492,592
Walt Disney Co. (The)	40,317	4,080,080
Waste Management Inc.	451,188	34,791,107
Waters Corp. <sup>c</sup>	18,120	3,324,658
WEC Energy Group Inc.	340,656	22,217,584
Welltower Inc.	60,702	4,444,600
Westar Energy Inc.	50,283	2,580,021
WR Berkley Corp.	168,063	11,199,718
Xcel Energy Inc.	472,479	23,387,710
		<u>2,072,130,020</u>

### TOTAL COMMON STOCKS

(Cost: \$3,174,791,046) 3,655,374,513

### PREFERRED STOCKS — 0.08%

#### COLOMBIA — 0.08%

Grupo Aval Acciones y Valores SA, Preference Shares	6,274,956	2,812,740
		<u>2,812,740</u>

### TOTAL PREFERRED STOCKS

(Cost: \$2,588,844) 2,812,740

Security	Shares	Value
<b>SHORT-TERM INVESTMENTS — 1.62%</b>		
<b>MONEY MARKET FUNDS — 1.62%</b>		
BlackRock Cash Funds: Institutional, SL Agency Shares		
1.32% <sup>e,f,g</sup>	56,910,361	\$ 56,927,434
BlackRock Cash Funds: Treasury, SL Agency Shares		
0.96% <sup>e,f</sup>	2,465,143	2,465,143
		<u>59,392,577</u>
<b>TOTAL SHORT-TERM INVESTMENTS</b>		
(Cost: \$59,378,772)		<u>59,392,577</u>
<b>TOTAL INVESTMENTS</b>		
<b>IN SECURITIES — 101.15%</b>		
(Cost: \$3,236,758,662) <sup>h</sup>		3,717,579,830
<b>Other Assets, Less Liabilities — (1.15)%</b>		
		<u>(42,205,898)</u>
<b>NET ASSETS — 100.00%</b>		
		<u>\$3,675,373,932</u>

ADR — American Depositary Receipts  
 NVDR — Non-Voting Depositary Receipts  
 NVS — Non-Voting Shares

<sup>a</sup> All or a portion of this security represents a security on loan. See Note 1.

<sup>b</sup> Security is valued using significant unobservable inputs and is classified as Level 3 in the fair value hierarchy.

<sup>c</sup> Non-income earning security.

<sup>d</sup> This security may be resold to qualified institutional buyers under Rule 144A of the Securities Act of 1933.

<sup>e</sup> Affiliated issuer. See Schedule 1.

<sup>f</sup> The rate quoted is the annualized seven-day yield of the fund at period end.

<sup>g</sup> All or a portion of this security represents an investment of securities lending collateral. See Note 1.

<sup>h</sup> The cost of investments (including short positions and derivatives, if any) for federal income tax purposes was \$3,257,880,160. Net unrealized appreciation was \$459,699,670, of which \$525,135,558 represented gross unrealized appreciation on investments and \$65,435,888 represented gross unrealized depreciation on investments.

# Schedule of Investments (Continued)

## iSHARES® EDGE MSCI MIN VOL GLOBAL ETF

August 31, 2017

### Schedule 1 — Affiliates (Note 2)

Investments in issuers considered to be affiliates of the Fund during the year ended August 31, 2017, for purposes of Section 2(a)(3) of the 1940 Act, and/or related parties of the Fund were as follows:

<i>Affiliated issuer</i>	<i>Shares held at 08/31/16</i>	<i>Shares purchased</i>	<i>Shares sold</i>	<i>Shares held at 08/31/17</i>	<i>Value at 08/31/17</i>	<i>Net realized gain (loss) <sup>a</sup></i>	<i>Change in unrealized appreciation (depreciation)</i>	<i>Income</i>
BlackRock Cash Funds:								
Institutional, SL								
Agency Shares	88,500,685	—	(31,590,324) <sup>b</sup>	56,910,361	\$56,927,434	\$ 16,088	\$ 13,805	\$ — <sup>c</sup>
BlackRock Cash Funds:								
Treasury, SL								
Agency Shares	2,334,558	130,585 <sup>b</sup>	—	2,465,143	2,465,143	242	—	29,119
					<u>\$59,392,577</u>	<u>\$ 16,330</u>	<u>\$ 13,805</u>	<u>\$29,119</u>

<sup>a</sup> Includes realized capital gain distributions from an affiliated fund, if any.

<sup>b</sup> Net of shares purchased and sold.

<sup>c</sup> Does not include income earned on investment of securities lending cash collateral which is not direct income of the Fund and is reflected as a component of securities lending income in the statement of operations.

### Schedule 2 — Fair Value Measurements

Various inputs are used in determining the fair value of financial instruments. For description of the input levels and information about the Fund's policy regarding valuation of financial instruments, see Note 1.

The following table summarizes the value of the Fund's investments according to the fair value hierarchy as of August 31, 2017. The breakdown of the Fund's investments into major categories is disclosed in the schedule of investments above.

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Investments:				
Assets:				
Common stocks	\$3,648,956,114	\$6,418,392	\$ 7	\$3,655,374,513
Preferred stocks	2,812,740	—	—	2,812,740
Money market funds	59,392,577	—	—	59,392,577
Total	<u>\$3,711,161,431</u>	<u>\$6,418,392</u>	<u>\$ 7</u>	<u>\$3,717,579,830</u>

See notes to financial statements.

# Schedule of Investments

## iSHARES® MSCI AUSTRALIA ETF

August 31, 2017

Security	Shares	Value
<b>COMMON STOCKS — 98.86%</b>		
<b>AIRLINES — 0.20%</b>		
Qantas Airways Ltd.	795,638	\$ 3,609,664
		3,609,664
<b>BANKS — 32.51%</b>		
Australia & New Zealand Banking Group Ltd.	5,136,385	119,773,317
Bank of Queensland Ltd.	678,490	6,775,235
Bendigo & Adelaide Bank Ltd.	826,886	7,837,341
Commonwealth Bank of Australia	3,025,804	181,913,603
National Australia Bank Ltd.	4,680,461	112,111,652
Westpac Banking Corp.	5,872,157	145,640,016
		574,051,164
<b>BEVERAGES — 1.20%</b>		
Coca-Cola Amatil Ltd.	1,002,107	6,398,308
Treasury Wine Estates Ltd.	1,293,430	14,854,795
		21,253,103
<b>BIOTECHNOLOGY — 4.58%</b>		
CSL Ltd.	793,934	80,930,141
		80,930,141
<b>CAPITAL MARKETS — 3.04%</b>		
ASX Ltd.	339,114	14,707,180
Macquarie Group Ltd.	565,648	38,942,261
		53,649,441
<b>CHEMICALS — 1.04%</b>		
Incitec Pivot Ltd.	2,950,223	7,792,095
Orica Ltd.	656,702	10,589,145
		18,381,240
<b>COMMERCIAL SERVICES &amp; SUPPLIES — 1.16%</b>		
Brambles Ltd.	2,779,285	20,522,863
		20,522,863
<b>CONSTRUCTION &amp; ENGINEERING — 0.32%</b>		
CIMIC Group Ltd.	170,731	5,694,211
		5,694,211
<b>CONSTRUCTION MATERIALS — 1.22%</b>		
Boral Ltd.	2,046,106	10,824,532
James Hardie Industries PLC	769,365	10,794,821
		21,619,353
<b>CONTAINERS &amp; PACKAGING — 1.47%</b>		
Amcor Ltd./Australia	2,026,083	25,888,563
		25,888,563

Security	Shares	Value
<b>DIVERSIFIED FINANCIAL SERVICES — 1.74%</b>		
AMP Ltd.	5,120,899	\$ 20,714,362
Challenger Ltd./Australia	998,027	9,926,474
		30,640,836
<b>DIVERSIFIED TELECOMMUNICATION SERVICES — 1.36%</b>		
Telstra Corp. Ltd.	7,282,264	21,197,647
TPG Telecom Ltd.	650,270	2,831,531
		24,029,178
<b>ELECTRIC UTILITIES — 0.25%</b>		
AusNet Services	3,156,555	4,356,300
		4,356,300
<b>EQUITY REAL ESTATE INVESTMENT TRUSTS (REITS) — 7.61%</b>		
BGP Holdings PLC <sup>a,b</sup>	18,888,372	225
Dexus	1,781,857	13,553,349
Goodman Group	3,130,760	20,585,408
GPT Group (The)	3,142,646	12,462,944
Mirvac Group	6,467,658	11,901,185
Scentre Group	9,314,476	28,516,808
Stockland	4,236,023	14,883,916
Vicinity Centres	5,872,401	12,203,156
Westfield Corp.	3,453,703	20,353,026
		134,460,017
<b>FOOD &amp; STAPLES RETAILING — 6.43%</b>		
Wesfarmers Ltd.	1,978,497	66,881,194
Woolworths Ltd.	2,263,486	46,677,366
		113,558,560
<b>GAS UTILITIES — 0.78%</b>		
APA Group	1,951,961	13,717,028
		13,717,028
<b>HEALTH CARE EQUIPMENT &amp; SUPPLIES — 0.71%</b>		
Cochlear Ltd.	100,652	12,470,573
		12,470,573
<b>HEALTH CARE PROVIDERS &amp; SERVICES — 1.68%</b>		
Healthscope Ltd.	3,044,518	4,201,680
Ramsay Health Care Ltd.	247,774	13,424,410
Sonic Healthcare Ltd.	693,089	12,038,941
		29,665,031
<b>HOTELS, RESTAURANTS &amp; LEISURE — 2.39%</b>		
Aristocrat Leisure Ltd.	950,225	15,955,209
Crown Resorts Ltd.	701,348	6,452,778
Domino's Pizza Enterprises Ltd. <sup>c</sup>	109,355	3,742,610

# Schedule of Investments (Continued)

## iSHARES® MSCI AUSTRALIA ETF

August 31, 2017

Security	Shares	Value
Flight Centre Travel Group Ltd. <sup>c</sup>	96,527	\$ 3,701,694
Tabcorp Holdings Ltd.	1,466,532	4,780,667
Tatts Group Ltd.	2,312,037	7,536,883
		42,169,841
<b>INSURANCE — 4.29%</b>		
Insurance Australia Group Ltd.	4,141,812	21,057,344
Medibank Pvt Ltd.	4,807,338	11,591,334
QBE Insurance Group Ltd.	2,399,497	19,868,994
Suncorp Group Ltd.	2,257,106	23,326,606
		75,844,278
<b>IT SERVICES — 0.51%</b>		
Computershare Ltd.	811,281	9,040,716
		9,040,716
<b>MEDIA — 0.28%</b>		
REA Group Ltd.	92,560	4,867,344
		4,867,344
<b>METALS &amp; MINING — 13.39%</b>		
Alumina Ltd.	4,285,441	7,205,872
BHP Billiton Ltd.	5,618,621	122,016,443
BlueScope Steel Ltd.	999,529	8,617,477
Fortescue Metals Group Ltd.	2,717,191	12,952,387
Newcrest Mining Ltd.	1,341,433	24,311,422
Rio Tinto Ltd.	742,091	39,929,896
South32 Ltd.	9,212,311	21,335,687
		236,369,184
<b>MULTI-UTILITIES — 1.24%</b>		
AGL Energy Ltd.	1,151,342	21,907,346
		21,907,346
<b>MULTILINE RETAIL — 0.18%</b>		
Harvey Norman Holdings Ltd.	966,353	3,127,168
		3,127,168
<b>OIL, GAS &amp; CONSUMABLE FUELS — 4.73%</b>		
Caltex Australia Ltd.	455,174	12,054,496
Oil Search Ltd.	2,401,745	12,782,170
Origin Energy Ltd. <sup>b</sup>	3,072,430	18,642,262
Santos Ltd. <sup>b</sup>	3,272,268	9,758,698
Woodside Petroleum Ltd.	1,326,416	30,330,500
		83,568,126
<b>PROFESSIONAL SERVICES — 0.43%</b>		
Seek Ltd.	577,917	7,677,776
		7,677,776

Security	Shares	Value
<b>REAL ESTATE MANAGEMENT &amp; DEVELOPMENT — 0.72%</b>		
LendLease Group	970,469	\$ 12,762,077
		12,762,077
<b>ROAD &amp; RAIL — 0.80%</b>		
Aurizon Holdings Ltd.	3,592,987	14,134,892
		14,134,892
<b>TRANSPORTATION INFRASTRUCTURE — 2.60%</b>		
Sydney Airport	1,924,369	11,294,714
Transurban Group	3,590,318	34,627,543
		45,922,257
<b>TOTAL COMMON STOCKS</b>		
<b>(Cost: \$1,913,517,259)</b>		1,745,888,271
<b>SHORT-TERM INVESTMENTS — 0.41%</b>		
<b>MONEY MARKET FUNDS — 0.41%</b>		
BlackRock Cash Funds: Institutional, SL Agency Shares 1.32% <sup>d,e,f</sup>	6,985,447	6,987,543
BlackRock Cash Funds: Treasury, SL Agency Shares 0.96% <sup>d,e</sup>	183,299	183,299
		7,170,842
<b>TOTAL SHORT-TERM INVESTMENTS</b>		
<b>(Cost: \$7,170,523)</b>		7,170,842
<b>TOTAL INVESTMENTS</b>		
<b>IN SECURITIES — 99.27%</b>		
<b>(Cost: \$1,920,687,782)<sup>g</sup></b>		1,753,059,113
<b>Other Assets, Less Liabilities — 0.73%</b>		12,853,213
<b>NET ASSETS — 100.00%</b>		<u>\$1,765,912,326</u>

<sup>a</sup> Security is valued using significant unobservable inputs and is classified as Level 3 in the fair value hierarchy.

<sup>b</sup> Non-income earning security.

<sup>c</sup> All or a portion of this security represents a security on loan. See Note 1.

<sup>d</sup> Affiliated issuer. See Schedule 1.

<sup>e</sup> The rate quoted is the annualized seven-day yield of the fund at period end.

<sup>f</sup> All or a portion of this security represents an investment of securities lending collateral. See Note 1.

<sup>g</sup> The cost of investments (including short positions and derivatives, if any) for federal income tax purposes was \$1,979,016,818. Net unrealized depreciation was \$226,038,358, of which \$96,246,139 represented gross unrealized appreciation on investments and \$322,284,497 represented gross unrealized depreciation on investments.

# Schedule of Investments (Continued)

## iSHARES® MSCI AUSTRALIA ETF

August 31, 2017

### Schedule 1 — Affiliates (Note 2)

Investments in issuers considered to be affiliates of the Fund during the year ended August 31, 2017, for purposes of Section 2(a)(3) of the 1940 Act, and/or related parties of the Fund were as follows:

Affiliated issuer	Shares held at 08/31/16	Shares purchased	Shares sold	Shares held at 08/31/17	Value at 08/31/17	Net realized gain (loss) <sup>a</sup>	Change in unrealized appreciation (depreciation)	Income
BlackRock Cash Funds:								
Institutional, SL Agency Shares	2,407,298	4,578,149 <sup>b</sup>	—	6,985,447	\$6,987,543	\$ (190)	\$ 319	\$ — <sup>c</sup>
BlackRock Cash Funds: Treasury, SL Agency Shares	532,214	—	(348,915) <sup>b</sup>	183,299	183,299	53	—	7,465
					<u>\$7,170,842</u>	<u>\$ (137)</u>	<u>\$ 319</u>	<u>\$ 7,465</u>

<sup>a</sup> Includes realized capital gain distributions from an affiliated fund, if any.

<sup>b</sup> Net of shares purchased and sold.

<sup>c</sup> Does not include income earned on investment of securities lending cash collateral which is not direct income of the Fund and is reflected as a component of securities lending income in the statement of operations.

### Schedule 2 — Futures Contracts (Note 5)

Futures contracts outstanding as of August 31, 2017 were as follows:

Description	Number of contracts	Expiration date	Notional amount (000)	Value/ unrealized appreciation (depreciation)
Long Contracts:				
ASX SPI 200 Index	4,450	Sep 2017	\$20,076	\$ (80,653)
Total				<u>\$ (80,653)</u>

### Schedule 3 — Fair Value Measurements

Various inputs are used in determining the fair value of financial instruments. For description of the input levels and information about the Fund's policy regarding valuation of financial instruments, see Note 1.

The following table summarizes the value of the Fund's investments according to the fair value hierarchy as of August 31, 2017. The breakdown of the Fund's investments into major categories is disclosed in the schedule of investments above.

	Level 1	Level 2	Level 3	Total
Investments:				
Assets:				
Common stocks	\$1,745,888,046	\$ —	\$ 225	\$1,745,888,271
Money market funds	7,170,842	—	—	7,170,842
Total	<u>\$1,753,058,888</u>	<u>\$ —</u>	<u>\$ 225</u>	<u>\$1,753,059,113</u>
Derivative financial instruments <sup>a</sup> :				
Liabilities:				
Futures contracts	\$ (80,653)	\$ —	\$ —	\$ (80,653)
Total	<u>\$ (80,653)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (80,653)</u>

<sup>a</sup> Shown at the unrealized appreciation (depreciation) on the contracts.

See notes to financial statements.

# Schedule of Investments

## iSHARES® MSCI CANADA ETF

August 31, 2017

Security	Shares	Value
<b>COMMON STOCKS — 99.51%</b>		
<b>AEROSPACE &amp; DEFENSE — 0.63%</b>		
Bombardier Inc. Class B <sup>a</sup>	4,586,075	\$ 9,144,716
CAE Inc.	635,487	10,446,570
		19,591,286
<b>AUTO COMPONENTS — 1.58%</b>		
Linamar Corp.	116,222	6,454,666
Magna International Inc. Class A	898,493	43,063,166
		49,517,832
<b>BANKS — 28.36%</b>		
Bank of Montreal	1,503,829	107,484,041
Bank of Nova Scotia (The)	2,810,128	174,132,677
Canadian Imperial Bank of Commerce	1,001,528	83,804,828
National Bank of Canada	791,798	36,301,136
Royal Bank of Canada	3,441,879	254,431,382
Toronto-Dominion Bank (The)	4,319,918	231,061,776
		887,215,840
<b>CAPITAL MARKETS — 4.35%</b>		
Brookfield Asset Management Inc. Class A	2,057,061	81,035,488
CI Financial Corp.	581,160	12,673,112
IGM Financial Inc.	224,733	7,329,477
Thomson Reuters Corp.	772,755	35,193,867
		136,231,944
<b>CHEMICALS — 2.40%</b>		
Agrium Inc.	308,443	30,132,083
Methanex Corp.	213,464	10,864,317
Potash Corp. of Saskatchewan Inc.	1,964,196	34,043,453
		75,039,853
<b>CONSTRUCTION &amp; ENGINEERING — 0.49%</b>		
SNC-Lavalin Group Inc.	354,824	15,438,205
		15,438,205
<b>CONTAINERS &amp; PACKAGING — 0.49%</b>		
CCL Industries Inc. Class B	329,438	15,221,809
		15,221,809
<b>DIVERSIFIED FINANCIAL SERVICES — 0.71%</b>		
Element Fleet Management Corp.	917,285	6,848,086
Onex Corp.	194,085	15,457,138
		22,305,224

Security	Shares	Value
<b>DIVERSIFIED TELECOMMUNICATION SERVICES — 1.08%</b>		
BCE Inc.	360,275	\$ 17,080,555
TELUS Corp.	462,189	16,666,452
		33,747,007
<b>ELECTRIC UTILITIES — 1.66%</b>		
Emera Inc.	124,065	4,745,888
Fortis Inc./Canada	936,259	34,119,780
Hydro One Ltd. <sup>b</sup>	703,400	12,999,225
		51,864,893
<b>EQUITY REAL ESTATE INVESTMENT TRUSTS (REITS) — 0.52%</b>		
H&R REIT	326,686	5,565,713
RioCan REIT	375,533	7,128,762
Smart REIT	152,955	3,712,400
		16,406,875
<b>FOOD &amp; STAPLES RETAILING — 3.62%</b>		
Alimentation Couche-Tard Inc. Class B	981,498	46,681,336
Empire Co. Ltd. Class A	395,550	6,622,209
George Weston Ltd.	121,653	10,530,808
Jean Coutu Group PJC Inc. (The) Class A	191,749	3,405,982
Loblaw Companies Ltd.	520,265	28,105,722
Metro Inc.	547,505	18,000,523
		113,346,580
<b>FOOD PRODUCTS — 0.64%</b>		
Saputo Inc.	596,323	20,052,624
		20,052,624
<b>HOTELS, RESTAURANTS &amp; LEISURE — 1.01%</b>		
Restaurant Brands International Inc.	521,201	31,689,852
		31,689,852
<b>INSURANCE — 8.66%</b>		
Fairfax Financial Holdings Ltd.	65,951	34,143,549
Great-West Lifeco Inc.	695,403	19,185,635
Industrial Alliance Insurance & Financial Services Inc.	246,017	10,515,694
Intact Financial Corp.	307,901	25,280,422
Manulife Financial Corp.	4,596,917	89,940,079
Power Corp. of Canada	874,096	21,278,094
Power Financial Corp.	588,256	15,816,638
Sun Life Financial Inc.	1,430,666	54,716,199
		270,876,310



# Schedule of Investments (Continued)

## iSHARES® MSCI CANADA ETF

August 31, 2017

Security	Shares	Value
<b>INTERNET SOFTWARE &amp; SERVICES — 0.13%</b>		
Shopify Inc. Class A <sup>a,c</sup>	35,840	\$ 3,944,901
		3,944,901
<b>IT SERVICES — 0.83%</b>		
CGI Group Inc. Class A <sup>a</sup>	510,257	25,855,734
		25,855,734
<b>MEDIA — 0.70%</b>		
Shaw Communications Inc.		
Class B	982,876	21,840,818
		21,840,818
<b>METALS &amp; MINING — 7.66%</b>		
Agnico Eagle Mines Ltd.	529,693	27,043,389
Barrick Gold Corp.	2,721,747	48,823,202
First Quantum Minerals Ltd.	1,626,515	19,524,667
Franco-Nevada Corp.	418,216	34,077,724
Goldcorp Inc.	2,024,742	27,712,521
Kinross Gold Corp. <sup>a</sup>	2,952,942	13,401,587
Teck Resources Ltd. Class B	1,330,422	32,980,671
Turquoise Hill Resources Ltd. <sup>a,c</sup>	2,384,856	8,008,170
Wheaton Precious Metals Corp.	1,037,971	21,475,548
Yamana Gold Inc.	2,247,772	6,615,576
		239,663,055
<b>MULTI-UTILITIES — 0.51%</b>		
Atco Ltd./Canada Class I	179,451	6,585,476
Canadian Utilities Ltd. Class A	297,136	9,223,955
		15,809,431
<b>MULTILINE RETAIL — 1.43%</b>		
Canadian Tire Corp. Ltd. Class A <sup>c</sup>	160,295	18,896,591
Dollarama Inc.	261,904	25,708,894
		44,605,485
<b>OIL, GAS &amp; CONSUMABLE FUELS — 21.08%</b>		
AltaGas Ltd.	393,670	8,694,494
ARC Resources Ltd.	831,657	10,878,704
Cameco Corp.	938,503	9,371,930
Canadian Natural Resources Ltd.	2,577,575	79,090,178
Cenovus Energy Inc.	2,391,799	18,638,386
Crescent Point Energy Corp.	1,275,591	8,719,294
Enbridge Inc.	3,410,546	135,796,177
Encana Corp.	2,274,915	21,138,791
Husky Energy Inc. <sup>a,c</sup>	832,588	9,702,182
Imperial Oil Ltd.	698,555	20,537,378
Inter Pipeline Ltd.	855,200	15,599,939
Keyera Corp.	437,178	12,636,754
Pembina Pipeline Corp.	927,294	29,769,558
Peyto Exploration & Development Corp.	389,659	6,660,333

Security	Shares	Value
PrairieSky Royalty Ltd.	491,292	\$ 11,497,115
Seven Generations Energy Ltd.		
Class A <sup>a</sup>	571,223	8,661,176
Suncor Energy Inc.	3,874,849	120,935,467
Tourmaline Oil Corp. <sup>a</sup>	509,741	9,904,120
TransCanada Corp.	2,012,336	101,776,451
Veresen Inc.	738,923	10,367,023
Vermilion Energy Inc.	274,534	8,912,091
		659,287,541
<b>PAPER &amp; FOREST PRODUCTS — 0.26%</b>		
West Fraser Timber Co. Ltd.	157,217	8,124,498
		8,124,498
<b>PHARMACEUTICALS — 0.33%</b>		
Valeant Pharmaceuticals International Inc. <sup>a,c</sup>	770,884	10,323,543
		10,323,543
<b>REAL ESTATE MANAGEMENT &amp; DEVELOPMENT — 0.16%</b>		
First Capital Realty Inc.	317,895	5,144,638
		5,144,638
<b>ROAD &amp; RAIL — 6.22%</b>		
Canadian National Railway Co.	1,785,075	144,115,886
Canadian Pacific Railway Ltd.	325,023	50,373,056
		194,488,942
<b>SOFTWARE — 1.43%</b>		
Constellation Software Inc./Canada	44,999	24,921,639
Open Text Corp.	614,943	19,707,605
		44,629,244
<b>TECHNOLOGY HARDWARE, STORAGE &amp; PERIPHERALS — 0.35%</b>		
BlackBerry Ltd. <sup>a,c</sup>	1,179,708	10,886,717
		10,886,717
<b>TEXTILES, APPAREL &amp; LUXURY GOODS — 0.52%</b>		
Gildan Activewear Inc.	524,471	16,360,567
		16,360,567
<b>TRADING COMPANIES &amp; DISTRIBUTORS — 0.29%</b>		
Finning International Inc.	399,138	9,095,412
		9,095,412
<b>WIRELESS TELECOMMUNICATION SERVICES — 1.41%</b>		
Rogers Communications Inc.		
Class B	846,793	44,029,859
		44,029,859
<b>TOTAL COMMON STOCKS</b>		
<b>(Cost: \$3,497,459,111)</b>		3,112,636,519

# Schedule of Investments (Continued)

## iSHARES® MSCI CANADA ETF

August 31, 2017

Security	Shares	Value	Value
<b>SHORT-TERM INVESTMENTS — 1.42%</b>			
<b>MONEY MARKET FUNDS — 1.42%</b>			
BlackRock Cash Funds: Institutional, SL Agency Shares			
1.32% <sup>d,e,f</sup>	43,796,579	\$ 43,809,718	
BlackRock Cash Funds: Treasury, SL Agency Shares			
0.96% <sup>d,e</sup>	412,255	412,255	
		44,221,973	
<b>TOTAL SHORT-TERM INVESTMENTS</b>			
<b>(Cost: \$44,219,286)</b>		44,221,973	
<b>TOTAL INVESTMENTS</b>			
<b>IN SECURITIES — 100.93%</b>			
<b>(Cost: \$3,541,678,397)<sup>g</sup></b>			\$3,156,858,492
<b>Other Assets, Less Liabilities — (0.93)%</b>			(28,938,790)
<b>NET ASSETS — 100.00%</b>			<u>\$3,127,919,702</u>

<sup>a</sup> Non-income earning security.

<sup>b</sup> This security may be resold to qualified institutional buyers under Rule 144A of the Securities Act of 1933.

<sup>c</sup> All or a portion of this security represents a security on loan. See Note 1.

<sup>d</sup> Affiliated issuer. See Schedule 1.

<sup>e</sup> The rate quoted is the annualized seven-day yield of the fund at period end.

<sup>f</sup> All or a portion of this security represents an investment of securities lending collateral. See Note 1.

<sup>g</sup> The cost of investments (including short positions and derivatives, if any) for federal income tax purposes was \$3,616,475,008. Net unrealized depreciation was \$459,569,244, of which \$243,684,593 represented gross unrealized appreciation on investments and \$703,253,837 represented gross unrealized depreciation on investments.

## Schedule 1 — Affiliates (Note 2)

Investments in issuers considered to be affiliates of the Fund during the year ended August 31, 2017, for purposes of Section 2(a)(3) of the 1940 Act, and/or related parties of the Fund were as follows:

Affiliated issuer	Shares held at 08/31/16		Shares purchased	Shares sold	Shares held at 08/31/17	Value at 08/31/17	Net realized gain (loss) <sup>a</sup>	Change in unrealized appreciation (depreciation)		Income
BlackRock Cash Funds:										
Institutional, SL										
Agency Shares	7,205,616		36,590,963 <sup>b</sup>	—	43,796,579	\$43,809,718	\$ (2,561)	\$ 2,687		\$ — <sup>c</sup>
BlackRock Cash Funds:										
Treasury, SL										
Agency Shares	1,204,076		—	(791,821) <sup>b</sup>	412,255	412,255	288	—		8,519
						<u>\$44,221,973</u>	<u>\$ (2,273)</u>	<u>\$ 2,687</u>		<u>\$ 8,519</u>

<sup>a</sup> Includes realized capital gain distributions from an affiliated fund, if any.

<sup>b</sup> Net of shares purchased and sold.

<sup>c</sup> Does not include income earned on investment of securities lending cash collateral which is not direct income of the Fund and is reflected as a component of securities lending income in the statement of operations.

## Schedule 2 — Futures Contracts (Note 5)

Futures contracts outstanding as of August 31, 2017 were as follows:

Description	Number of contracts	Expiration date	Notional amount (000)	Value/ unrealized appreciation (depreciation)
Long Contracts:				
S&P/TSX 60 Index	20,400	Sep 2017	\$14,498	\$ 47,272
Total				<u>\$ 47,272</u>



# Schedule of Investments (Continued)

## iSHARES® MSCI CANADA ETF

August 31, 2017

### Schedule 3 — Fair Value Measurements

Various inputs are used in determining the fair value of financial instruments. For description of the input levels and information about the Fund's policy regarding valuation of financial instruments, see Note 1.

The following table summarizes the value of the Fund's investments according to the fair value hierarchy as of August 31, 2017. The breakdown of the Fund's investments into major categories is disclosed in the schedule of investments above.

	Level 1	Level 2	Level 3	Total
Investments:				
Assets:				
Common stocks	\$3,112,636,519	\$ —	\$ —	\$3,112,636,519
Money market funds	44,221,973	—	—	44,221,973
Total	<u>\$3,156,858,492</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$3,156,858,492</u>
Derivative financial instruments <sup>a</sup> :				
Assets:				
Futures contracts	\$ 47,272	\$ —	\$ —	\$ 47,272
Total	<u>\$ 47,272</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 47,272</u>

<sup>a</sup> Shown at the unrealized appreciation (depreciation) on the contracts.

See notes to financial statements.

# Schedule of Investments

## iSHARES® MSCI JAPAN ETF

August 31, 2017

Security	Shares	Value
<b>COMMON STOCKS — 99.70%</b>		
<b>AIR FREIGHT &amp; LOGISTICS — 0.23%</b>		
Yamato Holdings Co. Ltd.	1,761,300	\$ 37,511,241
		37,511,241
<b>AIRLINES — 0.26%</b>		
ANA Holdings Inc.	5,871,000	21,753,532
Japan Airlines Co. Ltd.	587,100	20,153,224
		41,906,756
<b>AUTO COMPONENTS — 3.19%</b>		
Aisin Seiki Co. Ltd.	819,100	41,155,942
Bridgestone Corp.	3,131,200	134,255,250
Denso Corp.	2,348,400	113,856,645
Koito Manufacturing Co. Ltd.	587,100	36,540,387
NGK Spark Plug Co. Ltd.	782,800	14,900,654
NOK Corp.	391,400	8,798,143
Stanley Electric Co. Ltd.	782,800	25,960,567
Sumitomo Electric Industries Ltd.	3,718,300	58,176,564
Sumitomo Rubber Industries Ltd.	978,500	16,207,573
Toyoda Gosei Co. Ltd.	391,400	9,114,648
Toyota Industries Corp.	782,800	41,679,157
Yokohama Rubber Co. Ltd. (The)	587,100	10,855,429
		511,500,959
<b>AUTOMOBILES — 8.71%</b>		
Honda Motor Co. Ltd.	8,416,500	235,609,999
Isuzu Motors Ltd.	2,740,200	35,802,359
Mazda Motor Corp.	2,739,800	40,302,891
Mitsubishi Motors Corp.	3,326,900	24,545,183
Nissan Motor Co. Ltd.	11,350,600	112,722,204
Subaru Corp.	2,957,600	103,620,803
Suzuki Motor Corp.	1,761,300	88,433,071
Toyota Motor Corp.	12,720,500	714,617,949
Yamaha Motor Co. Ltd.	1,369,900	38,709,695
		1,394,364,154
<b>BANKS — 7.37%</b>		
Aozora Bank Ltd.	5,871,000	22,190,950
Bank of Kyoto Ltd. (The)	1,543,000	14,257,959
Chiba Bank Ltd. (The)	3,484,000	23,298,419
Chugoku Bank Ltd. (The)	782,800	10,540,701
Concordia Financial Group Ltd.	5,871,700	28,056,760
Fukuoka Financial Group Inc.	3,914,000	17,176,649
Hachijuni Bank Ltd. (The)	1,957,000	11,913,411

Security	Shares	Value
Hiroshima Bank Ltd. (The)	2,454,000	\$ 9,855,243
Japan Post Bank Co. Ltd.	1,957,000	24,893,694
Kyushu Financial Group Inc.	1,761,400	10,722,679
Mebuki Financial Group Inc.	4,813,880	17,058,088
Mitsubishi UFJ Financial Group Inc.	58,577,080	358,775,301
Mizuho Financial Group Inc.	117,224,380	201,409,506
Resona Holdings Inc.	10,763,500	53,651,246
Seven Bank Ltd.	2,739,800	10,380,671
Shinsei Bank Ltd.	7,828,000	12,517,972
Shizuoka Bank Ltd. (The)	2,551,000	22,274,314
Sumitomo Mitsui Financial Group Inc.	6,653,800	248,716,457
Sumitomo Mitsui Trust Holdings Inc.	1,589,432	54,964,367
Suruga Bank Ltd.	782,800	16,728,563
Yamaguchi Financial Group Inc.	922,000	10,421,297
		1,179,804,247
<b>BEVERAGES — 1.44%</b>		
Asahi Group Holdings Ltd.	1,957,000	85,154,216
Coca-Cola Bottlers Japan Inc.	587,100	20,110,549
Kirin Holdings Co. Ltd.	4,190,300	95,048,918
Suntory Beverage & Food Ltd.	657,600	30,352,608
		230,666,291
<b>BUILDING PRODUCTS — 1.39%</b>		
Asahi Glass Co. Ltd.	984,200	38,362,875
Daikin Industries Ltd.	1,185,500	118,431,515
LIXIL Group Corp.	1,369,900	35,896,707
TOTO Ltd.	782,800	29,765,746
		222,456,843
<b>CAPITAL MARKETS — 1.23%</b>		
Daiwa Securities Group Inc.	7,828,000	42,802,929
Japan Exchange Group Inc.	2,544,100	43,295,469
Nomura Holdings Inc.	17,613,000	98,018,922
SBI Holdings Inc./Japan	978,510	13,584,983
		197,702,303
<b>CHEMICALS — 4.86%</b>		
Air Water Inc.	782,800	14,424,118
Asahi Kasei Corp.	6,007,000	71,880,965
Daicel Corp.	1,369,900	17,438,033
Hitachi Chemical Co. Ltd.	587,100	15,875,065
JSR Corp.	978,500	19,043,676
Kaneka Corp.	1,370,000	10,655,279

# Schedule of Investments (Continued)

## iSHARES® MSCI JAPAN ETF

August 31, 2017

Security	Shares	Value
Kansai Paint Co. Ltd.	978,500	\$ 24,795,898
Kuraray Co. Ltd.	1,761,300	33,414,450
Mitsubishi Chemical Holdings Corp.	7,054,100	65,567,366
Mitsubishi Gas Chemical Co. Inc.	811,300	20,116,643
Mitsui Chemicals Inc.	4,239,000	25,343,104
Nippon Paint Holdings Co. Ltd.	782,800	26,671,815
Nissan Chemical Industries Ltd.	587,100	19,657,128
Nitto Denko Corp.	792,400	69,822,780
Shin-Etsu Chemical Co. Ltd.	1,897,700	167,665,226
Sumitomo Chemical Co. Ltd.	7,828,000	46,871,270
Taiyo Nippon Sanso Corp.	587,100	6,843,988
Teijin Ltd.	978,500	19,843,831
Toray Industries Inc.	7,240,900	68,882,630
Tosoh Corp.	2,797,000	32,783,300
		777,596,565

### COMMERCIAL SERVICES & SUPPLIES — 1.00%

Dai Nippon Printing Co. Ltd.	2,545,000	30,014,628
Park24 Co. Ltd.	587,100	14,098,722
Secom Co. Ltd.	986,300	73,143,563
Sohgo Security Services Co. Ltd.	391,400	17,087,743
Toppan Printing Co. Ltd.	2,602,000	26,029,457
		160,374,113

### CONSTRUCTION & ENGINEERING — 1.05%

JGC Corp.	978,500	15,709,699
Kajima Corp.	4,220,000	38,687,807
Obayashi Corp.	3,131,200	36,899,568
Shimizu Corp.	2,605,100	26,888,911
Taisei Corp.	4,992,000	50,028,857
		168,214,842

### CONSTRUCTION MATERIALS — 0.14%

Taiheiyo Cement Corp.	5,871,000	22,617,699
		22,617,699

### CONSUMER FINANCE — 0.22%

Acom Co. Ltd. <sup>a</sup>	1,957,000	8,001,544
AEON Financial Service Co. Ltd.	587,170	12,435,883
Credit Saison Co. Ltd.	782,800	14,189,406
		34,626,833

Security	Shares	Value
<b>CONTAINERS &amp; PACKAGING — 0.08%</b>		
Toyo Seikan Group Holdings Ltd.	782,800	\$ 12,894,934
		12,894,934

### DIVERSIFIED CONSUMER SERVICES — 0.09%

Benesse Holdings Inc.	391,400	15,042,904
		15,042,904

### DIVERSIFIED FINANCIAL SERVICES — 0.71%

Mitsubishi UFJ Lease & Finance Co. Ltd.	2,152,700	10,874,988
ORIX Corp.	6,458,100	103,243,930
		114,118,918

### DIVERSIFIED TELECOMMUNICATION SERVICES — 1.05%

Nippon Telegraph & Telephone Corp.	3,381,900	168,019,528
		168,019,528

### ELECTRIC UTILITIES — 1.18%

Chubu Electric Power Co. Inc.	3,131,200	40,882,559
Chugoku Electric Power Co. Inc. (The)	1,369,900	15,782,602
Kansai Electric Power Co. Inc. (The)	3,522,600	49,289,515
Kyushu Electric Power Co. Inc.	2,152,700	25,270,656
Tohoku Electric Power Co. Inc.	2,152,700	29,417,234
Tokyo Electric Power Co. Holdings Inc. <sup>a</sup>	7,045,200	28,485,499
		189,128,065

### ELECTRICAL EQUIPMENT — 1.84%

Fuji Electric Co. Ltd.	2,424,000	13,346,756
Mabuchi Motor Co. Ltd.	218,900	10,322,470
Mitsubishi Electric Corp.	9,393,600	138,864,139
Nidec Corp.	1,174,200	132,932,328
		295,465,693

### ELECTRONIC EQUIPMENT, INSTRUMENTS & COMPONENTS — 5.72%

Alps Electric Co. Ltd.	979,200	26,868,835
Hamamatsu Photonics KK	782,800	24,218,009
Hirose Electric Co. Ltd.	195,760	27,071,299
Hitachi High-Technologies Corp.	391,400	13,958,250
Hitachi Ltd.	23,484,000	161,524,514
Keyence Corp.	473,152	246,162,852
Kyocera Corp.	1,565,600	93,884,790
Murata Manufacturing Co. Ltd.	928,100	142,006,215

# Schedule of Investments (Continued)

## iSHARES® MSCI JAPAN ETF

August 31, 2017

Security	Shares	Value
Nippon Electric Glass Co. Ltd.	391,500	\$ 14,868,890
Omron Corp.	978,500	49,076,140
Shimadzu Corp.	1,174,900	21,574,350
TDK Corp.	605,900	40,573,169
Yaskawa Electric Corp.	1,174,200	35,526,858
Yokogawa Electric Corp.	1,179,000	18,350,236
		915,664,407

### EQUITY REAL ESTATE INVESTMENT TRUSTS (REITS) — 1.12%

Daiwa House REIT Investment Corp.	6,265	15,301,036
Japan Prime Realty Investment Corp.	3,914	14,047,156
Japan Real Estate Investment Corp.	5,871	30,405,869
Japan Retail Fund Investment Corp.	12,106	22,251,897
Nippon Building Fund Inc.	6,278	33,369,344
Nippon Prologis REIT Inc.	7,828	16,984,612
Nomura Real Estate Master Fund Inc.	17,613	23,252,489
United Urban Investment Corp.	15,663	23,609,774
		179,222,177

### FOOD & STAPLES RETAILING — 1.67%

Aeon Co. Ltd.	2,935,900	43,267,579
FamilyMart UNY Holdings Co. Ltd.	391,400	21,195,203
Lawson Inc.	239,700	16,094,703
Seven & I Holdings Co. Ltd.	3,718,380	147,471,640
Sundrug Co. Ltd.	391,400	16,198,683
Tsuruha Holdings Inc.	195,700	23,275,604
		267,503,412

### FOOD PRODUCTS — 1.56%

Ajinomoto Co. Inc.	2,739,800	54,056,657
Calbee Inc. <sup>b</sup>	393,200	13,432,964
Kikkoman Corp.	706,900	22,126,753
MEIJI Holdings Co. Ltd.	587,156	46,733,478
NH Foods Ltd.	854,000	25,062,875
Nisshin Seifun Group Inc.	978,575	16,991,249
Nissin Foods Holdings Co. Ltd.	278,000	17,125,568
Toyo Suisan Kaisha Ltd.	391,400	14,456,124
Yakult Honsha Co. Ltd.	412,700	28,573,269
Yamazaki Baking Co. Ltd.	587,100	11,116,813
		249,675,750

Security	Shares	Value
<b>GAS UTILITIES — 0.62%</b>		
Osaka Gas Co. Ltd.	8,892,000	\$ 34,748,766
Toho Gas Co. Ltd.	1,957,000	12,891,378
Tokyo Gas Co. Ltd.	9,785,000	51,850,009
		99,490,153

### HEALTH CARE EQUIPMENT & SUPPLIES — 1.71%

CYBERDYNE Inc. <sup>a,b</sup>	391,400	5,142,326
Hoya Corp.	1,957,000	111,932,718
Olympus Corp.	1,376,200	47,453,017
Sysmex Corp.	782,800	48,222,642
Terumo Corp.	1,565,600	60,456,115
		273,206,818

### HEALTH CARE PROVIDERS & SERVICES — 0.37%

Alfresa Holdings Corp.	978,500	18,394,662
Medipal Holdings Corp.	782,800	13,791,107
Miraca Holdings Inc.	274,300	12,448,923
Suzuken Co. Ltd./Aichi Japan	391,440	14,244,205
		58,878,897

### HEALTH CARE TECHNOLOGY — 0.16%

M3 Inc.	978,500	25,400,459
		25,400,459

### HOTELS, RESTAURANTS & LEISURE — 0.59%

McDonald's Holdings Co. Japan Ltd.	391,400	17,372,243
Oriental Land Co. Ltd./Japan	1,026,600	77,036,974
		94,409,217

### HOUSEHOLD DURABLES — 3.52%

Casio Computer Co. Ltd.	978,900	13,821,648
Iida Group Holdings Co. Ltd.	782,880	13,294,591
Nikon Corp.	1,565,600	25,789,867
Panasonic Corp.	10,763,515	143,321,200
Rinnai Corp.	195,700	16,981,056
Sekisui Chemical Co. Ltd.	1,964,000	36,581,865
Sekisui House Ltd.	2,935,500	50,783,137
Sharp Corp./Japan <sup>a,b</sup>	7,294,000	21,870,071
Sony Corp.	6,115,500	240,986,039
		563,429,474

### HOUSEHOLD PRODUCTS — 0.42%

Lion Corp.	1,100,600	21,860,000
Unicharm Corp.	1,957,000	45,999,991
		67,859,991

# Schedule of Investments (Continued)

## iSHARES® MSCI JAPAN ETF

August 31, 2017

Security	Shares	Value
<b>INDEPENDENT POWER AND RENEWABLE ELECTRICITY</b>		
<b>PRODUCERS — 0.13%</b>		
Electric Power Development Co. Ltd.	782,800	\$ 21,408,577
		21,408,577
<b>INDUSTRIAL CONGLOMERATES — 0.52%</b>		
Keihan Holdings Co. Ltd.	1,957,000	11,788,943
Seibu Holdings Inc.	979,200	16,824,161
Toshiba Corp. <sup>a,b</sup>	19,570,000	54,410,503
		83,023,607
<b>INSURANCE — 2.73%</b>		
Dai-ichi Life Holdings Inc.	5,285,000	84,994,094
Japan Post Holdings Co. Ltd.	2,152,700	26,718,047
MS&AD Insurance Group Holdings Inc.	2,348,440	77,434,933
Sompo Holdings Inc.	1,761,350	66,174,653
Sony Financial Holdings Inc.	782,800	12,389,947
T&D Holdings Inc.	2,739,800	37,552,138
Tokio Marine Holdings Inc.	3,326,900	132,701,172
		437,964,984
<b>INTERNET &amp; DIRECT MARKETING RETAIL — 0.52%</b>		
Rakuten Inc.	4,501,100	53,390,751
Start Today Co. Ltd.	979,200	30,427,621
		83,818,372
<b>INTERNET SOFTWARE &amp; SERVICES — 0.39%</b>		
DeNA Co. Ltd.	520,300	11,118,895
Kakaku.com Inc.	696,100	8,658,558
Mixi Inc.	200,800	10,691,332
Yahoo Japan Corp.	6,849,500	31,366,055
		61,834,840
<b>IT SERVICES — 1.04%</b>		
Fujitsu Ltd.	9,785,000	72,467,322
Nomura Research Institute Ltd.	620,004	24,110,641
NTT Data Corp.	2,935,500	31,686,116
Obic Co. Ltd.	391,400	24,502,508
Otsuka Corp.	219,700	14,532,219
		167,298,806
<b>LEISURE PRODUCTS — 0.81%</b>		
Bandai Namco Holdings Inc.	978,598	32,765,161
Sankyo Co. Ltd.	195,700	6,383,454
Sega Sammy Holdings Inc.	782,800	11,237,725
Shimano Inc.	391,400	52,845,757
Yamaha Corp.	782,800	27,240,814
		130,472,911

Security	Shares	Value
<b>MACHINERY — 5.48%</b>		
Amada Holdings Co. Ltd.	1,565,600	\$ 17,169,537
FANUC Corp.	942,300	182,706,542
Hino Motors Ltd.	1,174,200	13,474,601
Hitachi Construction Machinery Co. Ltd.	587,100	16,563,197
Hoshizaki Corp.	250,200	21,755,533
IHI Corp. <sup>a</sup>	7,828,000	25,889,442
JTEKT Corp.	1,174,900	15,703,052
Kawasaki Heavy Industries Ltd.	7,828,000	24,040,196
Komatsu Ltd.	4,501,100	121,667,931
Kubota Corp.	5,088,200	88,024,103
Kurita Water Industries Ltd.	391,400	11,255,506
Makita Corp.	1,174,200	47,102,426
MINEBEA MITSUMI Inc.	1,957,000	32,130,647
Mitsubishi Heavy Industries Ltd.	15,656,000	59,872,891
Nabtesco Corp.	587,100	20,510,626
NGK Insulators Ltd.	1,204,000	22,458,768
NSK Ltd.	1,890,000	22,410,049
SMC Corp./Japan	278,200	95,320,026
Sumitomo Heavy Industries Ltd.	2,637,000	19,646,920
THK Co. Ltd.	587,700	19,597,120
		877,299,113
<b>MARINE — 0.21%</b>		
Mitsui OSK Lines Ltd.	5,871,000	18,830,302
Nippon Yusen KK <sup>a</sup>	7,828,000	15,505,215
		34,335,517
<b>MEDIA — 0.51%</b>		
Dentsu Inc.	1,035,400	43,274,941
Hakuhodo DY Holdings Inc.	1,174,900	15,980,604
Toho Co. Ltd./Tokyo	587,100	21,790,873
		81,046,418
<b>METALS &amp; MINING — 1.50%</b>		
Hitachi Metals Ltd.	978,500	13,060,299
JFE Holdings Inc.	2,544,150	50,208,012
Kobe Steel Ltd. <sup>a</sup>	1,571,200	18,901,225
Maruichi Steel Tube Ltd.	242,600	7,174,841
Mitsubishi Materials Corp.	587,100	21,044,062
Nippon Steel & Sumitomo Metal Corp.	3,718,770	88,678,102
Sumitomo Metal Mining Co. Ltd.	2,429,000	41,822,233
		240,888,774

# Schedule of Investments (Continued)

## iSHARES® MSCI JAPAN ETF

August 31, 2017

Security	Shares	Value
<b>MULTILINE RETAIL — 0.72%</b>		
Don Quijote Holdings Co. Ltd.	587,100	\$ 22,270,966
Isetan Mitsukoshi Holdings Ltd.	1,565,660	16,103,281
J Front Retailing Co. Ltd.	1,174,200	16,376,495
Marui Group Co. Ltd.	978,500	13,682,641
Ryohin Keikaku Co. Ltd.	117,400	32,534,072
Takashimaya Co. Ltd.	1,522,000	13,953,280
		114,920,735
<b>OIL, GAS &amp; CONSUMABLE FUELS — 0.89%</b>		
Idemitsu Kosan Co. Ltd.	587,100	14,328,099
INPEX Corp.	4,696,800	44,851,325
JXTG Holdings Inc.	15,124,895	73,164,584
Showa Shell Sekiyu KK	991,900	10,859,890
		143,203,898
<b>PAPER &amp; FOREST PRODUCTS — 0.13%</b>		
Oji Holdings Corp.	3,914,000	20,519,517
		20,519,517
<b>PERSONAL PRODUCTS — 1.60%</b>		
Kao Corp.	2,388,700	148,930,214
Kose Corp.	145,400	18,231,147
Pola Orbis Holdings Inc.	410,800	13,194,421
Shiseido Co. Ltd.	1,825,900	75,634,001
		255,989,783
<b>PHARMACEUTICALS — 5.04%</b>		
Astellas Pharma Inc.	9,980,750	125,462,181
Chugai Pharmaceutical Co. Ltd.	1,174,200	47,689,206
Daiichi Sankyo Co. Ltd.	2,740,269	64,709,787
Eisai Co. Ltd.	1,369,900	70,872,348
Hisamitsu Pharmaceutical Co. Inc.	256,300	12,318,980
Kyowa Hakko Kirin Co. Ltd.	1,174,200	20,601,310
Mitsubishi Tanabe Pharma Corp.	1,174,200	28,805,561
Ono Pharmaceutical Co. Ltd.	1,965,900	40,028,911
Otsuka Holdings Co. Ltd.	1,957,000	78,752,980
Santen Pharmaceutical Co. Ltd.	1,761,300	27,301,270
Shionogi & Co. Ltd.	1,411,700	74,330,379
Sumitomo Dainippon Pharma Co. Ltd.	782,800	10,626,051
Taisho Pharmaceutical Holdings Co. Ltd.	142,700	11,124,532
Takeda Pharmaceutical Co. Ltd.	3,522,600	194,501,546
		807,125,042

Security	Shares	Value
<b>PROFESSIONAL SERVICES — 0.66%</b>		
Recruit Holdings Co. Ltd.	5,283,900	\$ 105,188,305
		105,188,305
<b>REAL ESTATE MANAGEMENT &amp; DEVELOPMENT — 2.98%</b>		
Aeon Mall Co. Ltd.	587,100	10,540,701
Daito Trust Construction Co. Ltd.	333,100	58,971,956
Daiwa House Industry Co. Ltd.	2,739,800	95,766,042
Hulic Co. Ltd.	1,369,900	13,554,617
Mitsubishi Estate Co. Ltd.	6,117,300	105,271,363
Mitsui Fudosan Co. Ltd.	4,360,900	94,223,335
Nomura Real Estate Holdings Inc.	587,100	12,114,339
Sumitomo Realty & Development Co. Ltd.	1,957,000	59,158,086
Tokyo Tatemono Co. Ltd.	978,500	12,037,879
Tokyu Fudosan Holdings Corp.	2,553,000	15,216,864
		476,855,182
<b>ROAD &amp; RAIL — 3.90%</b>		
Central Japan Railway Co.	702,400	118,896,166
East Japan Railway Co.	1,610,400	147,563,911
Hankyu Hanshin Holdings Inc.	1,174,200	44,701,963
Keikyu Corp.	2,111,000	22,402,762
Keio Corp.	2,788,000	23,178,448
Keisei Electric Railway Co. Ltd.	609,400	16,583,255
Kintetsu Group Holdings Co. Ltd.	8,862,000	33,415,682
Kyushu Railway Co.	782,800	24,466,945
Nagoya Railroad Co. Ltd.	4,514,000	20,178,884
Nippon Express Co. Ltd.	3,914,000	26,991,877
Odakyu Electric Railway Co. Ltd.	1,369,900	26,511,784
Tobu Railway Co. Ltd.	4,665,000	25,770,671
Tokyu Corp.	2,568,900	37,345,448
West Japan Railway Co.	782,800	56,835,860
		624,843,656
<b>SEMICONDUCTORS &amp; SEMICONDUCTOR EQUIPMENT — 1.21%</b>		
Disco Corp.	133,300	23,871,915
Renesas Electronics Corp. <sup>a</sup>	2,544,100	25,635,171
Rohm Co. Ltd.	437,500	34,026,894
Tokyo Electron Ltd.	782,852	109,966,309
		193,500,289



# Schedule of Investments (Continued)

## iSHARES® MSCI JAPAN ETF

August 31, 2017

Security	Shares	Value
<b>SOFTWARE — 1.75%</b>		
Konami Holdings Corp.	444,300	\$ 23,131,374
LINE Corp. <sup>a,b</sup>	196,600	6,930,838
Nexon Co. Ltd. <sup>a</sup>	979,200	24,404,376
Nintendo Co. Ltd.	554,400	184,564,928
Oracle Corp. Japan	195,700	14,456,124
Trend Micro Inc./Japan	587,100	27,151,908
		280,639,548
<b>SPECIALTY RETAIL — 1.28%</b>		
ABC-Mart Inc.	195,700	10,046,384
Fast Retailing Co. Ltd.	258,300	73,856,996
Hikari Tsushin Inc.	93,100	11,538,107
Nitori Holdings Co. Ltd.	391,400	60,384,990
Shimamura Co. Ltd.	108,100	13,181,010
USS Co. Ltd.	978,500	19,212,598
Yamada Denki Co. Ltd.	3,131,200	16,927,712
		205,147,797
<b>TECHNOLOGY HARDWARE, STORAGE &amp; PERIPHERALS — 2.56%</b>		
Brother Industries Ltd.	1,174,200	27,802,700
Canon Inc.	5,283,950	185,029,469
FUJIFILM Holdings Corp.	1,957,000	76,850,391
Konica Minolta Inc.	2,349,100	18,739,867
NEC Corp.	12,373,000	32,714,365
Ricoh Co. Ltd.	3,326,900	33,281,091
Seiko Epson Corp.	1,369,900	35,112,556
		409,530,439
<b>TEXTILES, APPAREL &amp; LUXURY GOODS — 0.07%</b>		
Asics Corp.	782,800	11,785,386
		11,785,386
<b>TOBACCO — 1.14%</b>		
Japan Tobacco Inc.	5,341,600	182,680,196
		182,680,196
<b>TRADING COMPANIES &amp; DISTRIBUTORS — 3.83%</b>		
ITOCHU Corp.	7,240,900	118,159,698
Marubeni Corp.	8,023,700	52,154,779
MISUMI Group Inc.	1,369,900	35,112,556
Mitsubishi Corp.	7,436,600	171,860,732
Mitsui & Co. Ltd.	8,219,400	122,813,041
Sumitomo Corp.	5,871,000	83,029,361
Toyota Tsusho Corp.	978,500	30,094,698
		613,224,865

Security	Shares	Value
<b>TRANSPORTATION INFRASTRUCTURE — 0.12%</b>		
Japan Airport Terminal Co. Ltd.	195,700	\$ 7,094,703
Kamigumi Co. Ltd.	1,106,000	12,229,711
		19,324,414
<b>WIRELESS TELECOMMUNICATION SERVICES — 4.48%</b>		
KDDI Corp.	8,806,500	237,405,829
NTT DOCOMO Inc.	6,653,800	154,374,689
SoftBank Group Corp.	4,022,800	326,107,774
		717,888,292
<b>TOTAL COMMON STOCKS</b>		
(Cost: \$15,934,505,938)		15,970,512,906
<b>SHORT-TERM INVESTMENTS — 0.29%</b>		
<b>MONEY MARKET FUNDS — 0.29%</b>		
BlackRock Cash Funds: Institutional, SL Agency Shares		
1.32% <sup>c,d,e</sup>	40,539,970	40,552,132
BlackRock Cash Funds: Treasury, SL Agency Shares		
0.96% <sup>c,d</sup>	5,281,032	5,281,032
		45,833,164
<b>TOTAL SHORT-TERM INVESTMENTS</b>		
(Cost: \$45,826,352)		45,833,164
<b>TOTAL INVESTMENTS</b>		
<b>IN SECURITIES — 99.99%</b>		
(Cost: \$15,980,332,290) <sup>f</sup>		16,016,346,070
<b>Other Assets, Less Liabilities — 0.01%</b>		
		1,342,829
<b>NET ASSETS — 100.00%</b>		
		\$16,017,688,899

<sup>a</sup> Non-income earning security.

<sup>b</sup> All or a portion of this security represents a security on loan. See Note 1.

<sup>c</sup> Affiliated issuer. See Schedule 1.

<sup>d</sup> The rate quoted is the annualized seven-day yield of the fund at period end.

<sup>e</sup> All or a portion of this security represents an investment of securities lending collateral. See Note 1.

<sup>f</sup> The cost of investments (including short positions and derivatives, if any) for federal income tax purposes was \$16,201,644,044. Net unrealized depreciation was \$184,655,742, of which \$1,514,855,596 represented gross unrealized appreciation on investments and \$1,699,511,338 represented gross unrealized depreciation on investments.

# Schedule of Investments (Continued)

## iSHARES® MSCI JAPAN ETF

August 31, 2017

### Schedule 1 — Affiliates (Note 2)

Investments in issuers considered to be affiliates of the Fund during the year ended August 31, 2017, for purposes of Section 2(a)(3) of the 1940 Act, and/or related parties of the Fund were as follows:

<i>Affiliated issuer</i>	<i>Shares held at 08/31/16</i>	<i>Shares purchased</i>	<i>Shares sold</i>	<i>Shares held at 08/31/17</i>	<i>Value at 08/31/17</i>	<i>Net realized gain (loss)<sup>a</sup></i>	<i>Change in unrealized appreciation (depreciation)</i>	<i>Income</i>
BlackRock Cash Funds:								
Institutional, SL								
Agency Shares	50,929,509	—	(10,389,539) <sup>b</sup>	40,539,970	\$40,552,132	\$ 1,589	\$ 6,812	\$ — <sup>c</sup>
BlackRock Cash Funds:								
Treasury, SL								
Agency Shares	1,192,177	4,088,855 <sup>b</sup>	—	5,281,032	5,281,032	122	—	43,064
					<u>\$45,833,164</u>	<u>\$ 1,711</u>	<u>\$ 6,812</u>	<u>\$43,064</u>

<sup>a</sup> Includes realized capital gain distributions from an affiliated fund, if any.

<sup>b</sup> Net of shares purchased and sold.

<sup>c</sup> Does not include income earned on investment of securities lending cash collateral which is not direct income of the Fund and is reflected as a component of securities lending income in the statement of operations.

### Schedule 2 — Futures Contracts (Note 5)

Futures contracts outstanding as of August 31, 2017 were as follows:

<i>Description</i>	<i>Number of contracts</i>	<i>Expiration date</i>	<i>Notional amount (000)</i>	<i>Value/ unrealized appreciation (depreciation)</i>
Long Contracts:				
TOPIX Index	3,060,000	Sep 2017	\$45,069	\$ 642,232
Total				<u>\$ 642,232</u>

### Schedule 3 — Fair Value Measurements

Various inputs are used in determining the fair value of financial instruments. For description of the input levels and information about the Fund's policy regarding valuation of financial instruments, see Note 1.

The following table summarizes the value of the Fund's investments according to the fair value hierarchy as of August 31, 2017. The breakdown of the Fund's investments into major categories is disclosed in the schedule of investments above.

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Investments:				
Assets:				
Common stocks	\$15,905,803,119	\$64,709,787	\$ —	\$15,970,512,906
Money market funds	45,833,164	—	—	45,833,164
Total	<u>\$15,951,636,283</u>	<u>\$64,709,787</u>	<u>\$ —</u>	<u>\$16,016,346,070</u>
Derivative financial instruments <sup>a</sup> :				
Assets:				
Futures contracts	\$ 642,232	\$ —	\$ —	\$ 642,232
Total	<u>\$ 642,232</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 642,232</u>

<sup>a</sup> Shown at the unrealized appreciation (depreciation) on the contracts.

See notes to financial statements.



# Schedule of Investments

## iSHARES® MSCI MEXICO CAPPED ETF

August 31, 2017

Security	Shares	Value
<b>COMMON STOCKS — 99.81%</b>		
<b>AIRLINES — 0.85%</b>		
Controladora Vuela Cia. de Aviacion SAB de CV Class A <sup>a,b</sup>	5,083,700	\$ 6,414,971
Grupo Aeromexico SAB de CV <sup>a</sup>	2,404,043	4,873,438
		11,288,409
<b>AUTO COMPONENTS — 0.24%</b>		
Rassini SAB de CV	678,499	3,148,709
		3,148,709
<b>BANKS — 13.33%</b>		
Banregio Grupo Financiero SAB de CV	1,813,000	11,732,837
Grupo Financiero Banorte SAB de CV Series O	15,208,478	104,036,562
Grupo Financiero Inbursa SAB de CV Series O <sup>b</sup>	16,392,192	27,500,052
Grupo Financiero Interacciones SA de CV Series O	955,800	5,728,016
Grupo Financiero Santander Mexico SAB de CV Series B	13,104,650	27,080,235
		176,077,702
<b>BEVERAGES — 12.25%</b>		
Arca Continental SAB de CV	3,079,729	22,601,931
Coca-Cola Femsa SAB de CV Series L	2,373,447	19,513,329
Fomento Economico Mexicano SAB de CV	11,925,510	119,725,155
		161,840,415
<b>BUILDING PRODUCTS — 0.36%</b>		
Elementia SAB de CV <sup>a,b,c</sup>	3,350,190	4,716,234
		4,716,234
<b>CAPITAL MARKETS — 0.46%</b>		
Bolsa Mexicana de Valores SAB de CV	3,481,687	6,038,291
		6,038,291
<b>CHEMICALS — 1.55%</b>		
Mexichem SAB de CV	7,664,418	20,478,298
		20,478,298
<b>CONSTRUCTION MATERIALS — 6.16%</b>		
Cemex SAB de CV CPO <sup>a</sup>	86,737,029	81,321,668
		81,321,668

Security	Shares	Value
<b>CONSUMER FINANCE — 1.59%</b>		
Credito Real SAB de CV SOFOM ER <sup>b</sup>	2,230,174	\$ 4,174,362
Gentera SAB de CV	7,532,706	11,593,167
Unifin Financiera SAB de CV SOFOM ENR	1,519,348	5,244,437
		21,011,966
<b>DIVERSIFIED TELECOMMUNICATION SERVICES — 0.93%</b>		
Axtel SAB de CV CPO <sup>a,b</sup>	11,390,777	2,658,716
Telesites SAB de CV <sup>a,b</sup>	12,110,146	9,668,956
		12,327,672
<b>EQUITY REAL ESTATE INVESTMENT TRUSTS (REITS) — 5.13%</b>		
Concentradora Fibra Danhos SA de CV	2,340,790	4,099,034
Concentradora Fibra Hotelera Mexicana SA de CV	5,020,290	4,120,960
Fibra Uno Administracion SA de CV	18,113,700	32,410,593
Macquarie Mexico Real Estate Management SA de CV	6,716,100	9,043,857
PLA Administradora Industrial S. de RL de CV <sup>b</sup>	6,621,500	11,294,194
Prologis Property Mexico SA de CV	3,320,800	6,782,181
		67,750,819
<b>FOOD &amp; STAPLES RETAILING — 6.59%</b>		
Grupo Comercial Chedraui SA de CV	2,943,000	6,324,327
La Comer SAB de CV <sup>a,b</sup>	4,837,855	4,828,965
Wal-Mart de Mexico SAB de CV	31,111,233	75,915,755
		87,069,047
<b>FOOD PRODUCTS — 5.59%</b>		
Gruma SAB de CV Series B	1,564,450	23,017,216
Grupo Bimbo SAB de CV Series A	11,579,104	28,157,179
Grupo Herdez SAB de CV	2,207,044	5,421,407
Grupo Lala SAB de CV <sup>b</sup>	4,935,800	8,790,018
Industrias Bachoco SAB de CV Series B	1,587,400	8,451,467
		73,837,287
<b>GAS UTILITIES — 1.47%</b>		
Infraestructura Energetica Nova SAB de CV	3,549,400	19,347,419
		19,347,419

# Schedule of Investments (Continued)

## iSHARES® MSCI MEXICO CAPPED ETF

August 31, 2017

Security	Shares	Value
<b>HOTELS, RESTAURANTS &amp; LEISURE — 1.49%</b>		
Alsea SAB de CV	4,127,966	\$ 15,066,372
Hoteles City Express SAB de CV <sup>a,b</sup>	3,715,200	4,590,128
		19,656,500
<b>HOUSEHOLD DURABLES — 0.24%</b>		
Consorcio ARA SAB de CV	9,121,819	3,116,908
		3,116,908
<b>HOUSEHOLD PRODUCTS — 1.64%</b>		
Kimberly-Clark de Mexico SAB de CV Series A	10,987,654	21,639,009
		21,639,009
<b>INDUSTRIAL CONGLOMERATES — 3.20%</b>		
Alfa SAB de CV	20,073,651	28,191,131
Grupo Carso SAB de CV Series A1	3,471,833	14,074,143
		42,265,274
<b>INSURANCE — 0.32%</b>		
Qualitas Controladora SAB de CV	2,400,000	4,194,639
		4,194,639
<b>MACHINERY — 0.23%</b>		
Grupo Rotoplas SAB de CV <sup>b</sup>	1,850,600	3,088,011
		3,088,011
<b>MEDIA — 4.72%</b>		
Grupo Televisa SAB	11,448,647	59,379,890
TV Azteca SAB de CV CPO <sup>b</sup>	15,341,939	2,943,958
		62,323,848
<b>METALS &amp; MINING — 7.23%</b>		
Grupo Mexico SAB de CV Series B	17,795,886	58,851,161
Industrias CH SAB de CV Series B <sup>a,b</sup>	1,283,783	6,160,775
Industrias Penoles SAB de CV	998,293	26,019,388
Minera Frisco SAB de CV Series A1 <sup>a,b</sup>	6,437,803	4,453,752
		95,485,076
<b>MORTGAGE REAL ESTATE INVESTMENT — 0.29%</b>		
Concentradora Hipotecaria SAPI de CV	3,105,700	3,891,110
		3,891,110
<b>MULTILINE RETAIL — 0.96%</b>		
El Puerto de Liverpool SAB de CV Series C1 <sup>b</sup>	1,417,810	12,742,411
		12,742,411

Security	Shares	Value
<b>PHARMACEUTICALS — 0.65%</b>		
Genomma Lab Internacional SAB de CV Series B <sup>a</sup>	6,671,193	\$ 8,575,390
		8,575,390
<b>REAL ESTATE MANAGEMENT &amp; DEVELOPMENT — 0.79%</b>		
Corp Inmobiliaria Vesta SAB de CV <sup>b</sup>	4,549,149	6,707,811
Grupo GICSA SA de CV <sup>a,b</sup>	5,458,566	3,662,984
		10,370,795
<b>TRANSPORTATION INFRASTRUCTURE — 6.74%</b>		
Grupo Aeroportuario del Centro Norte SAB de CV	2,015,492	12,229,050
Grupo Aeroportuario del Pacifico SAB de CV Series B	2,541,449	28,121,315
Grupo Aeroportuario del Sureste SAB de CV Series B	1,466,555	30,010,367
Promotora y Operadora de Infraestructura SAB de CV	1,696,025	18,642,929
		89,003,661
<b>WIRELESS TELECOMMUNICATION SERVICES — 14.81%</b>		
America Movil SAB de CV Series L	209,703,018	195,551,425
		195,551,425
<b>TOTAL COMMON STOCKS</b>		
<b>(Cost: \$1,567,368,302)</b>		1,318,157,993
<b>SHORT-TERM INVESTMENTS — 2.13%</b>		
<b>MONEY MARKET FUNDS — 2.13%</b>		
BlackRock Cash Funds: Institutional, SL Agency Shares 1.32% <sup>d,e,f</sup>	27,657,667	27,665,964
BlackRock Cash Funds: Treasury, SL Agency Shares 0.96% <sup>d,e</sup>	431,254	431,254
		28,097,218
<b>TOTAL SHORT-TERM INVESTMENTS</b>		
<b>(Cost: \$28,090,746)</b>		28,097,218

# Schedule of Investments (Continued)

## iSHARES® MSCI MEXICO CAPPED ETF

August 31, 2017

	<i>Value</i>
<b>TOTAL INVESTMENTS</b>	
<b>IN SECURITIES — 101.94%</b>	
<b>(Cost: \$1,595,459,048)<sup>g</sup></b>	\$1,346,255,211
<b>Other Assets, Less Liabilities — (1.94)%</b>	(25,613,616)
<b>NET ASSETS — 100.00%</b>	<u>\$1,320,641,595</u>

CPO — Certificates of Participation (Ordinary)

<sup>a</sup> Non-income earning security.

<sup>b</sup> All or a portion of this security represents a security on loan. See Note 1.

<sup>c</sup> This security may be resold to qualified institutional buyers under Rule 144A of the Securities Act of 1933.

<sup>d</sup> Affiliated issuer. See Schedule 1.

<sup>e</sup> The rate quoted is the annualized seven-day yield of the fund at period end.

<sup>f</sup> All or a portion of this security represents an investment of securities lending collateral. See Note 1.

<sup>g</sup> The cost of investments (including short positions and derivatives, if any) for federal income tax purposes was \$1,637,442,968. Net unrealized depreciation was \$291,187,757, of which \$14,486,443 represented gross unrealized appreciation on investments and \$305,674,200 represented gross unrealized depreciation on investments.

### Schedule 1 — Affiliates (Note 2)

Investments in issuers considered to be affiliates of the Fund during the year ended August 31, 2017, for purposes of Section 2(a)(3) of the 1940 Act, and/or related parties of the Fund were as follows:

<i>Affiliated issuer</i>	<i>Shares held at 08/31/16</i>	<i>Shares purchased</i>	<i>Shares sold</i>	<i>Shares held at 08/31/17</i>	<i>Value at 08/31/17</i>	<i>Net realized gain (loss)<sup>a</sup></i>	<i>Change in unrealized appreciation (depreciation)</i>	<i>Income</i>
BlackRock Cash Funds:								
Institutional, SL								
Agency Shares	19,391,449	8,266,218 <sup>b</sup>	—	27,657,667	\$27,665,964	\$ (2,087)	\$ 6,472	\$ — <sup>c</sup>
BlackRock Cash Funds:								
Treasury, SL								
Agency Shares	1,875,747	—	(1,444,493) <sup>b</sup>	431,254	431,254	61	—	4,023
					<u>\$28,097,218</u>	<u>\$ (2,026)</u>	<u>\$ 6,472</u>	<u>\$ 4,023</u>

<sup>a</sup> Includes realized capital gain distributions from an affiliated fund, if any.

<sup>b</sup> Net of shares purchased and sold.

<sup>c</sup> Does not include income earned on investment of securities lending cash collateral which is not direct income of the Fund and is reflected as a component of securities lending income in the statement of operations.

### Schedule 2 — Fair Value Measurements

Various inputs are used in determining the fair value of financial instruments. For description of the input levels and information about the Fund's policy regarding valuation of financial instruments, see Note 1.

The following table summarizes the value of the Fund's investments according to the fair value hierarchy as of August 31, 2017. The breakdown of the Fund's investments into major categories is disclosed in the schedule of investments above.

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Investments:				
Assets:				
Common stocks	\$1,318,157,993	\$ —	\$ —	\$1,318,157,993
Money market funds	28,097,218	—	—	28,097,218
Total	<u>\$1,346,255,211</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$1,346,255,211</u>

See notes to financial statements.

# Schedule of Investments

## iSHARES® MSCI SOUTH KOREA CAPPED ETF

August 31, 2017

Security	Shares	Value
<b>COMMON STOCKS — 98.12%</b>		
<b>AEROSPACE &amp; DEFENSE — 0.67%</b>		
Hanwha Techwin Co. Ltd. <sup>a,b</sup>	256,207	\$ 8,815,919
Korea Aerospace Industries Ltd. Class A	402,973	16,528,469
		25,344,388
<b>AIR FREIGHT &amp; LOGISTICS — 0.42%</b>		
Hyundai Glovis Co. Ltd.	115,346	15,855,472
		15,855,472
<b>AIRLINES — 0.26%</b>		
Korean Air Lines Co. Ltd. <sup>a</sup>	331,823	9,769,886
		9,769,886
<b>AUTO COMPONENTS — 3.17%</b>		
Hankook Tire Co. Ltd.	433,669	22,691,088
Hanon Systems	1,284,402	13,156,122
Hyundai Mobis Co. Ltd.	364,802	76,350,898
Hyundai Wia Corp. <sup>b</sup>	125,637	7,799,388
		119,997,496
<b>AUTOMOBILES — 3.90%</b>		
Hyundai Motor Co.	819,622	102,125,657
Kia Motors Corp.	1,441,239	45,310,325
		147,435,982
<b>BANKS — 9.51%</b>		
BNK Financial Group Inc.	1,668,095	14,586,216
DGB Financial Group Inc.	1,137,245	11,094,089
Hana Financial Group Inc.	1,616,273	70,235,347
Industrial Bank of Korea	1,529,944	20,284,376
KB Financial Group Inc.	2,133,507	104,821,114
Shinhan Financial Group Co. Ltd.	2,284,419	105,347,453
Woori Bank	2,025,297	33,407,701
		359,776,296
<b>BEVERAGES — 0.18%</b>		
Lotte Chilsung Beverage Co. Ltd. <sup>b</sup>	5,063	6,946,134
		6,946,134
<b>BIOTECHNOLOGY — 1.53%</b>		
Celltrion Inc. <sup>a,b</sup>	440,870	45,001,895
Medy-Tox Inc.	25,407	12,822,919
		57,824,814
<b>BUILDING PRODUCTS — 0.36%</b>		
KCC Corp.	38,266	13,438,574
		13,438,574

Security	Shares	Value
<b>CAPITAL MARKETS — 1.63%</b>		
Korea Investment Holdings Co. Ltd.	261,112	\$ 15,213,780
Mirae Asset Daewoo Co. Ltd.	2,332,625	20,996,935
NH Investment & Securities Co. Ltd.	963,839	11,795,830
Samsung Securities Co. Ltd.	419,669	13,603,141
		61,609,686
<b>CHEMICALS — 4.57%</b>		
Hanwha Chemical Corp.	661,900	20,750,413
Hyosung Corp.	130,458	18,337,702
Kumho Petrochemical Co. Ltd. <sup>b</sup>	130,450	9,116,229
LG Chem Ltd.	248,303	83,457,642
Lotte Chemical Corp.	87,520	31,007,662
OCI Co. Ltd. <sup>b</sup>	115,748	10,090,483
		172,760,131
<b>COMMERCIAL SERVICES &amp; SUPPLIES — 0.45%</b>		
KEPCO Plant Service & Engineering Co. Ltd.	165,419	6,711,528
S-1 Corp.	129,839	10,328,626
		17,040,154
<b>CONSTRUCTION &amp; ENGINEERING — 1.52%</b>		
Daelim Industrial Co. Ltd.	178,386	13,257,136
Daewoo Engineering & Construction Co. Ltd. <sup>a</sup>	1,092,520	6,811,295
GS Engineering & Construction Corp. <sup>a,b</sup>	352,143	8,900,386
Hyundai Development Co. Engineering & Construction	368,601	12,307,403
Hyundai Engineering & Construction Co. Ltd.	451,995	16,294,428
		57,570,648
<b>CONSUMER FINANCE — 0.21%</b>		
Samsung Card Co. Ltd.	246,544	8,111,726
		8,111,726
<b>DIVERSIFIED TELECOMMUNICATION SERVICES — 0.15%</b>		
KT Corp.	205,716	5,692,036
		5,692,036
<b>ELECTRIC UTILITIES — 1.41%</b>		
Korea Electric Power Corp.	1,398,226	53,196,076
		53,196,076
<b>ELECTRICAL EQUIPMENT — 0.17%</b>		
Doosan Heavy Industries & Construction Co. Ltd. <sup>b</sup>	395,357	6,311,126
		6,311,126

# Schedule of Investments (Continued)

## iSHARES® MSCI SOUTH KOREA CAPPED ETF

August 31, 2017

Security	Shares	Value	Security	Shares	Value
<b>ELECTRONIC EQUIPMENT, INSTRUMENTS &amp; COMPONENTS — 3.59%</b>					
LG Display Co. Ltd.	1,305,800	\$ 36,072,783	Samsung Fire & Marine Insurance Co. Ltd.	183,694	\$ 45,043,802
LG Innotek Co. Ltd.	96,870	15,850,049	Samsung Life Insurance Co. Ltd.	421,324	43,156,192
Samsung Electro-Mechanics Co. Ltd.	337,318	30,213,833			135,865,118
Samsung SDI Co. Ltd.	308,349	53,734,106	<b>INTERNET SOFTWARE &amp; SERVICES — 3.20%</b>		
		135,870,771	Kakao Corp. <sup>b</sup>	192,719	21,022,027
<b>FOOD &amp; STAPLES RETAILING — 1.30%</b>			NAVER Corp.	149,294	99,961,839
BGF retail Co. Ltd.	151,486	12,252,149			120,983,866
Dongsuh Cos. Inc.	288,891	6,789,297	<b>IT SERVICES — 0.79%</b>		
E-MART Inc.	116,853	23,213,083	Samsung SDS Co. Ltd.	202,144	30,027,598
GS Retail Co. Ltd.	194,342	6,954,327			30,027,598
		49,208,856	<b>LIFE SCIENCES TOOLS &amp; SERVICES — 0.68%</b>		
<b>FOOD PRODUCTS — 1.10%</b>			Samsung Biologics Co. Ltd. <sup>a,b,c</sup>	102,741	25,785,476
CJ CheilJedang Corp.	48,779	15,681,436			25,785,476
Lotte Confectionery Co. Ltd. <sup>b</sup>	43,156	7,558,806	<b>MACHINERY — 1.22%</b>		
Orion Corp./Republic of Korea <sup>a</sup>	149,224	11,553,082	Doosan Bobcat Inc.	242,001	8,187,601
Ottogi Corp. <sup>b</sup>	10,082	6,804,188	Hyundai Heavy Industries Co. Ltd. <sup>a,b</sup>	175,100	23,059,906
		41,597,512	Samsung Heavy Industries Co. Ltd. <sup>a,b</sup>	1,575,018	14,945,630
<b>GAS UTILITIES — 0.21%</b>					46,193,137
Korea Gas Corp. <sup>a</sup>	201,310	8,087,392	<b>MARINE — 0.22%</b>		
		8,087,392	Pan Ocean Co. Ltd. <sup>a</sup>	1,440,351	8,213,424
<b>HOTELS, RESTAURANTS &amp; LEISURE — 0.56%</b>					8,213,424
Kangwon Land Inc.	691,285	21,150,525	<b>MEDIA — 0.46%</b>		
		21,150,525	Cheil Worldwide Inc.	501,070	8,443,003
<b>HOUSEHOLD DURABLES — 2.12%</b>			CJ E&M Corp.	133,328	8,986,279
Coway Co. Ltd.	308,582	27,037,869			17,429,282
Hanssem Co. Ltd.	67,730	10,211,156	<b>METALS &amp; MINING — 4.43%</b>		
LG Electronics Inc.	596,725	43,129,734	Hyundai Steel Co.	459,107	23,492,793
		80,378,759	Korea Zinc Co. Ltd.	50,582	23,146,783
<b>INDUSTRIAL CONGLOMERATES — 4.62%</b>			POSCO	397,510	121,093,194
CJ Corp.	91,663	14,388,392			167,732,770
Hanwha Corp.	310,836	13,548,767	<b>MULTILINE RETAIL — 0.92%</b>		
LG Corp.	536,667	39,978,741	Hyundai Department Store Co. Ltd.	107,100	9,175,115
Samsung C&T Corp.	416,572	47,656,782	Lotte Shopping Co. Ltd. <sup>b</sup>	72,819	16,596,739
SK Holdings Co. Ltd.	250,389	59,399,661	Shinsegae Inc.	52,983	9,068,570
		174,972,343			34,840,424
<b>INSURANCE — 3.59%</b>			<b>OIL, GAS &amp; CONSUMABLE FUELS — 2.87%</b>		
Dongbu Insurance Co. Ltd.	302,825	20,195,495	GS Holdings Corp.	316,617	19,823,661
Hanwha Life Insurance Co. Ltd.	1,631,360	10,590,240	S-Oil Corp.	266,313	29,640,193
Hyundai Marine & Fire Insurance Co. Ltd.	411,974	16,879,389	SK Innovation Co. Ltd.	354,173	59,206,820
					108,670,674

# Schedule of Investments (Continued)

## iSHARES® MSCI SOUTH KOREA CAPPED ETF

August 31, 2017

Security	Shares	Value
<b>PERSONAL PRODUCTS — 2.89%</b>		
AmorePacific Corp. <sup>b</sup>	176,557	\$ 45,094,374
AmorePacific Group <sup>b</sup>	168,180	19,985,917
LG Household & Health Care Ltd.	51,990	44,262,504
		<u>109,342,795</u>
<b>PHARMACEUTICALS — 0.89%</b>		
Hanmi Pharm Co. Ltd. <sup>a,b</sup>	38,151	13,635,024
Hanmi Science Co. Ltd. <sup>a,b</sup>	110,150	8,742,839
Yuhan Corp.	55,780	11,179,744
		<u>33,557,607</u>
<b>ROAD &amp; RAIL — 0.21%</b>		
CJ Logistics Corp. <sup>a,b</sup>	54,230	8,127,767
		<u>8,127,767</u>
<b>SEMICONDUCTORS &amp; SEMICONDUCTOR EQUIPMENT — 5.57%</b>		
Hyundai Robotics Co. Ltd. <sup>a</sup>	55,160	21,670,699
SK Hynix Inc.	3,107,210	189,033,882
		<u>210,704,581</u>
<b>SOFTWARE — 1.27%</b>		
NCsoft Corp.	100,278	34,193,766
Netmarble Games Corp. <sup>a,b,c</sup>	101,935	13,966,795
		<u>48,160,561</u>
<b>SPECIALTY RETAIL — 0.33%</b>		
Hotel Shilla Co. Ltd. <sup>b</sup>	230,326	12,643,827
		<u>12,643,827</u>
<b>TECHNOLOGY HARDWARE, STORAGE &amp; PERIPHERALS — 22.24%</b>		
Samsung Electronics Co. Ltd.	409,781	841,657,322
		<u>841,657,322</u>
<b>TOBACCO — 1.70%</b>		
KT&G Corp.	633,494	64,326,945
		<u>64,326,945</u>
<b>TRADING COMPANIES &amp; DISTRIBUTORS — 0.34%</b>		
Posco Daewoo Corp.	346,554	6,500,193
SK Networks Co. Ltd. <sup>b</sup>	1,020,734	6,345,641
		<u>12,845,834</u>
<b>WIRELESS TELECOMMUNICATION SERVICES — 0.69%</b>		
SK Telecom Co. Ltd.	116,876	26,275,334
		<u>26,275,334</u>
<b>TOTAL COMMON STOCKS</b>		
(Cost: \$1,670,622,208)		<u>3,713,331,125</u>

Security	Shares	Value
<b>PREFERRED STOCKS — 1.79%</b>		
<b>AUTOMOBILES — 0.86%</b>		
Hyundai Motor Co., Preference Shares	145,830	\$ 12,467,198
Hyundai Motor Co. Series 2, Preference Shares	222,581	20,134,145
		<u>32,601,343</u>
<b>CHEMICALS — 0.34%</b>		
LG Chem Ltd., Preference Shares	55,687	12,988,366
		<u>12,988,366</u>
<b>PERSONAL PRODUCTS — 0.49%</b>		
AmorePacific Corp., Preference Shares	64,159	9,758,131
LG Household & Health Care Ltd., Preference Shares	16,176	8,607,307
		<u>18,365,438</u>
<b>TECHNOLOGY HARDWARE, STORAGE &amp; PERIPHERALS — 0.10%</b>		
Samsung Electronics Co. Ltd., Preference Shares	2,164	3,617,542
		<u>3,617,542</u>
<b>TOTAL PREFERRED STOCKS</b>		
(Cost: \$38,534,692)		<u>67,572,689</u>
<b>SHORT-TERM INVESTMENTS — 3.85%</b>		
<b>MONEY MARKET FUNDS — 3.85%</b>		
BlackRock Cash Funds: Institutional, SL Agency Shares 1.32% <sup>d,e,f</sup>	140,876,705	140,918,968
BlackRock Cash Funds: Treasury, SL Agency Shares 0.96% <sup>d,e</sup>	4,974,415	4,974,415
		<u>145,893,383</u>
<b>TOTAL SHORT-TERM INVESTMENTS</b>		
(Cost: \$145,873,542)		<u>145,893,383</u>



# Schedule of Investments (Continued)

## iSHARES® MSCI SOUTH KOREA CAPPED ETF

August 31, 2017

	<i>Value</i>
<b>TOTAL INVESTMENTS</b>	
<b>IN SECURITIES — 103.76%</b>	
<b>(Cost: \$1,855,030,442)<sup>g</sup></b>	\$3,926,797,197
<b>Other Assets, Less Liabilities — (3.76)%</b>	(142,159,434)
<b>NET ASSETS — 100.00%</b>	<u>\$3,784,637,763</u>

- <sup>a</sup> Non-income earning security.  
<sup>b</sup> All or a portion of this security represents a security on loan. See Note 1.  
<sup>c</sup> This security may be resold to qualified institutional buyers under Rule 144A of the Securities Act of 1933.  
<sup>d</sup> Affiliated issuer. See Schedule 1.  
<sup>e</sup> The rate quoted is the annualized seven-day yield of the fund at period end.  
<sup>f</sup> All or a portion of this security represents an investment of securities lending collateral. See Note 1.  
<sup>g</sup> The cost of investments (including short positions and derivatives, if any) for federal income tax purposes was \$2,410,993,429. Net unrealized appreciation was \$1,515,803,768, of which \$2,123,134,609 represented gross unrealized appreciation on investments and \$607,330,841 represented gross unrealized depreciation on investments.

### Schedule 1 — Affiliates (Note 2)

Investments in issuers considered to be affiliates of the Fund during the year ended August 31, 2017, for purposes of Section 2(a)(3) of the 1940 Act, and/or related parties of the Fund were as follows:

<i>Affiliated issuer</i>	<i>Shares held at 08/31/16</i>	<i>Shares purchased</i>	<i>Shares sold</i>	<i>Shares held at 08/31/17</i>	<i>Value at 08/31/17</i>	<i>Net realized gain (loss)<sup>a</sup></i>	<i>Change in unrealized appreciation (depreciation)</i>	<i>Income</i>
BlackRock Cash Funds:								
Institutional, SL Agency Shares	129,185,165	11,691,540 <sup>b</sup>	—	140,876,705	\$140,918,968	\$ 4,709	\$ 19,841	\$ — <sup>c</sup>
BlackRock Cash Funds:								
Treasury, SL Agency Shares	4,717,300	257,115 <sup>b</sup>	—	4,974,415	4,974,415	57	—	41,681
					<u>\$145,893,383</u>	<u>\$ 4,766</u>	<u>\$ 19,841</u>	<u>\$41,681</u>

<sup>a</sup> Includes realized capital gain distributions from an affiliated fund, if any.

<sup>b</sup> Net of shares purchased and sold.

<sup>c</sup> Does not include income earned on investment of securities lending cash collateral which is not direct income of the Fund and is reflected as a component of securities lending income in the statement of operations.

### Schedule 2 — Fair Value Measurements

Various inputs are used in determining the fair value of financial instruments. For description of the input levels and information about the Fund's policy regarding valuation of financial instruments, see Note 1.

The following table summarizes the value of the Fund's investments according to the fair value hierarchy as of August 31, 2017. The breakdown of the Fund's investments into major categories is disclosed in the schedule of investments above.

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Investments:				
Assets:				
Common stocks	\$3,713,331,125	\$ —	\$ —	\$3,713,331,125
Preferred stocks	67,572,689	—	—	67,572,689
Money market funds	145,893,383	—	—	145,893,383
Total	<u>\$3,926,797,197</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$3,926,797,197</u>

See notes to financial statements.

# Statements of Assets and Liabilities

iSHARES®, INC.

August 31, 2017

	iShares Edge MSCI Min Vol Global ETF	iShares MSCI Australia ETF	iShares MSCI Canada ETF
<b>ASSETS</b>			
Investments in securities, at cost:			
Unaffiliated	\$3,177,379,890	\$1,913,517,259	\$3,497,459,111
Affiliated (Note 2)	59,378,772	7,170,523	44,219,286
Total cost of investments in securities	<u>\$3,236,758,662</u>	<u>\$1,920,687,782</u>	<u>\$3,541,678,397</u>
Investments in securities, at fair value (including securities on loan <sup>a</sup> ) (Note 1):			
Unaffiliated	\$3,658,187,253	\$1,745,888,271	\$3,112,636,519
Affiliated (Note 2)	59,392,577	7,170,842	44,221,973
Foreign currency, at value <sup>b</sup>	4,297,134	5,152,054	8,742,512
Cash pledged to broker for futures contracts	—	1,098,053	581,383
Receivables:			
Investment securities sold	—	1,203,195	32,332,006
Dividends and interest	9,129,572	14,063,402	5,827,597
Futures variation margin	—	—	47,272
Tax reclaims	2,023,250	—	—
Total Assets	<u>3,733,029,786</u>	<u>1,774,575,817</u>	<u>3,204,389,262</u>
<b>LIABILITIES</b>			
Payables:			
Investment securities purchased	—	879,928	31,222,452
Collateral for securities on loan (Note 1)	56,897,542	6,987,414	43,809,592
Capital shares redeemed	—	—	170,758
Futures variation margin	—	80,653	—
Foreign taxes (Note 1)	147,771	—	—
Investment advisory fees (Note 2)	610,541	715,496	1,266,758
Total Liabilities	<u>57,655,854</u>	<u>8,663,491</u>	<u>76,469,560</u>
NET ASSETS	<u>\$3,675,373,932</u>	<u>\$1,765,912,326</u>	<u>\$3,127,919,702</u>
<b>Net assets consist of:</b>			
Paid-in capital	\$3,288,648,124	\$2,169,727,056	\$4,043,163,286
Undistributed (distributions in excess of) net investment income	12,801,276	6,908,701	7,575,046
Accumulated net realized loss	(106,957,724)	(243,234,009)	(538,045,474)
Net unrealized appreciation (depreciation)	480,882,256	(167,489,422)	(384,773,156)
NET ASSETS	<u>\$3,675,373,932</u>	<u>\$1,765,912,326</u>	<u>\$3,127,919,702</u>
Shares outstanding <sup>c</sup>	<u>45,300,000</u>	<u>78,200,000</u>	<u>112,400,000</u>
Net asset value per share	<u>\$ 81.13</u>	<u>\$ 22.58</u>	<u>\$ 27.83</u>

<sup>a</sup> Securities on loan with values of \$54,508,615, \$6,689,886 and \$42,238,300, respectively. See Note 1.

<sup>b</sup> Cost of foreign currency: \$4,292,028, \$6,118,630 and \$9,348,081, respectively.

<sup>c</sup> \$0.001 par value, number of shares authorized: 500 million, 627.8 million and 340.2 million, respectively.

See notes to financial statements.



# Statements of Assets and Liabilities (Continued)

iSHARES®, INC.

August 31, 2017

	iShares MSCI Japan ETF	iShares MSCI Mexico Capped ETF	iShares MSCI South Korea Capped ETF
<b>ASSETS</b>			
Investments in securities, at cost:			
Unaffiliated	\$15,934,505,938	\$1,567,368,302	\$ 1,709,156,900
Affiliated (Note 2)	45,826,352	28,090,746	145,873,542
Total cost of investments in securities	<u>\$15,980,332,290</u>	<u>\$1,595,459,048</u>	<u>\$ 1,855,030,442</u>
Investments in securities, at fair value (including securities on loan <sup>a</sup> ) (Note 1):			
Unaffiliated	\$15,970,512,906	\$1,318,157,993	\$ 3,780,903,814
Affiliated (Note 2)	45,833,164	28,097,218	145,893,383
Foreign currency, at value <sup>b</sup>	21,522,724	2,700,659	—
Foreign currency pledged to broker for futures contracts, at value <sup>b</sup>	658,726	—	—
Receivables:			
Investment securities sold	35,366,705	15,203,004	20,228,474
Due from custodian (Note 4)	—	71,708	—
Dividends and interest	20,598,466	715,400	546,506
Futures variation margin	642,232	—	—
Total Assets	<u>16,095,134,923</u>	<u>1,364,945,982</u>	<u>3,947,572,177</u>
<b>LIABILITIES</b>			
Payables:			
Investment securities purchased	30,291,956	16,103,186	20,111,823
Collateral for securities on loan (Note 1)	40,543,731	27,661,580	140,894,418
Investment advisory fees (Note 2)	6,610,337	539,621	1,928,173
Total Liabilities	<u>77,446,024</u>	<u>44,304,387</u>	<u>162,934,414</u>
NET ASSETS	<u>\$16,017,688,899</u>	<u>\$1,320,641,595</u>	<u>\$ 3,784,637,763</u>
<b>Net assets consist of:</b>			
Paid-in capital	\$17,199,504,435	\$1,848,477,134	\$ 2,862,052,603
Undistributed (distributions in excess of) net investment income	(26,048,656)	7,154,017	(81,351,030)
Accumulated net realized loss	(1,192,558,997)	(285,622,096)	(1,067,833,954)
Net unrealized appreciation (depreciation)	36,792,117	(249,367,460)	2,071,770,144
NET ASSETS	<u>\$16,017,688,899</u>	<u>\$1,320,641,595</u>	<u>\$ 3,784,637,763</u>
Shares outstanding <sup>c</sup>	<u>293,550,000<sup>d</sup></u>	<u>23,300,000</u>	<u>55,500,000</u>
Net asset value per share	<u>\$ 54.57<sup>d</sup></u>	<u>\$ 56.68</u>	<u>\$ 68.19</u>

<sup>a</sup> Securities on loan with values of \$38,716,306, \$26,031,757 and \$133,746,749, respectively. See Note 1.

<sup>b</sup> Cost of foreign currency including currency pledged to broker for futures contracts: \$22,281,027, \$2,696,900 and \$ —, respectively.

<sup>c</sup> \$0.001 par value, number of shares authorized: 2.5246 billion, 255 million and 200 million, respectively.

<sup>d</sup> Shares outstanding and net asset value per share reflect a one-for-four reverse stock split effective after the close of trading on November 4, 2016. See Note 4.

See notes to financial statements.

# Statements of Operations

iSHARES®, INC.

Year ended August 31, 2017

	iShares Edge MSCI Min Vol Global ETF	iShares MSCI Australia ETF	iShares MSCI Canada ETF
<b>NET INVESTMENT INCOME</b>			
Dividends — unaffiliated <sup>a</sup>	\$ 83,299,846	\$ 79,030,390	\$ 77,883,650
Dividends — affiliated (Note 2)	29,119	7,465	8,519
Interest — unaffiliated	—	835	27
Securities lending income — affiliated — net (Note 2)	950,471	32,559	82,904
	84,279,436	79,071,249	77,975,100
Less: Other foreign taxes (Note 1)	(188,016)	—	(30,490)
Total investment income	84,091,420	79,071,249	77,944,610
<b>EXPENSES</b>			
Investment advisory fees (Note 2)	10,283,210	8,765,631	15,654,293
Proxy fees	67,310	41,422	66,762
Total expenses	10,350,520	8,807,053	15,721,055
Less investment advisory fees waived (Note 2)	(3,893,046)	—	—
Net expenses	6,457,474	8,807,053	15,721,055
Net investment income	77,633,946	70,264,196	62,223,555
<b>NET REALIZED AND UNREALIZED GAIN (LOSS)</b>			
Net realized gain (loss) from:			
Investments — unaffiliated	(26,626,733)	(23,621,694)	(113,329,778)
Investments — affiliated (Note 2)	16,088	(190)	(2,561)
In-kind redemptions — unaffiliated	101,489,581	101,252,528	251,306,238
Futures contracts	—	1,617,158	993,580
Foreign currency transactions	(488,591)	(252,344)	327,225
Realized gain distributions from affiliated funds	242	53	288
Net realized gain	74,390,587	78,995,511	139,294,992
Net change in unrealized appreciation/depreciation on:			
Investments — unaffiliated	141,378,809	126,918,481	156,860,561
Investments — affiliated (Note 2)	13,805	319	2,687
Futures contracts	—	(236,915)	(318,333)
Translation of assets and liabilities in foreign currencies	129,055	527,565	139,874
Net change in unrealized appreciation/depreciation	141,521,669	127,209,450	156,684,789
Net realized and unrealized gain	215,912,256	206,204,961	295,979,781
<b>NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<b>\$293,546,202</b>	<b>\$276,469,157</b>	<b>\$ 358,203,336</b>

<sup>a</sup> Net of foreign withholding tax of \$4,512,840, \$479,534 and \$13,737,118, respectively.

See notes to financial statements.

# Statements of Operations (Continued)

iSHARES®, INC.

Year ended August 31, 2017

	iShares MSCI Japan ETF	iShares MSCI Mexico Capped ETF	iShares MSCI South Korea Capped ETF
<b>NET INVESTMENT INCOME</b>			
Dividends — unaffiliated <sup>a</sup>	\$ 300,652,682	\$ 31,861,308	\$ 50,888,121
Dividends — affiliated (Note 2)	43,064	4,023	41,681
Interest — unaffiliated	—	—	58
Securities lending income — affiliated — net (Note 2)	3,382,165	703,004	4,908,542
	304,077,911	32,568,335	55,838,402
Less: Other foreign taxes (Note 1)	—	—	937
Total investment income	304,077,911	32,568,335	55,839,339
<b>EXPENSES</b>			
Investment advisory fees (Note 2)	76,064,253	6,962,143	20,609,453
Proxy fees	344,241	28,311	69,215
Total expenses	76,408,494	6,990,454	20,678,668
Net investment income	227,669,417	25,577,881	35,160,671
<b>NET REALIZED AND UNREALIZED GAIN (LOSS)</b>			
Net realized gain (loss) from:			
Investments — unaffiliated	(197,802,651)	(75,908,002)	164,460,523
Investments — affiliated (Note 2)	1,589	(2,087)	4,709
In-kind redemptions — unaffiliated	644,849,506	68,249,782	—
Futures contracts	24,447,380	—	—
Foreign currency transactions	(15,913,555)	(218,589)	1,863,380
Realized gain distributions from affiliated funds	122	61	57
Net realized gain (loss)	455,582,391	(7,878,835)	166,328,669
Net change in unrealized appreciation/depreciation on:			
Investments — unaffiliated	1,309,943,854	189,192,269	392,350,106
Investments — affiliated (Note 2)	6,812	6,472	19,841
Futures contracts	(26,487)	—	—
Translation of assets and liabilities in foreign currencies	330,724	76,604	282,147
Net change in unrealized appreciation/depreciation	1,310,254,903	189,275,345	392,652,094
Net realized and unrealized gain	1,765,837,294	181,396,510	558,980,763
<b>NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<b>\$1,993,506,711</b>	<b>\$206,974,391</b>	<b>\$594,141,434</b>

<sup>a</sup> Net of foreign withholding tax of \$33,367,209, \$1,103,631 and \$9,393,027, respectively.

See notes to financial statements.

# Statements of Changes in Net Assets

iSHARES®, INC.

	<i>iShares Edge MSCI Min Vol Global ETF</i>		<i>iShares MSCI Australia ETF</i>	
	Year ended August 31, 2017	Year ended August 31, 2016	Year ended August 31, 2017	Year ended August 31, 2016
<b>INCREASE (DECREASE) IN NET ASSETS</b>				
<b>OPERATIONS:</b>				
Net investment income	\$ 77,633,946	\$ 64,576,560	\$ 70,264,196	\$ 62,740,787
Net realized gain (loss)	74,390,587	30,872,741	78,995,511	(22,265,463)
Net change in unrealized appreciation/depreciation	141,521,669	252,873,179	127,209,450	137,229,771
Net increase in net assets resulting from operations	293,546,202	348,322,480	276,469,157	177,705,095
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>				
From net investment income	(82,291,396)	(59,015,735)	(83,656,742)	(59,291,158)
Total distributions to shareholders	(82,291,396)	(59,015,735)	(83,656,742)	(59,291,158)
<b>CAPITAL SHARE TRANSACTIONS:</b>				
Proceeds from shares sold	684,634,417	1,225,242,572	624,267,864	683,182,993
Cost of shares redeemed	(488,203,636)	(362,492,946)	(719,870,284)	(360,957,779)
Net increase (decrease) in net assets from capital share transactions	196,430,781	862,749,626	(95,602,420)	322,225,214
INCREASE IN NET ASSETS	407,685,587	1,152,056,371	97,209,995	440,639,151
<b>NET ASSETS</b>				
Beginning of year	3,267,688,345	2,115,631,974	1,668,702,331	1,228,063,180
End of year	<u>\$3,675,373,932</u>	<u>\$3,267,688,345</u>	<u>\$1,765,912,326</u>	<u>\$1,668,702,331</u>
Undistributed net investment income included in net assets at end of year	\$ 12,801,276	\$ 16,401,105	\$ 6,908,701	\$ 11,677,105
<b>SHARES ISSUED AND REDEEMED</b>				
Shares sold	8,700,000	16,900,000	29,400,000	35,400,000
Shares redeemed	(6,500,000)	(5,100,000)	(33,400,000)	(19,000,000)
Net increase (decrease) in shares outstanding	<u>2,200,000</u>	<u>11,800,000</u>	<u>(4,000,000)</u>	<u>16,400,000</u>

See notes to financial statements.

# Statements of Changes in Net Assets (Continued)

iSHARES®, INC.

	<i>iShares MSCI Canada ETF</i>		<i>iShares MSCI Japan ETF</i>	
	Year ended August 31, 2017	Year ended August 31, 2016	Year ended August 31, 2017 <sup>a</sup>	Year ended August 31, 2016 <sup>a</sup>
<b>INCREASE (DECREASE) IN NET ASSETS</b>				
<b>OPERATIONS:</b>				
Net investment income	\$ 62,223,555	\$ 49,872,015	\$ 227,669,417	\$ 264,486,625
Net realized gain (loss)	139,294,992	(61,752,843)	455,582,391	179,035,668
Net change in unrealized appreciation/depreciation	156,684,789	237,092,373	1,310,254,903	(335,550,040)
Net increase in net assets resulting from operations	358,203,336	225,211,545	1,993,506,711	107,972,253
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>				
From net investment income	(60,198,481)	(46,033,306)	(288,645,468)	(261,611,433)
Total distributions to shareholders	(60,198,481)	(46,033,306)	(288,645,468)	(261,611,433)
<b>CAPITAL SHARE TRANSACTIONS:</b>				
Proceeds from shares sold	1,022,753,433	1,347,709,468	4,661,723,572	3,254,831,968
Cost of shares redeemed	(1,290,632,177)	(360,548,208)	(4,364,075,580)	(8,233,815,497)
Net increase (decrease) in net assets from capital share transactions	(267,878,744)	987,161,260	297,647,992	(4,978,983,529)
INCREASE (DECREASE) IN NET ASSETS	30,126,111	1,166,339,499	2,002,509,235	(5,132,622,709)
<b>NET ASSETS</b>				
Beginning of year	3,097,793,591	1,931,454,092	14,015,179,664	19,147,802,373
End of year	<u>\$ 3,127,919,702</u>	<u>\$3,097,793,591</u>	<u>\$16,017,688,899</u>	<u>\$14,015,179,664</u>
Undistributed (distributions in excess of) net investment income included in net assets at end of year	<u>\$ 7,575,046</u>	<u>\$ 4,768,460</u>	<u>\$ (26,048,656)</u>	<u>\$ 41,500,905</u>
<b>SHARES ISSUED AND REDEEMED</b>				
Shares sold	38,600,000	57,300,000	113,100,000	69,900,000
Shares redeemed	(48,500,000)	(15,400,000)	(105,300,000)	(178,050,000)
Net increase (decrease) in shares outstanding	<u>(9,900,000)</u>	<u>41,900,000</u>	<u>7,800,000</u>	<u>(108,150,000)</u>

<sup>a</sup> Share transactions reflect a one-for-four reverse stock split effective after the close of trading on November 4, 2016. See Note 4.

See notes to financial statements.

# Statements of Changes in Net Assets (Continued)

iSHARES®, INC.

	<i>iShares MSCI Mexico Capped ETF</i>		<i>iShares MSCI South Korea Capped ETF</i>	
	Year ended August 31, 2017	Year ended August 31, 2016	Year ended August 31, 2017	Year ended August 31, 2016
<b>INCREASE (DECREASE) IN NET ASSETS</b>				
<b>OPERATIONS:</b>				
Net investment income	\$ 25,577,881	\$ 22,572,568	\$ 35,160,671	\$ 35,496,600
Net realized gain (loss)	(7,878,835)	(105,424,948)	166,328,669	(72,441,943)
Net change in unrealized appreciation/depreciation	189,275,345	13,777,983	392,652,094	641,389,742
Net increase (decrease) in net assets resulting from operations	206,974,391	(69,074,397)	594,141,434	604,444,399
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>				
From net investment income	(21,098,710)	(31,509,179)	(34,948,193)	(75,311,690)
Total distributions to shareholders	(21,098,710)	(31,509,179)	(34,948,193)	(75,311,690)
<b>CAPITAL SHARE TRANSACTIONS:</b>				
Proceeds from shares sold	2,161,693,065	1,471,785,156	330,287,930	456,857,078
Cost of shares redeemed	(2,344,445,161)	(1,260,625,873)	(557,813,596)	(693,973,908)
Net increase (decrease) in net assets from capital share transactions	(182,752,096)	211,159,283	(227,525,666)	(237,116,830)
INCREASE IN NET ASSETS	3,123,585	110,575,707	331,667,575	292,015,879
<b>NET ASSETS</b>				
Beginning of year	1,317,518,010	1,206,942,303	3,452,970,188	3,160,954,309
End of year	\$ 1,320,641,595	\$ 1,317,518,010	\$ 3,784,637,763	\$ 3,452,970,188
Undistributed (distributions in excess of) net investment income included in net assets at end of year	\$ 7,154,017	\$ (3,342,828)	\$ (81,351,030)	\$ (111,718,391)
<b>SHARES ISSUED AND REDEEMED</b>				
Shares sold	45,200,000	28,200,000	4,750,000	8,900,000
Shares redeemed	(48,000,000)	(25,000,000)	(9,950,000)	(13,850,000)
Net increase (decrease) in shares outstanding	(2,800,000)	3,200,000	(5,200,000)	(4,950,000)

See notes to financial statements.

# Financial Highlights

iSHARES®, INC.

(For a share outstanding throughout each period)

## iShares Edge MSCI Min Vol Global ETF

	Year ended Aug. 31, 2017	Year ended Aug. 31, 2016	Year ended Aug. 31, 2015	Year ended Aug. 31, 2014	Year ended Aug. 31, 2013
<b>Net asset value, beginning of year</b>	<u>\$ 75.82</u>	<u>\$ 67.59</u>	<u>\$ 68.25</u>	<u>\$ 59.99</u>	<u>\$ 55.65</u>
<b>Income from investment operations:</b>					
Net investment income <sup>a</sup>	1.84	1.79	1.70	1.72	1.68
Net realized and unrealized gain (loss) <sup>b</sup>	<u>5.40</u>	<u>8.07</u>	<u>(0.89)</u>	<u>8.18</u>	<u>4.20</u>
Total from investment operations	<u>7.24</u>	<u>9.86</u>	<u>0.81</u>	<u>9.90</u>	<u>5.88</u>
<b>Less distributions from:</b>					
Net investment income	<u>(1.93)</u>	<u>(1.63)</u>	<u>(1.47)</u>	<u>(1.64)</u>	<u>(1.54)</u>
Total distributions	<u>(1.93)</u>	<u>(1.63)</u>	<u>(1.47)</u>	<u>(1.64)</u>	<u>(1.54)</u>
<b>Net asset value, end of year</b>	<u><u>\$ 81.13</u></u>	<u><u>\$ 75.82</u></u>	<u><u>\$ 67.59</u></u>	<u><u>\$ 68.25</u></u>	<u><u>\$ 59.99</u></u>
<b>Total return</b>	<u><u>9.75%</u></u>	<u><u>14.76%</u></u>	<u><u>1.15%</u></u>	<u><u>16.70%</u></u>	<u><u>10.69%</u></u>
<b>Ratios/Supplemental data:</b>					
Net assets, end of year (000s)	\$3,675,374	\$3,267,688	\$2,115,632	\$1,283,012	\$1,007,760
Ratio of expenses to average net assets	0.20%	0.20%	0.20%	0.20%	0.20%
Ratio of expenses to average net assets prior to waived fees	0.32%	0.32%	0.33%	0.33%	0.34%
Ratio of net investment income to average net assets	2.40%	2.49%	2.41%	2.67%	2.83%
Portfolio turnover rate <sup>c</sup>	24%	24%	22%	24%	13%

<sup>a</sup> Based on average shares outstanding throughout each period.

<sup>b</sup> The amounts reported for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period due to the timing of capital share transactions in relation to the fluctuating market values of the Fund's underlying securities.

<sup>c</sup> Portfolio turnover rates exclude portfolio securities received or delivered in Creation Units but include portfolio transactions that are executed as a result of the Fund processing capital share transactions in Creation Units partially for cash in U.S. dollars. Excluding such cash transactions, the portfolio turnover rates for the years ended August 31, 2017, August 31, 2016, August 31, 2015, August 31, 2014 and August 31, 2013 were 24%, 23%, 22%, 23% and 13%, respectively. See Note 4.

See notes to financial statements.



# Financial Highlights (Continued)

*iSHARES®*, INC.

(For a share outstanding throughout each period)

## *iShares MSCI Australia ETF*

	Year ended Aug. 31, 2017	Year ended Aug. 31, 2016	Year ended Aug. 31, 2015	Year ended Aug. 31, 2014	Year ended Aug. 31, 2013
<b>Net asset value, beginning of year</b>	\$ 20.30	\$ 18.66	\$ 27.15	\$ 23.61	\$ 23.39
<b>Income from investment operations:</b>					
Net investment income <sup>a</sup>	0.84	0.84	1.23	1.10	1.02
Net realized and unrealized gain (loss) <sup>b</sup>	2.45	1.59	(8.49)	3.43	0.64
Total from investment operations	3.29	2.43	(7.26)	4.53	1.66
<b>Less distributions from:</b>					
Net investment income	(1.01)	(0.79)	(1.23)	(0.99)	(1.44)
Total distributions	(1.01)	(0.79)	(1.23)	(0.99)	(1.44)
<b>Net asset value, end of year</b>	\$ 22.58	\$ 20.30	\$ 18.66	\$ 27.15	\$ 23.61
<b>Total return</b>	16.70%	13.36%	(27.31)%	19.76%	7.06%
<b>Ratios/Supplemental data:</b>					
Net assets, end of year (000s)	\$1,765,912	\$1,668,702	\$1,228,063	\$2,047,113	\$1,916,849
Ratio of expenses to average net assets	0.49%	0.48%	0.48%	0.48%	0.51%
Ratio of net investment income to average net assets	3.90%	4.41%	5.37%	4.28%	4.05%
Portfolio turnover rate <sup>c</sup>	4%	7%	9%	6%	6%

<sup>a</sup> Based on average shares outstanding throughout each period.

<sup>b</sup> The amounts reported for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period due to the timing of capital share transactions in relation to the fluctuating market values of the Fund's underlying securities.

<sup>c</sup> Portfolio turnover rates exclude portfolio securities received or delivered as a result of processing capital share transactions in Creation Units.

See notes to financial statements.

# Financial Highlights (Continued)

iSHARES®, INC.

(For a share outstanding throughout each period)

## iShares MSCI Canada ETF

	Year ended Aug. 31, 2017	Year ended Aug. 31, 2016	Year ended Aug. 31, 2015	Year ended Aug. 31, 2014	Year ended Aug. 31, 2013
<b>Net asset value, beginning of year</b>	\$ 25.33	\$ 24.02	\$ 32.93	\$ 27.34	\$ 27.52
<b>Income from investment operations:</b>					
Net investment income <sup>a</sup>	0.51	0.51	0.54	0.59	0.60
Net realized and unrealized gain (loss) <sup>b</sup>	2.47	1.29	(8.85)	5.62	(0.10)
<b>Total from investment operations</b>	2.98	1.80	(8.31)	6.21	0.50
<b>Less distributions from:</b>					
Net investment income	(0.48)	(0.49)	(0.60)	(0.62)	(0.68)
<b>Total distributions</b>	(0.48)	(0.49)	(0.60)	(0.62)	(0.68)
<b>Net asset value, end of year</b>	\$ 27.83	\$ 25.33	\$ 24.02	\$ 32.93	\$ 27.34
<b>Total return</b>	11.88%	7.73%	(25.48)%	23.00%	1.84%
<b>Ratios/Supplemental data:</b>					
Net assets, end of year (000s)	\$3,127,920	\$3,097,794	\$1,931,454	\$3,786,906	\$3,428,223
Ratio of expenses to average net assets	0.49%	0.48%	0.48%	0.48%	0.51%
Ratio of net investment income to average net assets	1.93%	2.18%	1.92%	1.97%	2.12%
Portfolio turnover rate <sup>c</sup>	6%	4%	5%	6%	7%

<sup>a</sup> Based on average shares outstanding throughout each period.

<sup>b</sup> The amounts reported for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period due to the timing of capital share transactions in relation to the fluctuating market values of the Fund's underlying securities.

<sup>c</sup> Portfolio turnover rates exclude portfolio securities received or delivered as a result of processing capital share transactions in Creation Units.

See notes to financial statements.

# Financial Highlights (Continued)

*iSHARES®*, INC.

(For a share outstanding throughout each period)

## *iShares MSCI Japan ETF*

	Year ended Aug. 31, 2017 <sup>a</sup>	Year ended Aug. 31, 2016 <sup>a</sup>	Year ended Aug. 31, 2015 <sup>a</sup>	Year ended Aug. 31, 2014 <sup>a</sup>	Year ended Aug. 31, 2013 <sup>a</sup>
<b>Net asset value, beginning of year</b>	\$ 49.05	\$ 48.61	\$ 47.32	\$ 43.87	\$ 36.09
<b>Income from investment operations:</b>					
Net investment income <sup>b</sup>	0.49	0.72	0.60	0.60	0.52
Net realized and unrealized gain <sup>c</sup>	5.96	0.44	1.22	3.53	7.85
<b>Total from investment operations</b>	6.45	1.16	1.82	4.13	8.37
<b>Less distributions from:</b>					
Net investment income	(0.93)	(0.72)	(0.53)	(0.68)	(0.59)
<b>Total distributions</b>	(0.93)	(0.72)	(0.53)	(0.68)	(0.59)
<b>Net asset value, end of year</b>	\$ 54.57	\$ 49.05	\$ 48.61	\$ 47.32	\$ 43.87
<b>Total return</b>	13.31%	2.44%	3.84%	9.39%	23.46%
<b>Ratios/Supplemental data:</b>					
Net assets, end of year (000s)	\$16,017,689	\$14,015,180	\$19,147,802	\$14,729,189	\$10,461,942
Ratio of expenses to average net assets	0.49%	0.48%	0.48%	0.48%	0.50%
Ratio of net investment income to average net assets	1.45%	1.53%	1.20%	1.31%	1.18%
Portfolio turnover rate <sup>d</sup>	4%	4%	2%	2%	4%

<sup>a</sup> Per share amounts reflect a one-for-four reverse stock split effective after the close of trading on November 4, 2016. See Note 4.

<sup>b</sup> Based on average shares outstanding throughout each period.

<sup>c</sup> The amounts reported for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period due to the timing of capital share transactions in relation to the fluctuating market values of the Fund's underlying securities.

<sup>d</sup> Portfolio turnover rates exclude portfolio securities received or delivered as a result of processing capital share transactions in Creation Units.

See notes to financial statements.

# Financial Highlights (Continued)

## iSHARES®, INC.

(For a share outstanding throughout each period)

### iShares MSCI Mexico Capped ETF

	Year ended Aug. 31, 2017	Year ended Aug. 31, 2016	Year ended Aug. 31, 2015	Year ended Aug. 31, 2014	Year ended Aug. 31, 2013
<b>Net asset value, beginning of year</b>	\$ 50.48	\$ 52.70	\$ 71.51	\$ 61.93	\$ 60.96
<b>Income from investment operations:</b>					
Net investment income <sup>a</sup>	0.88	0.93	0.68	1.06	0.75
Net realized and unrealized gain (loss) <sup>b</sup>	6.10	(1.82)	(18.56)	9.61	0.85
Total from investment operations	6.98	(0.89)	(17.88)	10.67	1.60
<b>Less distributions from:</b>					
Net investment income	(0.78)	(1.33)	(0.93)	(1.09)	(0.63)
Total distributions	(0.78)	(1.33)	(0.93)	(1.09)	(0.63)
<b>Net asset value, end of year</b>	\$ 56.68	\$ 50.48	\$ 52.70	\$ 71.51	\$ 61.93
<b>Total return</b>	14.03%	(1.68)%	(25.10)%	17.42%	2.53%
<b>Ratios/Supplemental data:</b>					
Net assets, end of year (000s)	\$1,320,642	\$1,317,518	\$1,206,942	\$3,275,152	\$2,217,052
Ratio of expenses to average net assets	0.49%	0.48%	0.48%	0.48%	0.50%
Ratio of net investment income to average net assets	1.79%	1.82%	1.10%	1.61%	1.09%
Portfolio turnover rate <sup>c</sup>	8%	8%	13%	19%	32%

<sup>a</sup> Based on average shares outstanding throughout each period.

<sup>b</sup> The amounts reported for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period due to the timing of capital share transactions in relation to the fluctuating market values of the Fund's underlying securities.

<sup>c</sup> Portfolio turnover rates exclude portfolio securities received or delivered as a result of processing capital share transactions in Creation Units.

See notes to financial statements.

# Financial Highlights (Continued)

*iSHARES®*, INC.

(For a share outstanding throughout each period)

## *iShares MSCI South Korea Capped ETF*

	Year ended Aug. 31, 2017	Year ended Aug. 31, 2016	Year ended Aug. 31, 2015	Year ended Aug. 31, 2014	Year ended Aug. 31, 2013
<b>Net asset value, beginning of year</b>	\$ 56.89	\$ 48.15	\$ 66.42	\$ 57.67	\$ 55.97
<b>Income from investment operations:</b>					
Net investment income <sup>a</sup>	0.64	0.56	0.46	0.25	0.23
Net realized and unrealized gain (loss) <sup>b</sup>	11.31	9.38	(18.07)	9.40	1.83
Total from investment operations	11.95	9.94	(17.61)	9.65	2.06
<b>Less distributions from:</b>					
Net investment income	(0.65)	(1.20)	(0.66)	(0.90)	(0.36)
Total distributions	(0.65)	(1.20)	(0.66)	(0.90)	(0.36)
<b>Net asset value, end of year</b>	\$ 68.19	\$ 56.89	\$ 48.15	\$ 66.42	\$ 57.67
<b>Total return</b>	21.28%	20.92%	(26.58)%	16.83%	3.65%
<b>Ratios/Supplemental data:</b>					
Net assets, end of year (000s)	\$3,784,638	\$3,452,970	\$3,160,954	\$4,891,619	\$3,376,516
Ratio of expenses to average net assets	0.62%	0.64%	0.62%	0.62%	0.61%
Ratio of net investment income to average net assets	1.05%	1.09%	0.81%	0.39%	0.40%
Portfolio turnover rate <sup>c</sup>	16%	22%	24%	13%	13%

<sup>a</sup> Based on average shares outstanding throughout each period.

<sup>b</sup> The amounts reported for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period due to the timing of capital share transactions in relation to the fluctuating market values of the Fund's underlying securities.

<sup>c</sup> Portfolio turnover rates include portfolio transactions that are executed as a result of the Fund processing capital share transactions in Creation Units solely for cash in U.S. dollars. Excluding such cash transactions, the portfolio turnover rates for the years ended August 31, 2017, August 31, 2016, August 31, 2015, August 31, 2014 and August 31, 2013 were 6%, 10%, 10%, 10% and 11%, respectively. See Note 4.

See notes to financial statements.

# Notes to Financial Statements

## iSHARES®, INC.

iShares, Inc. (the “Company”) is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company. The Company was incorporated under the laws of the State of Maryland on September 1, 1994 pursuant to Articles of Incorporation as subsequently amended and restated.

These financial statements relate only to the following funds (each, a “Fund,” and collectively, the “Funds”):

<i>iShares ETF</i>	<i>Diversification Classification</i>
Edge MSCI Min Vol Global	Diversified
MSCI Australia	Non-diversified
MSCI Canada	Diversified
MSCI Japan	Diversified
MSCI Mexico Capped	Non-diversified
MSCI South Korea Capped	Non-diversified

The investment objective of each Fund is to seek investment results that correspond generally to the price and yield performance, before fees and expenses, of its underlying index. The investment adviser uses a “passive” or index approach to try to achieve each Fund’s investment objective.

Pursuant to the Company’s organizational documents, the Funds’ officers and directors are indemnified against certain liabilities that may arise out of the performance of their duties to the Funds. Additionally, in the normal course of business, the Funds enter into contracts with service providers that contain general indemnification clauses. The Funds’ maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Funds that have not yet occurred.

## 1. SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies are consistently followed by each Fund in the preparation of its financial statements in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Each Fund is considered an investment company under U.S. GAAP and follows the accounting and reporting guidance applicable to investment companies.

## SECURITY VALUATION

Each Fund’s investments are valued at fair value each day that the Fund’s listing exchange is open and, for financial reporting purposes, as of the report date should the reporting period end on a day that the Fund’s listing exchange is not open. U.S. GAAP defines fair value as the price a fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The BlackRock Global Valuation Methodologies Committee (the “Global Valuation Committee”) provides oversight of the valuation of investments for the Funds. The investments of each Fund are valued pursuant to policies and procedures developed by the Global Valuation Committee and approved by the Board of Directors of the Company (the “Board”).

- Equity investments traded on a recognized securities exchange are valued at that day’s last reported trade price or the official closing price, as applicable, on the exchange where the stock is primarily traded. Equity investments traded on a recognized exchange for which there were no sales on that day are valued at the last traded price.

# Notes to Financial Statements (Continued)

## iSHARES®, INC.

- Open-end U.S. mutual funds (including money market funds) are valued at that day's published net asset value ("NAV").
- Futures contract notional values are determined based on that day's last reported settlement price on the exchange where the contract is traded.

In the event that application of these methods of valuation results in a price for an investment which is deemed not to be representative of the fair value of such investment or if a price is not available, the investment will be valued by the Global Valuation Committee, in accordance with policies approved by the Board. The fair valuation approaches that may be utilized by the Global Valuation Committee to determine fair value include market approach, income approach and the cost approach. The valuation techniques used under these approaches take into consideration inputs that include but are not limited to (i) attributes specific to the investment; (ii) the principal market for the investment; (iii) the customary participants in the principal market for the investment; (iv) data assumptions by market participants for the investment, if reasonably available; (v) quoted prices for similar investments in active markets; and (vi) other inputs, such as future cash flows, interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and/or default rates. Valuations based on such inputs are reported to the Board on a quarterly basis.

The Global Valuation Committee employs various methods for calibrating valuation approaches for investments where an active market does not exist, including regular due diligence of the Company's pricing vendors, a regular review of key inputs and assumptions, transactional back-testing or disposition analysis to compare unrealized gains and losses to realized gains and losses, reviews of missing or stale prices, reviews of large movements in market values, and reviews of market related activity.

Fair value pricing could result in a difference between the prices used to calculate a Fund's NAV and the prices used by the Fund's underlying index, which in turn could result in a difference between the Fund's performance and the performance of the Fund's underlying index.

Various inputs are used in determining the fair value of financial instruments. Inputs may be based on independent market data ("observable inputs") or they may be internally developed ("unobservable inputs"). These inputs to valuation techniques are categorized into a fair value hierarchy consisting of three broad levels for financial reporting purposes as follows:

- Level 1 — Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not considered to be active, inputs other than quoted prices that are observable for the asset or liability (such as exchange rates, financing terms, interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs; and
- Level 3 — Unobservable inputs for the asset or liability based on the best information available in the circumstances, to the extent observable inputs are not available, including the Global Valuation Committee's assumptions used in determining the fair value of investments.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgement exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The fair value hierarchy for each Fund's investments is included in its schedule of investments.



# Notes to Financial Statements (Continued)

## *iSHARES®*, INC.

Changes in valuation techniques may result in transfers in or out of an assigned level within the fair value hierarchy. In accordance with the Company's policy, transfers between different levels of the fair value hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of values determined for financial instruments are based on the pricing transparency of the financial instruments and are not necessarily an indication of the risks associated with investing in those securities.

### **SECURITY TRANSACTIONS AND INCOME RECOGNITION**

Security transactions are accounted for on trade date. Realized gains and losses on investment transactions are determined using the specific identification method. Dividend income and capital gain distributions, if any, are recognized on the ex-dividend date, net of any foreign taxes withheld at source. Any taxes withheld that are reclaimable from foreign tax authorities as of August 31, 2017 are reflected in tax reclaims receivable. Upon notification from issuers, some of the dividend income received from a real estate investment trust may be re-designated as a reduction of cost of the related investment and/or realized gain. Non-cash dividends received, if any, are recognized on the ex-dividend date and recorded as non-cash dividend income at fair value. Distributions received by the Funds may include a return of capital that is estimated by management. Such amounts are recorded as a reduction of the cost of investments or reclassified to capital gains. Interest income is accrued daily.

### **FOREIGN CURRENCY TRANSLATION**

The accounting records of the Funds are maintained in U.S. dollars. Foreign currencies, as well as investment securities and other assets and liabilities denominated in foreign currencies, are translated into U.S. dollars using exchange rates deemed appropriate by the investment adviser. Purchases and sales of securities, income receipts and expense payments are translated into U.S. dollars on the respective dates of such transactions.

Each Fund does not isolate the effect of fluctuations in foreign exchange rates from the effect of fluctuations in the market prices of securities. Such fluctuations are reflected by the Funds as a component of realized and unrealized gains and losses from investments for financial reporting purposes. Each Fund reports realized currency gains (losses) on foreign currency related transactions as components of net realized gain (loss) for financial reporting purposes, whereas such components are generally treated as ordinary income for U.S. federal income tax purposes.

### **FOREIGN TAXES**

The Funds may be subject to foreign taxes (a portion of which may be reclaimable) on income, stock dividends, capital gains on investments, or certain foreign currency transactions. All foreign taxes are recorded in accordance with the applicable foreign tax regulations and rates that exist in the foreign jurisdictions in which the Funds invest. These foreign taxes, if any, are paid by the Funds and are reflected in their statements of operations as follows: foreign taxes withheld at source are presented as a reduction of income, foreign taxes on securities lending income are presented as a reduction of securities lending income, foreign taxes on stock dividends are presented as "other foreign taxes", and foreign taxes on capital gains from sales of investments and foreign taxes on foreign currency transactions are included in their respective net realized gain (loss) categories. Foreign taxes payable or deferred as of August 31, 2017, if any, are disclosed in the Funds' statements of assets and liabilities.

### **DISTRIBUTIONS TO SHAREHOLDERS**

Dividends and distributions paid by each Fund are recorded on the ex-dividend dates. Distributions are determined on a tax basis and may differ from net investment income and net realized capital gains for financial reporting purposes. Dividends and distributions are paid in U.S. dollars and cannot be automatically reinvested in additional shares of the Funds.

# Notes to Financial Statements (Continued)

iSHARES®, INC.

## LOANS OF PORTFOLIO SECURITIES

Each Fund may lend its investment securities to approved borrowers, such as brokers, dealers and other financial institutions. The borrower pledges and maintains with the Fund collateral consisting of cash, an irrevocable letter of credit issued by an approved bank, or securities issued or guaranteed by the U.S. government. The initial collateral received by each Fund is required to have a value of at least 102% of the current value of the loaned securities for securities traded on U.S. exchanges and a value of at least 105% for all other securities. The collateral is maintained thereafter at a value equal to at least 100% of the current value of the securities on loan. The market value of the loaned securities is determined at the close of each business day of the Funds. Any additional required collateral is delivered to the Funds and any excess collateral is returned by the Funds on the next business day. During the term of the loan, each Fund is entitled to all distributions made on or in respect of the loaned securities but does not receive interest income on securities received as collateral. Loans of securities are terminable at any time and the borrower, after notice, is required to return borrowed securities within the standard time period for settlement of securities transactions.

Cash received as collateral for securities on loan may be reinvested in certain short-term instruments either directly on behalf of a fund or through one or more joint accounts or money market funds, including those managed by BlackRock Fund Advisors ("BFA"), the Funds' investment adviser, or its affiliates. As of August 31, 2017, any securities on loan were collateralized by cash and/or U.S. government obligations. Cash collateral received was invested in money market funds managed by BFA and is disclosed in the schedules of investments. Any non-cash collateral received cannot be sold, re-invested or pledged by the Fund, except in the event of borrower default. The securities on loan for each Fund are also disclosed in its schedule of investments. The total value of any securities on loan as of August 31, 2017 and the total value of the related cash collateral are disclosed in the statements of assets and liabilities. Income earned by the Funds from securities lending is disclosed in the statements of operations.

The risks of securities lending include the risk that the borrower may not provide additional collateral when required or may not return the securities when due. To mitigate these risks, the Funds benefit from a borrower default indemnity provided by BlackRock, Inc. ("BlackRock"). BlackRock's indemnity allows for full replacement of securities loaned if the collateral received does not cover the value of the securities loaned in the event of borrower default. Each Fund could incur a loss if the value of an investment purchased with cash collateral falls below the value of the loaned securities or if the value of an investment purchased with cash collateral falls below the value of the original cash collateral received.

Securities lending transactions are entered into by the Funds under Master Securities Lending Agreements ("MSLA") which provide the right, in the event of default (including bankruptcy or insolvency) for the non-defaulting party to liquidate the collateral and calculate a net exposure to the defaulting party or request additional collateral. In the event that a borrower defaults, a Fund, as lender, would offset the market value of the collateral received against the market value of the securities loaned. The value of the collateral is typically greater than that of the market value of the securities loaned, leaving the lender with a net amount payable to the defaulting party. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against such a right of offset in the event of an MSLA counterparty's bankruptcy or insolvency. Under the MSLA, the borrower can resell or re-pledge the loaned securities, and a Fund can reinvest cash collateral, or, upon an event of default, resell or re-pledge the collateral.

# Notes to Financial Statements (Continued)

## iSHARES®, INC.

The following table is a summary of securities lending agreements which are subject to offset under an MSLA as of August 31, 2017:

<i>iShares ETF and Counterparty</i>	<i>Market Value of Securities on Loan</i>	<i>Cash Collateral Received<sup>a</sup></i>	<i>Net Amount</i>
<i>Edge MSCI Min Vol Global</i>			
Citigroup Global Markets Inc.	\$ 4,180,812	\$ 4,180,812	\$ —
Credit Suisse Securities (USA) LLC	1,969,583	1,969,583	—
Deutsche Bank AG	1,278,772	1,278,772	—
Deutsche Bank Securities Inc.	656,528	656,528	—
Goldman Sachs & Co.	9,802,245	9,802,245	—
HSBC Bank PLC	45,755	45,755	—
Jefferies LLC	1,894	1,894	—
JPMorgan Securities LLC	7,598,900	7,598,900	—
JPMorgan Securities PLC	1,217,446	1,217,446	—
Merrill Lynch, Pierce, Fenner & Smith	8,792,776	8,792,776	—
Morgan Stanley & Co. International PLC	827,973	827,973	—
Morgan Stanley & Co. LLC	10,498,309	10,498,309	—
Morgan Stanley & Co. LLC (U.S. Equity Securities Lending)	531,706	531,706	—
Nomura Securities International Inc.	777,161	777,161	—
State Street Bank & Trust Company	5,883,493	5,883,493	—
UBS Securities LLC	445,262	445,262	—
	<u>\$ 54,508,615</u>	<u>\$ 54,508,615</u>	<u>\$ —</u>
<i>MSCI Australia</i>			
Barclays Capital Inc.	\$ 3,517,482	\$ 3,517,482	\$ —
UBS Securities LLC	3,172,404	3,172,404	—
	<u>\$ 6,689,886</u>	<u>\$ 6,689,886</u>	<u>\$ —</u>
<i>MSCI Canada</i>			
Credit Suisse Securities (USA) LLC	\$ 7,066,093	\$ 7,066,093	\$ —
Goldman Sachs & Co.	25,194,109	25,194,109	—
Merrill Lynch, Pierce, Fenner & Smith	18,628	18,628	—
Morgan Stanley & Co. LLC	4,726,213	4,726,213	—
State Street Bank & Trust Company	5,080,403	5,080,403	—
UBS AG	152,854	152,854	—
	<u>\$ 42,238,300</u>	<u>\$ 42,238,300</u>	<u>\$ —</u>
<i>MSCI Japan</i>			
Barclays Capital Inc.	\$ 1,357,213	\$ 1,357,213	\$ —
Citigroup Global Markets Inc.	954,786	954,786	—
Credit Suisse Securities (USA) LLC	5,578,395	5,578,395	—
Goldman Sachs & Co.	5,367,767	5,367,767	—
Merrill Lynch, Pierce, Fenner & Smith	16,001,624	16,001,624	—
Morgan Stanley & Co. LLC	8,519,203	8,519,203	—
Nomura Securities International Inc.	9,144	9,144	—
State Street Bank & Trust Company	928,174	928,174	—
	<u>\$ 38,716,306</u>	<u>\$ 38,716,306</u>	<u>\$ —</u>

# Notes to Financial Statements (Continued)

## iSHARES®, INC.

<i>iShares ETF and Counterparty</i>	<i>Market Value of Securities on Loan</i>	<i>Cash Collateral Received<sup>a</sup></i>	<i>Net Amount</i>
<i>MSCI Mexico Capped</i>			
Credit Suisse Securities (USA) LLC	\$ 589,088	\$ 589,088	\$ —
Deutsche Bank Securities Inc.	38,378	38,378	—
Goldman Sachs & Co.	7,929,754	7,929,754	—
Morgan Stanley & Co. LLC	17,143,566	17,143,566	—
UBS Securities LLC	330,971	330,971	—
	<u>\$ 26,031,757</u>	<u>\$ 26,031,757</u>	<u>\$ —</u>
<i>MSCI South Korea Capped</i>			
BNP Paribas Prime Brokerage Inc.	\$ 317,488	\$ 317,488	\$ —
Citigroup Global Markets Inc.	43,335,662	43,335,662	—
Credit Suisse Securities (USA) LLC	7,366,152	7,366,152	—
Deutsche Bank Securities Inc.	6,437,551	6,437,551	—
Goldman Sachs & Co.	33,614,193	33,614,193	—
HSBC Bank PLC	679,108	679,108	—
JPMorgan Securities LLC	396,861	396,861	—
Macquarie Bank Limited	3,658,158	3,658,158	—
Morgan Stanley & Co. LLC	37,941,576	37,941,576	—
	<u>\$ 133,746,749</u>	<u>\$ 133,746,749</u>	<u>\$ —</u>

<sup>a</sup> Collateral received in excess of the market value of securities on loan is not presented in this table. The total cash collateral received by each Fund is disclosed in the Fund's statement of assets and liabilities.

## 2. INVESTMENT ADVISORY AGREEMENT AND OTHER TRANSACTIONS WITH AFFILIATES

Pursuant to an Investment Advisory Agreement with the Company, BFA manages the investment of each Fund's assets. BFA is a California corporation indirectly owned by BlackRock. Under the Investment Advisory Agreement, BFA is responsible for substantially all expenses of the Funds, except (i) interest and taxes; (ii) brokerage commissions and other expenses connected with the execution of portfolio transactions; (iii) distribution fees; (iv) the advisory fee payable to BFA; and (v) litigation expenses and any extraordinary expenses (in each case as determined by a majority of the independent directors).

For its investment advisory services to the iShares Edge MSCI Min Vol Global ETF, BFA is entitled to an annual investment advisory fee, accrued daily and paid monthly by the Fund, based on the Fund's allocable portion of the aggregate of the average daily net assets of the Fund and certain other iShares funds, as follows:

<i>Investment Advisory Fee</i>	<i>Aggregate Average Daily Net Assets</i>
0.350%	First \$30 billion
0.320	Over \$30 billion, up to and including \$60 billion
0.280	Over \$60 billion, up to and including \$90 billion
0.252	Over \$90 billion, up to and including \$120 billion <sup>a</sup>
0.227	Over \$120 billion <sup>a</sup>

<sup>a</sup> Break level added or amended effective July 1, 2017.

# Notes to Financial Statements (Continued)

## iSHARES®, INC.

In addition, the iShares Edge MSCI Min Vol Global ETF may incur its pro rata share of fees and expenses attributable to its investments in other investment companies (“acquired fund fees and expenses”). The total of the investment advisory fee and acquired fund fees and expenses are a fund’s total annual operating expenses. BFA has contractually agreed to waive through December 31, 2023 any portion of its investment advisory fee for the Fund necessary to limit total annual operating expenses to 0.20% of average daily net assets.

For its investment advisory services to each of the iShares MSCI Australia, iShares MSCI Canada, iShares MSCI Japan and iShares MSCI Mexico Capped ETFs, BFA is entitled to an annual investment advisory fee, accrued daily and paid monthly by the Funds, based on each Fund’s allocable portion of the aggregate of the average daily net assets of the Fund and certain other iShares funds, as follows:

<i>Investment Advisory Fee</i>	<i>Aggregate Average Daily Net Assets</i>
0.59%	First \$7 billion
0.54	Over \$7 billion, up to and including \$11 billion
0.49	Over \$11 billion, up to and including \$24 billion
0.44	Over \$24 billion, up to and including \$48 billion
0.40	Over \$48 billion, up to and including \$72 billion
0.36	Over \$72 billion, up to and including \$96 billion <sup>a</sup>
0.32	Over \$96 billion <sup>a</sup>

<sup>a</sup> Break level added or amended effective July 1, 2017.

For its investment advisory services to the iShares MSCI South Korea Capped ETF, BFA is entitled to an annual investment advisory fee, accrued daily and paid monthly by the Fund, based on the Fund’s allocable portion of the aggregate of the average daily net assets of the Fund and certain other iShares funds, as follows:

<i>Investment Advisory Fee</i>	<i>Aggregate Average Daily Net Assets</i>
0.74%	First \$2 billion
0.69	Over \$2 billion, up to and including \$4 billion
0.64	Over \$4 billion, up to and including \$8 billion
0.57	Over \$8 billion, up to and including \$16 billion
0.51	Over \$16 billion, up to and including \$24 billion
0.48	Over \$24 billion, up to and including \$32 billion
0.45	Over \$32 billion

The U.S. Securities and Exchange Commission has issued an exemptive order which permits BlackRock Institutional Trust Company, N.A. (“BTC”), an affiliate of BFA, to serve as securities lending agent for the Funds, subject to applicable conditions. As securities lending agent, BTC bears all operational costs directly related to securities lending. Each Fund is responsible for fees in connection with the investment of cash collateral received for securities on loan in a money market fund managed by BFA, however, BTC has agreed to reduce the amount of securities lending income it receives in order to effectively limit the collateral investment fees each Fund bears to an annual rate of 0.04% (the “collateral investment fees”). Securities lending income is equal to the total of income earned from the reinvestment of cash collateral, net of fees and other payments to and from borrowers of securities, and less the collateral investment fees. The Funds retain a portion of securities lending income and remit the remaining portion to BTC as compensation for its services as securities lending agent.

Pursuant to a securities lending agreement, each Fund retains 80% of securities lending income and the amount retained can never be less than 70% of the total of securities lending income plus the collateral investment fees. In addition, commencing the business day following the date that the aggregate securities lending income plus the collateral investment fees generated across

# Notes to Financial Statements (Continued)

## iSHARES®, INC.

all 1940 Act iShares exchange-traded funds (the “iShares ETF Complex”) in a given calendar year exceeds the aggregate securities lending income generated across the iShares ETF Complex in the calendar year 2013, each Fund, pursuant to a securities lending agreement, will retain for the remainder of that calendar year 85% of securities lending income and the amount retained can never be less than 70% of the total of securities lending income plus the collateral investment fees.

For the year ended August 31, 2017, the total of securities lending agent services and collateral investment fees paid were as follows:

<i>iShares ETF</i>	<i>Fees Paid to BTC</i>
Edge MSCI Min Vol Global	\$ 245,849
MSCI Australia	8,954
MSCI Canada	26,793
MSCI Japan	793,698
MSCI Mexico Capped	176,754
MSCI South Korea Capped	1,121,053

BlackRock Investments, LLC, an affiliate of BFA, is the distributor for each Fund. Pursuant to the distribution agreement, BFA is responsible for any fees or expenses for distribution services provided to the Funds.

Cross trading is the buying or selling of portfolio securities between funds to which BFA (or an affiliate) serves as investment adviser. At its regularly scheduled quarterly meetings, the Board reviews such transactions as of the most recent calendar quarter for compliance with the requirements and restrictions set forth by Rule 17a-7.

For the year ended August 31, 2017, transactions executed by the Funds pursuant to Rule 17a-7 under the 1940 Act were as follows:

<i>iShares ETF</i>	<i>Purchases</i>	<i>Sales</i>
Edge MSCI Min Vol Global	\$106,539,039	\$44,433,771
MSCI Australia	3,094,430	5,735,234
MSCI Japan	55,625,584	27,440,774
MSCI South Korea Capped	24,001,756	5,085,653

Each Fund may invest its positive cash balances in certain money market funds managed by BFA or an affiliate. The income earned on these temporary cash investments is included in “Dividends – affiliated” in the statements of operations.

The PNC Financial Services Group, Inc. is the largest stockholder of BlackRock and is considered to be an affiliate of the Funds for 1940 Act purposes.

Certain directors and officers of the Company are also officers of BTC and/or BFA.

# Notes to Financial Statements (Continued)

iSHARES®, INC.

## 3. INVESTMENT PORTFOLIO TRANSACTIONS

Purchases and sales of investments (excluding in-kind transactions and short-term investments) for the year ended August 31, 2017 were as follows:

<i>iShares ETF</i>	<i>Purchases</i>	<i>Sales</i>
Edge MSCI Min Vol Global	\$ 809,307,324	\$ 789,468,503
MSCI Australia	95,435,256	62,528,480
MSCI Canada	226,062,007	199,117,529
MSCI Japan	574,767,839	624,259,718
MSCI Mexico Capped	146,171,156	118,864,540
MSCI South Korea Capped	547,043,826	749,775,880

In-kind transactions (see Note 4) for the year ended August 31, 2017 were as follows:

<i>iShares ETF</i>	<i>In-kind Purchases</i>	<i>In-kind Sales</i>
Edge MSCI Min Vol Global	\$ 614,584,779	\$ 439,908,551
MSCI Australia	582,421,403	714,108,532
MSCI Canada	978,097,817	1,276,326,666
MSCI Japan	4,483,728,662	4,186,916,459
MSCI Mexico Capped	2,132,387,727	2,335,377,061

## 4. CAPITAL SHARE TRANSACTIONS

Capital shares are issued and redeemed by each Fund only in aggregations of a specified number of shares or multiples thereof ("Creation Units") at NAV. Except when aggregated in Creation Units, shares of each Fund are not redeemable. Transactions in capital shares for each Fund are disclosed in detail in the statements of changes in net assets.

The consideration for the purchase of Creation Units of a fund in the Company generally consists of the in-kind deposit of a designated portfolio of securities and a specified amount of cash. Certain funds in the Company may be offered in Creation Units solely or partially for cash in U.S. dollars. Investors purchasing and redeeming Creation Units may pay a purchase transaction fee and a redemption transaction fee directly to State Street Bank and Trust Company, the Company's administrator, to offset transfer and other transaction costs associated with the issuance and redemption of Creation Units, including Creation Units for cash. Investors transacting in Creation Units for cash may also pay an additional variable charge to compensate the relevant fund for certain transaction costs (i.e., stamp taxes, taxes on currency or other financial transactions, and brokerage costs) and market impact expenses relating to investing in portfolio securities. Such variable charges, if any, are included in "Proceeds from shares sold" in the statements of changes in net assets.

From time to time, settlement of securities related to in-kind contributions or in-kind redemptions may be delayed. In such cases, securities related to in-kind contributions are reflected as "Due from custodian" and securities related to in-kind redemptions are reflected as "Securities related to in-kind transactions" in the statements of assets and liabilities.

The Board authorized a one-for-four reverse stock split for the iShares MSCI Japan ETF, effective after the close of trading on November 4, 2016. The impact of the stock split was to decrease the number of shares outstanding by a factor of four, while increasing the NAV per share by a factor of four, resulting in no effect on the net assets of the Fund. The financial statements for the Fund have been adjusted to reflect the reverse stock split.



# Notes to Financial Statements (Continued)

iSHARES®, INC.

## 5. FUTURES CONTRACTS

Each Fund's use of futures contracts is generally limited to cash equitization. This involves the use of available cash to invest in index futures contracts in order to gain exposure to the equity markets represented in or by the Fund's underlying index and is intended to allow the Fund to better track its underlying index. Futures contracts are standardized, exchange-traded agreements to buy or sell a financial instrument at a set price on a future date. Upon entering into a futures contract, a fund is required to pledge to the executing broker which holds segregated from its own assets, an amount of cash, U.S. government securities or other high-quality debt and equity securities equal to the minimum initial margin requirements of the exchange on which the contract is traded.

Pursuant to the contract, the fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in notional value of the contract. Such receipts or payments are known as margin variation and are recorded by the fund as unrealized appreciation or depreciation. When the contract is closed, the fund records a realized gain or loss equal to the difference between the notional value of the contract at the time it was opened and the notional value at the time it was closed. Losses may arise if the notional value of a futures contract decreases due to an unfavorable change in the market rates or values of the underlying instrument during the term of the contract or if the counterparty does not perform under the contract. The use of futures contracts also involves the risk of an imperfect correlation in the movements in the price of futures contracts and the assets underlying such contracts.

The following table shows the value of futures contracts held as of August 31, 2017 and the related locations in the statements of assets and liabilities, presented by risk exposure category:

<i>Assets</i>		
	<i>iShares MSCI Canada ETF</i>	<i>iShares MSCI Japan ETF</i>
Equity contracts:		
Variation margin / Net assets consist of – net unrealized appreciation (depreciation) <sup>a</sup>	\$ 47,272	\$ 642,232

<sup>a</sup> Represents cumulative appreciation of futures contracts as reported in the schedules of investments.

<i>Liabilities</i>	
	<i>iShares MSCI Australia ETF</i>
Equity contracts:	
Variation margin / Net assets consist of – net unrealized appreciation (depreciation) <sup>b</sup>	\$ 80,653

<sup>b</sup> Represents cumulative depreciation of futures contracts as reported in the schedules of investments.

# Notes to Financial Statements (Continued)

## iSHARES®, INC.

The following table shows the realized and unrealized gains (losses) on futures contracts held during the year ended August 31, 2017 and the related locations in the statements of operations, presented by risk exposure category:

	<i>Net Realized Gain (Loss)</i>		
	<i>iShares MSCI Australia ETF</i>	<i>iShares MSCI Canada ETF</i>	<i>iShares MSCI Japan ETF</i>
Equity contracts:			
Futures contracts	<u>\$ 1,617,158</u>	<u>\$ 993,580</u>	<u>\$ 24,447,380</u>

	<i>Net Change in Unrealized Appreciation/Depreciation</i>		
	<i>iShares MSCI Australia ETF</i>	<i>iShares MSCI Canada ETF</i>	<i>iShares MSCI Japan ETF</i>
Equity contracts:			
Futures contracts	<u>\$ (236,915)</u>	<u>\$ (318,333)</u>	<u>\$ (26,487)</u>

The following table shows the average quarter-end balances of open futures contracts for the year ended August 31, 2017:

	<i>iShares MSCI Australia ETF</i>	<i>iShares MSCI Canada ETF</i>	<i>iShares MSCI Japan ETF</i>
Average value of contracts purchased	\$ 17,449,280	\$ 10,625,735	\$ 85,363,645

## 6. PRINCIPAL RISKS

In the normal course of business, each Fund invests in securities or other instruments and may enter into certain transactions, and such activities subject the Fund to various risks, including, among others, fluctuations in the market (market risk) or failure of an issuer to meet all of its obligations. The value of securities or other instruments may also be affected by various factors, including, without limitation: (i) the general economy; (ii) the overall market as well as local, regional or global political and/or social instability; (iii) regulation, taxation or international tax treaties between various countries; or (iv) currency, interest rate or price fluctuations. Each Fund's prospectus provides details of the risks to which the Fund is subject.

BFA uses a "passive" or index approach to try to achieve each Fund's investment objective following the securities included in its underlying index during upturns as well as downturns. BFA does not take steps to reduce market exposure or to lessen the effects of a declining market. Divergence from the underlying index and the composition of the portfolio is monitored by BFA.

### MARKET RISK

Market risk arises mainly from uncertainty about future values of financial instruments influenced by price, currency and interest rate movements. It represents the potential loss a fund may suffer through holding market positions in the face of market movements. A fund is exposed to market risk by its investment in equity, fixed income and/or financial derivative instruments or by its investment in underlying funds. The fair value of securities held by a fund may decline due to general market conditions, economic trends or events that are not specifically related to the issuers of the securities including local, regional or global political, social or economic instability or to factors that affect a particular industry or group of industries. The extent of a fund's exposure to market risk is the market value of the investments held as shown in the fund's schedule of investments.

# Notes to Financial Statements (Continued)

## *iSHARES®*, INC.

A diversified portfolio, where this is appropriate and consistent with a fund's objectives, minimizes the risk that a price change of a particular investment will have a material impact on the NAV of a fund. The investment concentrations within each Fund's portfolio are disclosed in its schedule of investments.

Investing in the securities of non-U.S. issuers involves certain considerations and risks not typically associated with securities of U.S. issuers. Such risks include, but are not limited to: differences in accounting, auditing and financial reporting standards; more substantial governmental involvement in the economy; higher inflation rates, greater social, economic and political uncertainties; possible nationalization or expropriation of assets; less availability of public information about issuers; imposition of withholding or other taxes; higher transaction and custody costs and delays in settlement procedures; and lower level of regulation of the securities markets and issuers. Non-U.S. securities may be less liquid, more difficult to value, and have greater price volatility due to exchange rate fluctuations. These and other risks are heightened for investments in issuers from countries with less developed capital markets.

The economies and markets of European countries are often closely connected and interdependent, and events in one country in Europe can have an adverse impact on other European countries. The European financial markets have experienced volatility and adverse trends in recent years due to concerns about economic downturns or rising government debt levels in several European countries. These events have adversely affected the exchange rate of the euro and may continue to significantly affect European countries. The occurrence of terrorist incidents throughout Europe also could impact financial markets. In addition, the United Kingdom has voted to withdraw from the European Union. The referendum may introduce significant new uncertainties and instability in the financial markets as the United Kingdom negotiates its exit from the European Union.

When a fund concentrates its investments in issuers located in a single country, it assumes the risk that economic, political and social conditions in that country may have a significant impact on its investment performance.

## **CREDIT RISK**

Credit risk is the risk that an issuer or guarantor of debt instruments or the counterparty to a financial transaction, including derivatives contracts, repurchase agreements or loans of portfolio securities, is unable or unwilling to make timely interest and/or principal payments or to otherwise honor its obligations. BFA and its affiliates manage counterparty credit risk by entering into transactions only with counterparties that they believe have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose a fund to issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of a fund's exposure to credit and counterparty risks with respect to those financial assets is approximated by their value recorded in its statement of assets and liabilities.

## **7. INCOME TAX INFORMATION**

Each Fund is treated as an entity separate from the Company's other funds for federal income tax purposes. It is the policy of each Fund to qualify as a regulated investment company by complying with the provisions applicable to regulated investment companies, as defined under Subchapter M of the Internal Revenue Code of 1986, as amended, and to annually distribute substantially all of its ordinary income and any net capital gains (taking into account any capital loss carryforwards) sufficient to relieve it from all, or substantially all, federal income and excise taxes. Accordingly, no provision for federal income taxes is required.

U.S. GAAP requires that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. These reclassifications have no effect on net assets or NAV per share. The following permanent differences as of August 31, 2017, attributable to the characterization of corporate actions, passive foreign investment companies, the expiration of

# Notes to Financial Statements (Continued)

## iSHARES®, INC.

capital loss carryforwards, foreign currency transactions and realized gains (losses) from in-kind redemptions, were reclassified to the following accounts:

<i>iShares ETF</i>	<i>Paid-in Capital</i>	<i>Undistributed Net Investment Income/Distributions in Excess of Net Investment Income</i>	<i>Undistributed Net Realized Gain/Accumulated Net Realized Loss</i>
Edge MSCI Min Vol Global	\$ 96,384,727	\$ 1,057,621	\$ (97,442,348)
MSCI Australia	46,516,026	8,624,142	(55,140,168)
MSCI Canada	183,617,082	781,512	(184,398,594)
MSCI Japan	424,091,976	(6,573,510)	(417,518,466)
MSCI Mexico Capped	503,991	6,017,674	(6,521,665)
MSCI South Korea Capped	(60,990,953)	30,154,883	30,836,070

The tax character of distributions paid during the years ended August 31, 2017 and August 31, 2016 was as follows:

<i>iShares ETF</i>	<i>2017</i>	<i>2016</i>
<i>Edge MSCI Min Vol Global</i>		
Ordinary income	<u>\$ 82,291,396</u>	<u>\$ 59,015,735</u>
<i>MSCI Australia</i>		
Ordinary income	<u>\$ 83,656,742</u>	<u>\$ 59,291,158</u>
<i>MSCI Canada</i>		
Ordinary income	<u>\$ 60,198,481</u>	<u>\$ 46,033,306</u>
<i>MSCI Japan</i>		
Ordinary income	<u>\$288,645,468</u>	<u>\$261,611,433</u>
<i>MSCI Mexico Capped</i>		
Ordinary income	<u>\$ 21,098,710</u>	<u>\$ 31,509,179</u>
<i>MSCI South Korea Capped</i>		
Ordinary income	<u>\$ 34,948,193</u>	<u>\$ 75,311,690</u>

# Notes to Financial Statements (Continued)

## iSHARES®, INC.

As of August 31, 2017, the tax components of accumulated net earnings (losses) were as follows:

<i>iShares ETF</i>	<i>Undistributed Ordinary Income</i>	<i>Capital Loss Carryforwards</i>	<i>Net Unrealized Gains (Losses)<sup>a</sup></i>	<i>Total</i>
Edge MSCI Min Vol Global	\$ 13,577,122	\$ (86,612,072)	\$ 459,760,758	\$ 386,725,808
MSCI Australia	18,437,394	(196,433,666)	(225,818,458)	(403,814,730)
MSCI Canada	8,999,212	(464,673,029)	(459,569,767)	(915,243,584)
MSCI Japan	1,927,845	(999,223,744)	(184,519,637)	(1,181,815,536)
MSCI Mexico Capped	7,674,574	(244,158,733)	(291,351,380)	(527,835,539)
MSCI South Korea Capped	38,622,494	(631,844,491)	1,515,807,157	922,585,160

<sup>a</sup> The difference between book-basis and tax-basis unrealized gains (losses) was attributable primarily to the characterization of corporate actions, the tax deferral of losses on wash sales and the realization for tax purposes of unrealized gains on investments in passive foreign investment companies.

As of August 31, 2017, the Funds had capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates as follows:

<i>iShares ETF</i>	<i>Non- Expiring<sup>a</sup></i>	<i>Expiring 2018</i>	<i>Expiring 2019</i>	<i>Total</i>
Edge MSCI Min Vol Global	\$ 86,612,072	\$ —	\$ —	\$ 86,612,072
MSCI Australia	160,958,058	23,348,244	12,127,364	196,433,666
MSCI Canada	380,840,433	68,928,677	14,903,919	464,673,029
MSCI Japan	686,418,449	173,577,101	139,228,194	999,223,744
MSCI Mexico Capped	218,505,597	2,789,471	22,863,665	244,158,733
MSCI South Korea Capped	326,749,122	226,591,665	78,503,704	631,844,491

<sup>a</sup> Must be utilized prior to losses subject to expiration.

For the year ended August 31, 2017, the iShares MSCI South Korea Capped ETF utilized \$21,661,340 of its capital loss carryforwards.

The Funds may own shares in certain foreign investment entities, referred to, under U.S. tax law, as “passive foreign investment companies.” The Funds may elect to mark-to-market annually the shares of each passive foreign investment company and would be required to distribute to shareholders any such marked-to-market gains.

Management has analyzed tax laws and regulations and their application to the Funds as of August 31, 2017, inclusive of the open tax return years, and does not believe there are any uncertain tax positions that require recognition of a tax liability in the Funds’ financial statements.

## 8. LEGAL PROCEEDINGS

On June 16, 2016, investors (the “Plaintiffs”) in certain iShares funds (iShares Core S&P Small-Cap ETF, iShares Russell 1000 Growth ETF, iShares Core S&P 500 ETF, iShares Russell Mid-Cap Growth ETF, iShares Russell Mid-Cap ETF, iShares Russell Mid-Cap Value ETF, iShares Select Dividend ETF, iShares Morningstar Mid-Cap ETF, iShares Morningstar Large-Cap ETF, iShares U.S. Aerospace & Defense ETF and iShares U.S. Preferred Stock ETF) filed a putative class action lawsuit against iShares Trust, BlackRock, Inc. and certain of its advisory affiliates, and certain directors/trustees and officers of the Funds (collectively, “Defendants”). The lawsuit alleges the Defendants violated federal securities laws by failing to adequately disclose in the prospectuses issued by the funds noted above the risks of using stop-loss orders in the event of a ‘flash crash’, such as the

# Notes to Financial Statements (Continued)

## *iSHARES®*, INC.

one that occurred on May 6, 2010. On September 18, 2017, the Court issued a Statement of Decision holding that the Plaintiffs lack standing to assert their claims. On October 11, 2017, the Court entered final judgment dismissing all of Plaintiffs' claims with prejudice.

### **9. SUBSEQUENT EVENTS**

Management has evaluated the impact of all subsequent events on the Funds through the date the financial statements were available to be issued and has determined that there were no subsequent events requiring adjustment or disclosure in the financial statements, except as noted below, except as noted below.

At a meeting held on September 14-15, 2017, the Board approved a line of credit for the iShares Edge MSCI Min Vol Global ETF. The Fund, along with certain other iShares funds, will be a party to a \$275 million credit agreement with State Street Bank and Trust Company, which will expire on October 24, 2018. The line of credit may be used for temporary or emergency purposes, including redemptions, settlement of trades and rebalancing of portfolio holdings. The credit agreement is expected to be effective on or around October 25, 2017.

Effective September 1, 2017, the iShares MSCI Canada ETF will track a new underlying index, the MSCI Canada Custom Capped Index, and will cease to track the MSCI Canada Index. The change to a capped benchmark is being implemented to seek to reduce tracking error and improve the investor experience.

# Report of Independent Registered Public Accounting Firm

To the Board of Directors of iShares, Inc. and  
Shareholders of the iShares Edge MSCI Min Vol Global ETF, iShares MSCI Australia ETF,  
iShares MSCI Canada ETF, iShares MSCI Japan ETF, iShares MSCI Mexico Capped ETF and  
iShares MSCI South Korea Capped ETF

In our opinion, the accompanying statements of assets and liabilities, including the schedules of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of iShares Edge MSCI Min Vol Global ETF, iShares MSCI Australia ETF, iShares MSCI Canada ETF, iShares MSCI Japan ETF, iShares MSCI Mexico Capped ETF and iShares MSCI South Korea Capped ETF (constituting funds of iShares, Inc., hereafter referred to as the “Funds”) as of August 31, 2017, and the results of each of their operations, the changes in each of their net assets and the financial highlights for each of the periods indicated, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as “financial statements”) are the responsibility of the Funds’ management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities as of August 31, 2017 by correspondence with the custodian, transfer agent and brokers, or by other appropriate auditing procedures where replies were not received, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP  
San Francisco, California  
October 23, 2017

# Tax Information (Unaudited)

## iSHARES®, INC.

The following maximum amounts are hereby designated as qualified dividend income for individuals for the fiscal year ended August 31, 2017:

<i>iShares ETF</i>	<i>Qualified Dividend Income</i>
Edge MSCI Min Vol Global	\$ 61,075,464
MSCI Australia	72,694,868
MSCI Canada	91,132,878
MSCI Japan	314,167,652
MSCI Mexico Capped	30,088,863
MSCI South Korea Capped	84,686,130

For corporate shareholders, the percentage of income dividends paid by the iShares Edge MSCI Min Vol Global ETF during the fiscal year ended August 31, 2017 that qualified for the dividends-received deduction was 51.50%.

For the fiscal year ended August 31, 2017, the following Funds earned foreign source income and paid foreign taxes which they intend to pass through to their shareholders:

<i>iShares ETF</i>	<i>Foreign Source Income Earned</i>	<i>Foreign Taxes Paid</i>
MSCI Australia	\$ 79,509,924	\$ 479,412
MSCI Canada	91,620,768	13,765,737
MSCI Japan	333,859,362	33,360,177
MSCI Mexico Capped	32,798,442	1,081,778
MSCI South Korea Capped	86,326,759	9,392,107



# Board Review and Approval of Investment Advisory Contract

iSHARES®, INC.

## I. iShares Edge MSCI Min Vol Global ETF

Under Section 15(c) of the Investment Company Act of 1940 (the “1940 Act”), the Company’s Board of Directors (the “Board”), including a majority of Directors who are not “interested persons” of the Company (as that term is defined in the 1940 Act) (the “Independent Directors”), is required annually to consider and approve the Investment Advisory Contract between the Company and BFA (the “Advisory Contract”) on behalf of the Fund. The Independent Directors requested, and BFA provided, such information as the Independent Directors, with advice from independent counsel, deemed reasonably necessary to evaluate the Advisory Contract. A committee of all of the Independent Directors (the “15(c) Committee”), with independent counsel, met with management on May 5, 2017 and May 12, 2017. At these meetings, the 15(c) Committee reviewed and discussed information provided in response to the 15(c) Committee’s initial requests, and requested certain additional information, which management agreed to provide. At a meeting held on May 18, 2017, management presented information to the Board relating to the continuance of the Advisory Contract, including information requested by the 15(c) Committee during its meetings. The Board, including the Independent Directors, reviewed and discussed such information at length. The Independent Directors requested from management certain additional information, which management agreed to provide. At a meeting held on June 19-21, 2017, the Board, including the Independent Directors, reviewed the additional information provided by management in response to these requests. After extensive discussions, the Board, including all of the Independent Directors, approved the continuance of the Advisory Contract for the Fund, based on a review of qualitative and quantitative information provided by BFA. The Board noted its satisfaction with the extent and quality of information provided and its frequent interactions with management, as well as the detailed responses and other information provided by BFA. The Board also noted that the Board and BFA agreed to discuss potential further enhancements to the 15(c) process for the coming year. The Independent Directors were advised by their independent counsel throughout the process, including about the legal standards applicable to their review. In approving the Advisory Contract for the Fund, the Board, including the Independent Directors, considered the following factors, no one of which was controlling, and reached the following conclusions:

**Expenses and Performance of the Fund** — The Board reviewed statistical information prepared by Broadridge Financial Solutions Inc. (“Broadridge”), an independent provider of investment company data, regarding the expense ratio components, including gross and net total expenses, waivers/reimbursements (if any), and underlying fund fees and expenses (if any) of the Fund in comparison with the same information for other exchange traded funds (“ETFs”) (including, where applicable, funds sponsored by an “at cost” service provider) and, in the limited instances where no comparable ETFs existed and the comparison group would not otherwise be reasonable in Broadridge’s judgment, pure index institutional mutual funds, objectively selected by Broadridge as comprising the Fund’s applicable peer group pursuant to Broadridge’s proprietary ETF methodology (the “Peer Group”). The Board was provided with a detailed description of the proprietary ETF methodology used by Broadridge to determine the Fund’s Peer Group. The Board further noted that due to the limitations in providing comparable funds in the Peer Group, the statistical information provided in Broadridge’s report may or may not provide meaningful direct comparisons to the Fund in all instances.

The Board also noted that the investment advisory fee rate and overall expenses (net of waivers and reimbursements) for the Fund were lower than the median of the investment advisory fee rates and overall expenses (net of waivers and reimbursements) of the funds in its Peer Group, excluding iShares funds.

In addition, to the extent that any of the comparison funds included in the Peer Group, excluding iShares funds, track the same index as the Fund, Broadridge also provided, and the Board reviewed, a comparison of the Fund’s performance for the one-, three-, five-, ten-year, and since inception periods, as applicable, and for the quarter ended December 31, 2016, to that of relevant comparison funds for the same periods.

# Board Review and Approval of Investment Advisory Contract (Continued)

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The Board noted that the Fund seeks to track its specified underlying index and that, during the year, the Board received periodic reports on the Fund's short- and longer-term performance in comparison with its underlying index. Such periodic comparative performance information, including any additional detailed information requested by the Boards, was also considered. The Board noted that the Fund generally performed in line with its underlying index over the relevant periods.

Based on this review, the other factors considered at the meeting, and their general knowledge of ETF pricing, the Board concluded that the investment advisory fee rate and the historical performance of the Fund supported the Board's approval of the continuance of the Advisory Contract for the coming year.

***Nature, Extent and Quality of Services Provided by BFA*** — Based on management's representations, including information about recent and proposed enhancements to the iShares business, including with respect to capital markets support and analysis, technology, product design, compliance and risk management, and other services, the Board expected that there would be no diminution in the scope of services required of or provided by BFA under the Advisory Contract for the coming year as compared to the scope of services provided by BFA during prior years. In reviewing the scope of these services, the Board considered BFA's investment philosophy and experience, noting that BFA and its affiliates have committed significant resources over time, including during the past year, to supporting the iShares funds and their shareholders. The Board also considered BFA's compliance program and its compliance record with respect to the Fund. In that regard, the Board noted that BFA reports to the Board about portfolio management and compliance matters on a periodic basis in connection with regularly scheduled meetings of the Board, and on other occasions as necessary and appropriate, and has provided information and made appropriate officers available as needed to provide further assistance with these matters. The Board also reviewed the background and experience of the persons responsible for the day-to-day management of the Fund, as well as the resources available to them in managing the Fund. In addition to the above considerations, the Board reviewed and considered detailed presentations regarding BFA's investment performance, investment and risk management processes and strategies provided at the June 19-21, 2017 meeting and throughout the previous year, and matters related to BFA's portfolio compliance policies and procedures. The Board noted that the Fund had met its investment objective consistently since its inception date.

Based on review of this information, and the performance information discussed above, the Board concluded that the nature, extent and quality of services provided by BFA to the Fund under the Advisory Contract supported the Board's approval of the continuance of the Advisory Contract for the coming year.

***Costs of Services Provided to Fund and Profits Realized by BFA and Affiliates*** — The Board reviewed information about the profitability of the Fund to BlackRock, based on the fees payable to BFA and its affiliates (including fees under the Advisory Contract), and other sources of revenue and expense to BFA and its affiliates from the Fund's operations for the last calendar year. The Board reviewed BlackRock's profitability methodology for the iShares funds, including supplemental information that was responsive to requests of the 15(c) Committee. The Board noted that the 15(c) Committee had focused on the methodology and profitability presentation during its meetings. The Board discussed the sources of direct and ancillary revenue with management, including the revenues to BTC, a BFA affiliate, from securities lending by the Fund. The Board also discussed BFA's profit margin as reflected in the Fund's profitability analysis and reviewed information regarding potential economies of scale (as discussed below). Based on this review, the Board concluded that the profits realized by BFA and its affiliates under the Advisory Contract and from other relationships between the Fund and BFA and/or its affiliates, if any, were within a reasonable range in light of the factors considered.

***Economies of Scale*** — The Board reviewed information regarding potential economies of scale or other efficiencies that may result from increases in the Fund's assets, noting that the issue of economies of scale had been focused on by the 15(c) Committee during its meetings and addressed by management, including through supplemental information. The Board and the 15(c) Committee reviewed information provided by BFA regarding scale benefits shared with the iShares funds through

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relatively low fee rates established at inception, breakpoints and waivers or other fee reductions, as well as through additional investment in the iShares business and the provision of improved or additional infrastructure and services to the iShares funds and their shareholders. The Board and the 15(c) Committee received information regarding BlackRock's historical profitability, including BFA's and its affiliates' costs in providing services. The cost information distinguished, among other things, between fixed and variable costs, and explained how the level of fixed and variable costs, as well as the nature of such costs, may impact the existence or size of scale benefits. The Board noted that the Advisory Contract for the Fund already provided for breakpoints in the Fund's investment advisory fee rate, and that BFA and the Board had agreed to revise the Advisory Contract for the Fund to provide for an additional breakpoint as the assets of the Fund, on an aggregated basis with the assets of certain other iShares funds, increase. The Board noted that it would continue to monitor the sharing of economies of scale to determine the appropriateness of adding new or revised breakpoints in the future.

Based on this review, as well as the other factors considered at the meeting, the Board, recognizing its responsibility to consider the Advisory Contract at least annually, determined to approve the continuance of the Advisory Contract for the coming year.

***Fees and Services Provided for Other Comparable Funds/Accounts Managed by BFA and its Affiliates*** — The Board received and considered information regarding the investment advisory/management fee rates for other funds/accounts in the U.S. for which BFA (or its affiliates) provides investment advisory/management services, including open-end funds registered under the 1940 Act (including sub-advised funds), collective trust funds, and institutional separate accounts (together, the "Other Accounts"), and acknowledged BFA's assertion that the iShares funds are fundamentally different investment vehicles from the Other Accounts. The Board noted that BFA and its affiliates do manage Other Accounts with substantially the same investment objective and strategy as the Fund and that track the same index as the Fund. The Board further noted that BFA provided the Board with detailed information regarding how the Other Accounts (particularly institutional clients) generally differ from the Fund, including in terms of the different and generally more extensive services provided to the Fund, as well as other significant differences. In that regard, the Board considered that the pricing of services to institutional clients is typically based on a number of factors beyond the nature and extent of the specific services to be provided and often depends on the overall relationship between the client and its affiliates and the adviser and its affiliates. In addition, the Board considered the relative complexity and inherent risks and challenges of managing and providing other services to the Fund, as a publicly traded ETF, as compared to the Other Accounts that are institutional clients, in light of differing regulatory requirements and client-imposed mandates. The Board also acknowledged BFA's expressed business purpose for launching a suite of iShares "Core" ETFs that generally are subject to lower investment advisory fees than iShares non-Core ETFs that may provide a similar investment exposure. The Board also considered the "all-inclusive" nature of the Fund's advisory fee structure, and the Fund expenses borne by BFA under this arrangement. The Board noted that the investment advisory fee rate under the Advisory Contract for the Fund was generally higher than the investment advisory/management fee rates for certain of the Other Accounts (particularly institutional clients) and concluded that the differences appeared to be consistent with the factors discussed.

***Other Benefits to BFA and/or its Affiliates*** — The Board reviewed the "fallout" benefits or ancillary revenue received by BFA and/or its affiliates in connection with the services provided to the Fund by BFA, such as payment of revenue to BTC, the Fund's securities lending agent, for loaning portfolio securities (which was included in the profit margins reviewed by the Board pursuant to BFA's profitability methodology), and payment of advisory fees and/or administration fees to BFA and BTC (or their affiliates) in connection with any investments by the Fund in other funds for which BFA (or its affiliates) provides investment advisory services and/or administration services. The Board also noted the revenue received by BFA and/or its affiliates pursuant to an agreement that permits a service provider to use certain portions of BlackRock's technology platform to service accounts managed by BFA and/or its affiliates, including the iShares funds. The Board noted that BFA generally does not use soft dollars or consider the value of research or other services that may be provided to BFA (including its affiliates) in selecting brokers for portfolio transactions for the Fund. The Board further noted that any portfolio transactions on behalf of the Fund placed through a BFA affiliate or purchased from an underwriting syndicate in which a BFA affiliate participates, are reported to the Board pursuant to

# Board Review and Approval of Investment Advisory Contract (Continued)

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Rule 17e-1 or Rule 10f-3, as applicable, under the 1940 Act. The Board concluded that any such ancillary benefits would not be disadvantageous to the Fund's shareholders and thus would not alter the Board's conclusion with respect to the appropriateness of approving the continuance of the Advisory Contract for the coming year.

**Conclusion** — Based on the considerations described above, the Board determined that the Fund's investment advisory fee rate under the Advisory Contract does not constitute a fee that is so disproportionately large as to bear no reasonable relationship to the services rendered and that could not have been the product of arm's-length bargaining, and concluded to approve the continuance of the Advisory Contract for the coming year.

## II. iShares MSCI Australia ETF and iShares MSCI Canada ETF

Under Section 15(c) of the Investment Company Act of 1940 (the "1940 Act"), the Company's Board of Directors (the "Board"), including a majority of Directors who are not "interested persons" of the Company (as that term is defined in the 1940 Act) (the "Independent Directors"), is required annually to consider and approve the Investment Advisory Contract between the Company and BFA (the "Advisory Contract") on behalf of the Funds. The Independent Directors requested, and BFA provided, such information as the Independent Directors, with advice from independent counsel, deemed reasonably necessary to evaluate the Advisory Contract. A committee of all of the Independent Directors (the "15(c) Committee"), with independent counsel, met with management on May 5, 2017 and May 12, 2017. At these meetings, the 15(c) Committee reviewed and discussed information provided in response to the 15(c) Committee's initial requests, and requested certain additional information, which management agreed to provide. At a meeting held on May 18, 2017, management presented information to the Board relating to the continuance of the Advisory Contract, including information requested by the 15(c) Committee during its meetings. The Board, including the Independent Directors, reviewed and discussed such information at length. The Independent Directors requested from management certain additional information, which management agreed to provide. At a meeting held on June 19-21, 2017, the Board, including the Independent Directors, reviewed the additional information provided by management in response to these requests. After extensive discussions, the Board, including all of the Independent Directors, approved the continuance of the Advisory Contract for the Funds, based on a review of qualitative and quantitative information provided by BFA. The Board noted its satisfaction with the extent and quality of information provided and its frequent interactions with management, as well as the detailed responses and other information provided by BFA. The Board also noted that the Board and BFA agreed to discuss potential further enhancements to the 15(c) process for the coming year. The Independent Directors were advised by their independent counsel throughout the process, including about the legal standards applicable to their review. In approving the Advisory Contract for the Funds, the Board, including the Independent Directors, considered the following factors, no one of which was controlling, and reached the following conclusions:

**Expenses and Performance of the Funds** — The Board reviewed statistical information prepared by Broadridge Financial Solutions Inc. ("Broadridge"), an independent provider of investment company data, regarding the expense ratio components, including gross and net total expenses, waivers/reimbursements (if any), and underlying fund fees and expenses (if any) of each Fund in comparison with the same information for other exchange traded funds ("ETFs") (including, where applicable, funds sponsored by an "at cost" service provider) and, in the limited instances where no comparable ETFs existed and the comparison group would not otherwise be reasonable in Broadridge's judgment, pure index institutional mutual funds, objectively selected by Broadridge as comprising such Fund's applicable peer group pursuant to Broadridge's proprietary ETF methodology (the "Peer Group"). The Board was provided with a detailed description of the proprietary ETF methodology used by Broadridge to determine the applicable Peer Groups. The Board further noted that due to the limitations in providing comparable funds in the various Peer Groups, the statistical information provided in Broadridge's report may or may not provide meaningful direct comparisons to the Funds in all instances.

# Board Review and Approval of Investment Advisory Contract (Continued)

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The Board also noted that the investment advisory fee rates and overall expenses (net of waivers and reimbursements) for the Funds were lower than the median of the investment advisory fee rates and overall expenses (net of waivers and reimbursements) of the funds in their respective Peer Group, excluding iShares funds.

In addition, to the extent that any of the comparison funds included in the Peer Group, excluding iShares funds, track the same index as any particular Fund, Broadridge also provided, and the Board reviewed, a comparison of such Fund's performance for the one-, three-, five-, ten-year, and since inception periods, as applicable, and for the quarter ended December 31, 2016, to that of relevant comparison funds for the same periods.

The Board noted that each Fund seeks to track its own underlying index and that, during the year, the Board received periodic reports on each Fund's short- and longer-term performance in comparison with its underlying index. Such periodic comparative performance information, including any additional detailed information requested by the Boards, was also considered. The Board noted that each Fund generally performed in line with its underlying index over the relevant periods.

Based on this review, the other factors considered at the meeting, and their general knowledge of ETF pricing, the Board concluded that the investment advisory fee rate and the historical performance of each Fund supported the Board's approval of the continuance of the Advisory Contract for the coming year.

***Nature, Extent and Quality of Services Provided by BFA*** — Based on management's representations, including information about recent and proposed enhancements to the iShares business, including with respect to capital markets support and analysis, technology, product design, compliance and risk management, and other services, the Board expected that there would be no diminution in the scope of services required of or provided by BFA under the Advisory Contract for the coming year as compared to the scope of services provided by BFA during prior years. In reviewing the scope of these services, the Board considered BFA's investment philosophy and experience, noting that BFA and its affiliates have committed significant resources over time, including during the past year, to supporting the iShares funds and their shareholders. The Board also considered BFA's compliance program and its compliance record with respect to the Funds. In that regard, the Board noted that BFA reports to the Board about portfolio management and compliance matters on a periodic basis in connection with regularly scheduled meetings of the Board, and on other occasions as necessary and appropriate, and has provided information and made appropriate officers available as needed to provide further assistance with these matters. The Board also reviewed the background and experience of the persons responsible for the day-to-day management of the Funds, as well as the resources available to them in managing the Funds. In addition to the above considerations, the Board reviewed and considered detailed presentations regarding BFA's investment performance, investment and risk management processes and strategies provided at the June 19-21, 2017 meeting and throughout the previous year, and matters related to BFA's portfolio compliance policies and procedures. The Board noted that each Fund had met its investment objective consistently since its respective inception date.

Based on review of this information, and the performance information discussed above, the Board concluded that the nature, extent and quality of services provided by BFA to the Funds under the Advisory Contract supported the Board's approval of the continuance of the Advisory Contract for the coming year.

***Costs of Services Provided to Funds and Profits Realized by BFA and Affiliates*** — The Board reviewed information about the profitability of the Funds to BlackRock, on a Fund-by-Fund basis and in the aggregate, based on the fees payable to BFA and its affiliates (including fees under the Advisory Contract), and other sources of revenue and expense to BFA and its affiliates from the Funds' operations for the last calendar year. The Board reviewed BlackRock's profitability methodology for the iShares funds, including supplemental information that was responsive to requests of the 15(c) Committee. The Board noted that the 15(c) Committee had focused on the methodology and profitability presentation during its meetings. The Board discussed the sources of direct and ancillary revenue with management, including the revenues to BTC, a BFA affiliate, from securities lending



# Board Review and Approval of Investment Advisory Contract (Continued)

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by the Funds. The Board also discussed BFA's profit margin as reflected in the Funds' profitability analyses and reviewed information regarding potential economies of scale (as discussed below). Based on this review, the Board concluded that the profits realized by BFA and its affiliates under the Advisory Contract and from other relationships between the Funds and BFA and/or its affiliates, if any, were within a reasonable range in light of the factors considered.

**Economies of Scale** — The Board reviewed information regarding potential economies of scale or other efficiencies that may result from increases in the Funds' assets, noting that the issue of economies of scale had been focused on by the 15(c) Committee during its meetings and addressed by management, including through supplemental information. The Board and the 15(c) Committee reviewed information provided by BFA regarding scale benefits shared with the iShares funds through relatively low fee rates established at inception, breakpoints and waivers or other fee reductions, as well as through additional investment in the iShares business and the provision of improved or additional infrastructure and services to the iShares funds and their shareholders. The Board and the 15(c) Committee received information regarding BlackRock's historical profitability, including BFA's and its affiliates' costs in providing services. The cost information distinguished, among other things, between fixed and variable costs, and explained how the level of fixed and variable costs, as well as the nature of such costs, may impact the existence or size of scale benefits. The Board noted that the Advisory Contract for the Funds already provided for breakpoints in the Funds' investment advisory fee rates and that, following negotiations, BFA and the Board had agreed to revise the Advisory Contract for the Funds to provide for an additional breakpoint as the assets of the Funds, on an aggregated basis with the assets of certain other iShares funds, increase. The Board noted that it would continue to monitor the sharing of economies of scale to determine the appropriateness of adding new or revised breakpoints in the future.

Based on this review, as well as the other factors considered at the meeting, the Board, recognizing its responsibility to consider the Advisory Contract at least annually, determined to approve the continuance of the Advisory Contract for the coming year.

**Fees and Services Provided for Other Comparable Funds/Accounts Managed by BFA and its Affiliates** — The Board received and considered information regarding the investment advisory/management fee rates for other funds/accounts in the U.S. for which BFA (or its affiliates) provides investment advisory/management services, including open-end funds registered under the 1940 Act (including sub-advised funds), collective trust funds, and institutional separate accounts (together, the "Other Accounts"), and acknowledged BFA's assertion that the iShares funds are fundamentally different investment vehicles from the Other Accounts. The Board noted that BFA and its affiliates do manage Other Accounts with substantially the same investment objectives and strategies as the Funds and that track the same index as the Funds. The Board further noted that BFA provided the Board with detailed information regarding how the Other Accounts (particularly institutional clients) generally differ from the Funds, including in terms of the different and generally more extensive services provided to the Funds, as well as other significant differences. In that regard, the Board considered that the pricing of services to institutional clients is typically based on a number of factors beyond the nature and extent of the specific services to be provided and often depends on the overall relationship between the client and its affiliates and the adviser and its affiliates. In addition, the Board considered the relative complexity and inherent risks and challenges of managing and providing other services to the Funds, as publicly traded ETFs, as compared to the Other Accounts that are institutional clients in light of differing regulatory requirements and client-imposed mandates. The Board also acknowledged BFA's expressed business purpose for launching a suite of iShares "Core" ETFs that generally are subject to lower investment advisory fees than iShares non-Core ETFs that may provide a similar investment exposure. The Board also considered the "all-inclusive" nature of the Funds' advisory fee structure, and the Fund expenses borne by BFA under this arrangement. The Board noted that the investment advisory fee rates under the Advisory Contract for the Funds were generally higher than the investment advisory/management fee rates for certain of the Other Accounts (particularly institutional clients) and concluded that the differences appeared to be consistent with the factors discussed.

**Other Benefits to BFA and/or its Affiliates** — The Board reviewed the "fallout" benefits or ancillary revenue received by BFA and/or its affiliates in connection with the services provided to the Funds by BFA, such as payment of revenue to BTC, the Funds'

# Board Review and Approval of Investment Advisory Contract (Continued)

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securities lending agent, for loaning portfolio securities (which was included in the profit margins reviewed by the Board pursuant to BFA's profitability methodology), and payment of advisory fees and/or administration fees to BFA and BTC (or their affiliates) in connection with any investments by the Funds in other funds for which BFA (or its affiliates) provides investment advisory services and/or administration services. The Board also noted the revenue received by BFA and/or its affiliates pursuant to an agreement that permits a service provider to use certain portions of BlackRock's technology platform to service accounts managed by BFA and/or its affiliates, including the iShares funds. The Board noted that BFA generally does not use soft dollars or consider the value of research or other services that may be provided to BFA (including its affiliates) in selecting brokers for portfolio transactions for the Funds. The Board further noted that any portfolio transactions on behalf of the Funds placed through a BFA affiliate or purchased from an underwriting syndicate in which a BFA affiliate participates, are reported to the Board pursuant to Rule 17e-1 or Rule 10f-3, as applicable, under the 1940 Act. The Board concluded that any such ancillary benefits would not be disadvantageous to the Funds' shareholders and thus would not alter the Board's conclusion with respect to the appropriateness of approving the continuance of the Advisory Contract for the coming year.

**Conclusion** — Based on the considerations described above, the Board determined that each Fund's investment advisory fee rate under the Advisory Contract does not constitute a fee that is so disproportionately large as to bear no reasonable relationship to the services rendered and that could not have been the product of arm's-length bargaining, and concluded to approve the continuance of the Advisory Contract for the coming year.

### III. iShares MSCI Japan ETF

Under Section 15(c) of the Investment Company Act of 1940 (the "1940 Act"), the Company's Board of Directors (the "Board"), including a majority of Directors who are not "interested persons" of the Company (as that term is defined in the 1940 Act) (the "Independent Directors"), is required annually to consider and approve the Investment Advisory Contract between the Company and BFA (the "Advisory Contract") on behalf of the Fund. The Independent Directors requested, and BFA provided, such information as the Independent Directors, with advice from independent counsel, deemed reasonably necessary to evaluate the Advisory Contract. A committee of all of the Independent Directors (the "15(c) Committee"), with independent counsel, met with management on May 5, 2017 and May 12, 2017. At these meetings, the 15(c) Committee reviewed and discussed information provided in response to the 15(c) Committee's initial requests, and requested certain additional information, which management agreed to provide. At a meeting held on May 18, 2017, management presented information to the Board relating to the continuance of the Advisory Contract, including information requested by the 15(c) Committee during its meetings. The Board, including the Independent Directors, reviewed and discussed such information at length. The Independent Directors requested from management certain additional information, which management agreed to provide. At a meeting held on June 19-21, 2017, the Board, including the Independent Directors, reviewed the additional information provided by management in response to these requests. After extensive discussions, the Board, including all of the Independent Directors, approved the continuance of the Advisory Contract for the Fund, based on a review of qualitative and quantitative information provided by BFA. The Board noted its satisfaction with the extent and quality of information provided and its frequent interactions with management, as well as the detailed responses and other information provided by BFA. The Board also noted that the Board and BFA agreed to discuss potential further enhancements to the 15(c) process for the coming year. The Independent Directors were advised by their independent counsel throughout the process, including about the legal standards applicable to their review. In approving the Advisory Contract for the Fund, the Board, including the Independent Directors, considered the following factors, no one of which was controlling, and reached the following conclusions:

**Expenses and Performance of the Fund** — The Board reviewed statistical information prepared by Broadridge Financial Solutions Inc. ("Broadridge"), an independent provider of investment company data, regarding the expense ratio components, including gross and net total expenses, waivers/reimbursements (if any), and underlying fund fees and expenses (if any) of the Fund in comparison with the same information for other exchange traded funds ("ETFs") (including, where applicable, funds

# Board Review and Approval of Investment Advisory Contract (Continued)

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sponsored by an “at cost” service provider) and, in the limited instances where no comparable ETFs existed and the comparison group would not otherwise be reasonable in Broadridge’s judgment, pure index institutional mutual funds, objectively selected by Broadridge as comprising the Fund’s applicable peer group pursuant to Broadridge’s proprietary ETF methodology (the “Peer Group”). The Board was provided with a detailed description of the proprietary ETF methodology used by Broadridge to determine the Fund’s Peer Group. The Board further noted that due to the limitations in providing comparable funds in the Peer Group, the statistical information provided in Broadridge’s report may or may not provide meaningful direct comparisons to the Fund in all instances.

The Board also noted that the investment advisory fee rate and overall expenses (net of waivers and reimbursements) for the Fund were higher than the median of the investment advisory fee rates and overall expenses (net of waivers and reimbursements) of the funds in its Peer Group, excluding iShares funds.

In addition, to the extent that any of the comparison funds included in the Peer Group, excluding iShares funds, track the same index as the Fund, Broadridge also provided, and the Board reviewed, a comparison of the Fund’s performance for the one-, three-, five-, ten-year, and since inception periods, as applicable, and for the quarter ended December 31, 2016, to that of relevant comparison funds for the same periods.

The Board noted that the Fund seeks to track its specified underlying index and that, during the year, the Board received periodic reports on the Fund’s short- and longer-term performance in comparison with its underlying index. Such periodic comparative performance information, including any additional detailed information requested by the Boards, was also considered. The Board noted that the Fund generally performed in line with its underlying index over the relevant periods.

Based on this review, the other factors considered at the meeting, and their general knowledge of ETF pricing, the Board concluded that the investment advisory fee rate and the historical performance of the Fund supported the Board’s approval of the continuance of the Advisory Contract for the coming year.

***Nature, Extent and Quality of Services Provided by BFA*** — Based on management’s representations, including information about recent and proposed enhancements to the iShares business, including with respect to capital markets support and analysis, technology, product design, compliance and risk management, and other services, the Board expected that there would be no diminution in the scope of services required of or provided by BFA under the Advisory Contract for the coming year as compared to the scope of services provided by BFA during prior years. In reviewing the scope of these services, the Board considered BFA’s investment philosophy and experience, noting that BFA and its affiliates have committed significant resources over time, including during the past year, to supporting the iShares funds and their shareholders. The Board also considered BFA’s compliance program and its compliance record with respect to the Fund. In that regard, the Board noted that BFA reports to the Board about portfolio management and compliance matters on a periodic basis in connection with regularly scheduled meetings of the Board, and on other occasions as necessary and appropriate, and has provided information and made appropriate officers available as needed to provide further assistance with these matters. The Board also reviewed the background and experience of the persons responsible for the day-to-day management of the Fund, as well as the resources available to them in managing the Fund. In addition to the above considerations, the Board reviewed and considered detailed presentations regarding BFA’s investment performance, investment and risk management processes and strategies provided at the June 19-21, 2017 meeting and throughout the previous year, and matters related to BFA’s portfolio compliance policies and procedures. The Board noted that the Fund had met its investment objective consistently since its inception date.

Based on review of this information, and the performance information discussed above, the Board concluded that the nature, extent and quality of services provided by BFA to the Fund under the Advisory Contract supported the Board’s approval of the continuance of the Advisory Contract for the coming year.



# Board Review and Approval of Investment Advisory Contract (Continued)

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**Costs of Services Provided to Fund and Profits Realized by BFA and Affiliates** — The Board reviewed information about the profitability of the Fund to BlackRock, based on the fees payable to BFA and its affiliates (including fees under the Advisory Contract), and other sources of revenue and expense to BFA and its affiliates from the Fund's operations for the last calendar year. The Board reviewed BlackRock's profitability methodology for the iShares funds, including supplemental information that was responsive to requests of the 15(c) Committee. The Board noted that the 15(c) Committee had focused on the methodology and profitability presentation during its meetings. The Board discussed the sources of direct and ancillary revenue with management, including the revenues to BTC, a BFA affiliate, from securities lending by the Fund. The Board also discussed BFA's profit margin as reflected in the Fund's profitability analysis and reviewed information regarding potential economies of scale (as discussed below). Based on this review, the Board concluded that the profits realized by BFA and its affiliates under the Advisory Contract and from other relationships between the Fund and BFA and/or its affiliates, if any, were within a reasonable range in light of the factors considered.

**Economies of Scale** — The Board reviewed information regarding potential economies of scale or other efficiencies that may result from increases in the Fund's assets, noting that the issue of economies of scale had been focused on by the 15(c) Committee during its meetings and addressed by management, including through supplemental information. The Board and the 15(c) Committee reviewed information provided by BFA regarding scale benefits shared with the iShares funds through relatively low fee rates established at inception, breakpoints and waivers or other fee reductions, as well as through additional investment in the iShares business and the provision of improved or additional infrastructure and services to the iShares funds and their shareholders. The Board and the 15(c) Committee received information regarding BlackRock's historical profitability, including BFA's and its affiliates' costs in providing services. The cost information distinguished, among other things, between fixed and variable costs, and explained how the level of fixed and variable costs, as well as the nature of such costs, may impact the existence or size of scale benefits. The Board noted that the Advisory Contract for the Fund already provided for breakpoints in the Fund's investment advisory fee rate, and that, following negotiations, BFA and the Board had agreed to revise the Advisory Contract for the Fund to provide for an additional breakpoint as the assets of the Fund, on an aggregated basis with the assets of certain other iShares funds, increase. The Board noted that it would continue to monitor the sharing of economies of scale to determine the appropriateness of adding new or revised breakpoints in the future.

Based on this review, as well as the other factors considered at the meeting, the Board, recognizing its responsibility to consider the Advisory Contract at least annually, determined to approve the continuance of the Advisory Contract for the coming year.

**Fees and Services Provided for Other Comparable Funds/Accounts Managed by BFA and its Affiliates** — The Board received and considered information regarding the investment advisory/management fee rates for other funds/accounts in the U.S. for which BFA (or its affiliates) provides investment advisory/management services, including open-end funds registered under the 1940 Act (including sub-advised funds), collective trust funds, and institutional separate accounts (together, the "Other Accounts"), and acknowledged BFA's assertion that the iShares funds are fundamentally different investment vehicles from the Other Accounts. The Board noted that BFA and its affiliates do manage Other Accounts with substantially the same investment objective and strategy as the Fund and that track the same index as the Fund. The Board further noted that BFA provided the Board with detailed information regarding how the Other Accounts (particularly institutional clients) generally differ from the Fund, including in terms of the different and generally more extensive services provided to the Fund, as well as other significant differences. In that regard, the Board considered that the pricing of services to institutional clients is typically based on a number of factors beyond the nature and extent of the specific services to be provided and often depends on the overall relationship between the client and its affiliates and the adviser and its affiliates. In addition, the Board considered the relative complexity and inherent risks and challenges of managing and providing other services to the Fund, as a publicly traded ETF, as compared to the Other Accounts that are institutional clients, in light of differing regulatory requirements and client-imposed mandates. The Board also acknowledged BFA's expressed business purpose for launching a suite of iShares "Core" ETFs that generally are subject to lower investment advisory fees than iShares non-Core ETFs that may provide a similar investment exposure. The Board also

# Board Review and Approval of Investment Advisory Contract (Continued)

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considered the “all-inclusive” nature of the Fund’s advisory fee structure, and the Fund expenses borne by BFA under this arrangement. The Board noted that the investment advisory fee rate under the Advisory Contract for the Fund was generally higher than the investment advisory/management fee rates for certain of the Other Accounts (particularly institutional clients) and concluded that the differences appeared to be consistent with the factors discussed.

**Other Benefits to BFA and/or its Affiliates** — The Board reviewed the “fallout” benefits or ancillary revenue received by BFA and/or its affiliates in connection with the services provided to the Fund by BFA, such as payment of revenue to BTC, the Fund’s securities lending agent, for loaning portfolio securities (which was included in the profit margins reviewed by the Board pursuant to BFA’s profitability methodology), and payment of advisory fees and/or administration fees to BFA and BTC (or their affiliates) in connection with any investments by the Fund in other funds for which BFA (or its affiliates) provides investment advisory services and/or administration services. The Board also noted the revenue received by BFA and/or its affiliates pursuant to an agreement that permits a service provider to use certain portions of BlackRock’s technology platform to service accounts managed by BFA and/or its affiliates, including the iShares funds. The Board noted that BFA generally does not use soft dollars or consider the value of research or other services that may be provided to BFA (including its affiliates) in selecting brokers for portfolio transactions for the Fund. The Board further noted that any portfolio transactions on behalf of the Fund placed through a BFA affiliate or purchased from an underwriting syndicate in which a BFA affiliate participates, are reported to the Board pursuant to Rule 17e-1 or Rule 10f-3, as applicable, under the 1940 Act. The Board concluded that any such ancillary benefits would not be disadvantageous to the Fund’s shareholders and thus would not alter the Board’s conclusion with respect to the appropriateness of approving the continuance of the Advisory Contract for the coming year.

**Conclusion** — Based on the considerations described above, the Board determined that the Fund’s investment advisory fee rate under the Advisory Contract does not constitute a fee that is so disproportionately large as to bear no reasonable relationship to the services rendered and that could not have been the product of arm’s-length bargaining, and concluded to approve the continuance of the Advisory Contract for the coming year.

## IV. iShares MSCI Mexico Capped ETF

Under Section 15(c) of the Investment Company Act of 1940 (the “1940 Act”), the Company’s Board of Directors (the “Board”), including a majority of Directors who are not “interested persons” of the Company (as that term is defined in the 1940 Act) (the “Independent Directors”), is required annually to consider and approve the Investment Advisory Contract between the Company and BFA (the “Advisory Contract”) on behalf of the Fund. The Independent Directors requested, and BFA provided, such information as the Independent Directors, with advice from independent counsel, deemed reasonably necessary to evaluate the Advisory Contract. A committee of all of the Independent Directors (the “15(c) Committee”), with independent counsel, met with management on May 5, 2017 and May 12, 2017. At these meetings, the 15(c) Committee reviewed and discussed information provided in response to the 15(c) Committee’s initial requests, and requested certain additional information, which management agreed to provide. At a meeting held on May 18, 2017, management presented information to the Board relating to the continuance of the Advisory Contract, including information requested by the 15(c) Committee during its meetings. The Board, including the Independent Directors, reviewed and discussed such information at length. The Independent Directors requested from management certain additional information, which management agreed to provide. At a meeting held on June 19-21, 2017, the Board, including the Independent Directors, reviewed the additional information provided by management in response to these requests. After extensive discussions, the Board, including all of the Independent Directors, approved the continuance of the Advisory Contract for the Fund, based on a review of qualitative and quantitative information provided by BFA. The Board noted its satisfaction with the extent and quality of information provided and its frequent interactions with management, as well as the detailed responses and other information provided by BFA. The Board also noted that the Board and BFA agreed to discuss potential further enhancements to the 15(c) process for the coming year. The Independent Directors were advised by their independent counsel throughout the process, including about the legal standards applicable to their review. In approving the

# Board Review and Approval of Investment Advisory Contract (Continued)

## *iSHARES®*, INC.

Advisory Contract for the Fund, the Board, including the Independent Directors, considered the following factors, no one of which was controlling, and reached the following conclusions:

**Expenses and Performance of the Fund** — The Board reviewed statistical information prepared by Broadridge Financial Solutions Inc. (“Broadridge”), an independent provider of investment company data, regarding the expense ratio components, including gross and net total expenses, waivers/reimbursements (if any), and underlying fund fees and expenses (if any) of the Fund in comparison with the same information for other exchange traded funds (“ETFs”) (including, where applicable, funds sponsored by an “at cost” service provider) and, in the limited instances where no comparable ETFs existed and the comparison group would not otherwise be reasonable in Broadridge’s judgment, pure index institutional mutual funds, objectively selected by Broadridge as comprising the Fund’s applicable peer group pursuant to Broadridge’s proprietary ETF methodology (the “Peer Group”). The Board was provided with a detailed description of the proprietary ETF methodology used by Broadridge to determine the Fund’s Peer Group. The Board further noted that due to the limitations in providing comparable funds in the Peer Group, the statistical information provided in Broadridge’s report may or may not provide meaningful direct comparisons to the Fund in all instances.

The Board also noted that the investment advisory fee rate and overall expenses (net of waivers and reimbursements) for the Fund were lower than the median of the investment advisory fee rates and overall expenses (net of waivers and reimbursements) of the funds in its Peer Group, excluding iShares funds.

In addition, to the extent that any of the comparison funds included in the Peer Group, excluding iShares funds, track the same index as the Fund, Broadridge also provided, and the Board reviewed, a comparison of the Fund’s performance for the one-, three-, five-, ten-year, and since inception periods, as applicable, and for the quarter ended December 31, 2016, to that of relevant comparison funds for the same periods.

The Board noted that the Fund seeks to track its specified underlying index and that, during the year, the Board received periodic reports on the Fund’s short- and longer-term performance in comparison with its underlying index. Such periodic comparative performance information, including any additional detailed information requested by the Boards, was also considered. The Board noted that the Fund generally performed in line with its underlying index over the relevant periods.

Based on this review, the other factors considered at the meeting, and their general knowledge of ETF pricing, the Board concluded that the investment advisory fee rate and the historical performance of the Fund supported the Board’s approval of the continuance of the Advisory Contract for the coming year.

**Nature, Extent and Quality of Services Provided by BFA** — Based on management’s representations, including information about recent and proposed enhancements to the iShares business, including with respect to capital markets support and analysis, technology, product design, compliance and risk management, and other services, the Board expected that there would be no diminution in the scope of services required of or provided by BFA under the Advisory Contract for the coming year as compared to the scope of services provided by BFA during prior years. In reviewing the scope of these services, the Board considered BFA’s investment philosophy and experience, noting that BFA and its affiliates have committed significant resources over time, including during the past year, to supporting the iShares funds and their shareholders. The Board also considered BFA’s compliance program and its compliance record with respect to the Fund. In that regard, the Board noted that BFA reports to the Board about portfolio management and compliance matters on a periodic basis in connection with regularly scheduled meetings of the Board, and on other occasions as necessary and appropriate, and has provided information and made appropriate officers available as needed to provide further assistance with these matters. The Board also reviewed the background and experience of the persons responsible for the day-to-day management of the Fund, as well as the resources available to them in managing the Fund. In addition to the above considerations, the Board reviewed and considered detailed

# Board Review and Approval of Investment Advisory Contract (Continued)

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presentations regarding BFA's investment performance, investment and risk management processes and strategies provided at the June 19-21, 2017 meeting and throughout the previous year, and matters related to BFA's portfolio compliance policies and procedures. The Board noted that the Fund had met its investment objective consistently since its inception date.

Based on review of this information, and the performance information discussed above, the Board concluded that the nature, extent and quality of services provided by BFA to the Fund under the Advisory Contract supported the Board's approval of the continuance of the Advisory Contract for the coming year.

**Costs of Services Provided to Fund and Profits Realized by BFA and Affiliates** — The Board reviewed information about the profitability of the Fund to BlackRock, based on the fees payable to BFA and its affiliates (including fees under the Advisory Contract), and other sources of revenue and expense to BFA and its affiliates from the Fund's operations for the last calendar year. The Board reviewed BlackRock's profitability methodology for the iShares funds, including supplemental information that was responsive to requests of the 15(c) Committee. The Board noted that the 15(c) Committee had focused on the methodology and profitability presentation during its meetings. The Board discussed the sources of direct and ancillary revenue with management, including the revenues to BTC, a BFA affiliate, from securities lending by the Fund. The Board also discussed BFA's profit margin as reflected in the Fund's profitability analysis and reviewed information regarding potential economies of scale (as discussed below). Based on this review, the Board concluded that the profits realized by BFA and its affiliates under the Advisory Contract and from other relationships between the Fund and BFA and/or its affiliates, if any, were within a reasonable range in light of the factors considered.

**Economies of Scale** — The Board reviewed information regarding potential economies of scale or other efficiencies that may result from increases in the Fund's assets, noting that the issue of economies of scale had been focused on by the 15(c) Committee during its meetings and addressed by management, including through supplemental information. The Board and the 15(c) Committee reviewed information provided by BFA regarding scale benefits shared with the iShares funds through relatively low fee rates established at inception, breakpoints and waivers or other fee reductions, as well as through additional investment in the iShares business and the provision of improved or additional infrastructure and services to the iShares funds and their shareholders. The Board and the 15(c) Committee received information regarding BlackRock's historical profitability, including BFA's and its affiliates' costs in providing services. The cost information distinguished, among other things, between fixed and variable costs, and explained how the level of fixed and variable costs, as well as the nature of such costs, may impact the existence or size of scale benefits. The Board noted that the Advisory Contract for the Fund already provided for breakpoints in the Fund's investment advisory fee rate, and that, following negotiations, BFA and the Board had agreed to revise the Advisory Contract for the Fund to provide for an additional breakpoint as the assets of the Fund, on an aggregated basis with the assets of certain other iShares funds, increase. The Board noted that it would continue to monitor the sharing of economies of scale to determine the appropriateness of adding new or revised breakpoints in the future.

Based on this review, as well as the other factors considered at the meeting, the Board, recognizing its responsibility to consider the Advisory Contract at least annually, determined to approve the continuance of the Advisory Contract for the coming year.

**Fees and Services Provided for Other Comparable Funds/Accounts Managed by BFA and its Affiliates** — The Board received and considered information regarding the investment advisory/management fee rates for other funds/accounts in the U.S. for which BFA (or its affiliates) provides investment advisory/management services, including open-end funds registered under the 1940 Act (including sub-advised funds), collective trust funds, and institutional separate accounts (together, the "Other Accounts"), and acknowledged BFA's assertion that the iShares funds are fundamentally different investment vehicles from the Other Accounts. The Board noted that BFA and its affiliates do not manage Other Accounts with substantially the same investment objective and strategy as the Fund and that track the same index as the Fund. The Board further noted that BFA provided the Board with detailed information regarding how the Other Accounts (particularly institutional clients) generally differ

# Board Review and Approval of Investment Advisory Contract (Continued)

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from the Fund, including in terms of the different and generally more extensive services provided to the Fund, as well as other significant differences. In that regard, the Board considered that the pricing of services to institutional clients is typically based on a number of factors beyond the nature and extent of the specific services to be provided and often depends on the overall relationship between the client and its affiliates and the adviser and its affiliates. In addition, the Board considered the relative complexity and inherent risks and challenges of managing and providing other services to the Fund, as a publicly traded ETF, as compared to the Other Accounts that are institutional clients, in light of differing regulatory requirements and client-imposed mandates. The Board also acknowledged BFA's expressed business purpose for launching a suite of iShares "Core" ETFs that generally are subject to lower investment advisory fees than iShares non-Core ETFs that may provide a similar investment exposure. The Board also considered the "all-inclusive" nature of the Fund's advisory fee structure, and the Fund expenses borne by BFA under this arrangement. The Board noted that the investment advisory fee rate under the Advisory Contract for the Fund was generally higher than the investment advisory/management fee rates for certain of the Other Accounts (particularly institutional clients) and concluded that the differences appeared to be consistent with the factors discussed.

**Other Benefits to BFA and/or its Affiliates** — The Board reviewed the "fallout" benefits or ancillary revenue received by BFA and/or its affiliates in connection with the services provided to the Fund by BFA, such as payment of revenue to BTC, the Fund's securities lending agent, for loaning portfolio securities (which was included in the profit margins reviewed by the Board pursuant to BFA's profitability methodology), and payment of advisory fees and/or administration fees to BFA and BTC (or their affiliates) in connection with any investments by the Fund in other funds for which BFA (or its affiliates) provides investment advisory services and/or administration services. The Board also noted the revenue received by BFA and/or its affiliates pursuant to an agreement that permits a service provider to use certain portions of BlackRock's technology platform to service accounts managed by BFA and/or its affiliates, including the iShares funds. The Board noted that BFA generally does not use soft dollars or consider the value of research or other services that may be provided to BFA (including its affiliates) in selecting brokers for portfolio transactions for the Fund. The Board further noted that any portfolio transactions on behalf of the Fund placed through a BFA affiliate or purchased from an underwriting syndicate in which a BFA affiliate participates, are reported to the Board pursuant to Rule 17e-1 or Rule 10f-3, as applicable, under the 1940 Act. The Board concluded that any such ancillary benefits would not be disadvantageous to the Fund's shareholders and thus would not alter the Board's conclusion with respect to the appropriateness of approving the continuance of the Advisory Contract for the coming year.

**Conclusion** — Based on the considerations described above, the Board determined that the Fund's investment advisory fee rate under the Advisory Contract does not constitute a fee that is so disproportionately large as to bear no reasonable relationship to the services rendered and that could not have been the product of arm's-length bargaining, and concluded to approve the continuance of the Advisory Contract for the coming year.

## VI. iShares MSCI South Korea Capped ETF

Under Section 15(c) of the Investment Company Act of 1940 (the "1940 Act"), the Company's Board of Directors (the "Board"), including a majority of Directors who are not "interested persons" of the Company (as that term is defined in the 1940 Act) (the "Independent Directors"), is required annually to consider and approve the Investment Advisory Contract between the Company and BFA (the "Advisory Contract") on behalf of the Fund. The Independent Directors requested, and BFA provided, such information as the Independent Directors, with advice from independent counsel, deemed reasonably necessary to evaluate the Advisory Contract. A committee of all of the Independent Directors (the "15(c) Committee"), with independent counsel, met with management on May 5, 2017 and May 12, 2017. At these meetings, the 15(c) Committee reviewed and discussed information provided in response to the 15(c) Committee's initial requests, and requested certain additional information, which management agreed to provide. At a meeting held on May 18, 2017, management presented information to the Board relating to the continuance of the Advisory Contract, including information requested by the 15(c) Committee during its meetings. The Board, including the Independent Directors, reviewed and discussed such information at length. The Independent Directors requested



# Board Review and Approval of Investment Advisory Contract (Continued)

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from management certain additional information, which management agreed to provide. At a meeting held on June 19-21, 2017, the Board, including the Independent Directors, reviewed the additional information provided by management in response to these requests. After extensive discussions, the Board, including all of the Independent Directors, approved the continuance of the Advisory Contract for the Fund, based on a review of qualitative and quantitative information provided by BFA. The Board noted its satisfaction with the extent and quality of information provided and its frequent interactions with management, as well as the detailed responses and other information provided by BFA. The Board also noted that the Board and BFA agreed to discuss potential further enhancements to the 15(c) process for the coming year. The Independent Directors were advised by their independent counsel throughout the process, including about the legal standards applicable to their review. In approving the Advisory Contract for the Fund, the Board, including the Independent Directors, considered the following factors, no one of which was controlling, and reached the following conclusions:

**Expenses and Performance of the Fund** — The Board reviewed statistical information prepared by Broadridge Financial Solutions Inc. (“Broadridge”), an independent provider of investment company data, regarding the expense ratio components, including gross and net total expenses, waivers/reimbursements (if any), and underlying fund fees and expenses (if any) of the Fund in comparison with the same information for other exchange traded funds (“ETFs”) (including, where applicable, funds sponsored by an “at cost” service provider) and, in the limited instances where no comparable ETFs existed and the comparison group would not otherwise be reasonable in Broadridge’s judgment, pure index institutional mutual funds, objectively selected by Broadridge as comprising the Fund’s applicable peer group pursuant to Broadridge’s proprietary ETF methodology (the “Peer Group”). The Board was provided with a detailed description of the proprietary ETF methodology used by Broadridge to determine the Fund’s Peer Group. The Board further noted that due to the limitations in providing comparable funds in the Peer Group, the statistical information provided in Broadridge’s report may or may not provide meaningful direct comparisons to the Fund in all instances.

The Board also noted that the investment advisory fee rate and overall expenses (net of waivers and reimbursements) for the Fund were lower than the median of the investment advisory fee rates and overall expenses (net of waivers and reimbursements) of the funds in its Peer Group, excluding iShares funds.

In addition, to the extent that any of the comparison funds included in the Peer Group, excluding iShares funds, track the same index as the Fund, Broadridge also provided, and the Board reviewed, a comparison of the Fund’s performance for the one-, three-, five-, ten-year, and since inception periods, as applicable, and for the quarter ended December 31, 2016, to that of relevant comparison funds for the same periods.

The Board noted that the Fund seeks to track its specified underlying index and that, during the year, the Board received periodic reports on the Fund’s short- and longer-term performance in comparison with its underlying index. Such periodic comparative performance information, including any additional detailed information requested by the Boards, was also considered. The Board noted that the Fund generally performed in line with its underlying index over the relevant periods.

Based on this review, the other factors considered at the meeting, and their general knowledge of ETF pricing, the Board concluded that the investment advisory fee rate and the historical performance of the Fund supported the Board’s approval of the continuance of the Advisory Contract for the coming year.

**Nature, Extent and Quality of Services Provided by BFA** — Based on management’s representations, including information about recent and proposed enhancements to the iShares business, including with respect to capital markets support and analysis, technology, product design, compliance and risk management, and other services, the Board expected that there would be no diminution in the scope of services required of or provided by BFA under the Advisory Contract for the coming year as compared to the scope of services provided by BFA during prior years. In reviewing the scope of these services, the Board

# Board Review and Approval of Investment Advisory Contract (Continued)

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considered BFA's investment philosophy and experience, noting that BFA and its affiliates have committed significant resources over time, including during the past year, to supporting the iShares funds and their shareholders. The Board also considered BFA's compliance program and its compliance record with respect to the Fund. In that regard, the Board noted that BFA reports to the Board about portfolio management and compliance matters on a periodic basis in connection with regularly scheduled meetings of the Board, and on other occasions as necessary and appropriate, and has provided information and made appropriate officers available as needed to provide further assistance with these matters. The Board also reviewed the background and experience of the persons responsible for the day-to-day management of the Fund, as well as the resources available to them in managing the Fund. In addition to the above considerations, the Board reviewed and considered detailed presentations regarding BFA's investment performance, investment and risk management processes and strategies provided at the June 19-21, 2017 meeting and throughout the previous year, and matters related to BFA's portfolio compliance policies and procedures. The Board noted that the Fund had met its investment objective consistently since its inception date.

Based on review of this information, and the performance information discussed above, the Board concluded that the nature, extent and quality of services provided by BFA to the Fund under the Advisory Contract supported the Board's approval of the continuance of the Advisory Contract for the coming year.

**Costs of Services Provided to Fund and Profits Realized by BFA and Affiliates** — The Board reviewed information about the profitability of the Fund to BlackRock, based on the fees payable to BFA and its affiliates (including fees under the Advisory Contract), and other sources of revenue and expense to BFA and its affiliates from the Fund's operations for the last calendar year. The Board reviewed BlackRock's profitability methodology for the iShares funds, including supplemental information that was responsive to requests of the 15(c) Committee. The Board noted that the 15(c) Committee had focused on the methodology and profitability presentation during its meetings. The Board discussed the sources of direct and ancillary revenue with management, including the revenues to BTC, a BFA affiliate, from securities lending by the Fund. The Board also discussed BFA's profit margin as reflected in the Fund's profitability analysis and reviewed information regarding potential economies of scale (as discussed below). Based on this review, the Board concluded that the profits realized by BFA and its affiliates under the Advisory Contract and from other relationships between the Fund and BFA and/or its affiliates, if any, were within a reasonable range in light of the factors considered.

**Economies of Scale** — The Board reviewed information regarding potential economies of scale or other efficiencies that may result from increases in the Fund's assets, noting that the issue of economies of scale had been focused on by the 15(c) Committee during its meetings and addressed by management, including through supplemental information. The Board and the 15(c) Committee reviewed information provided by BFA regarding scale benefits shared with the iShares funds through relatively low fee rates established at inception, breakpoints and waivers or other fee reductions, as well as through additional investment in the iShares business and the provision of improved or additional infrastructure and services to the iShares funds and their shareholders. The Board and the 15(c) Committee received information regarding BlackRock's historical profitability, including BFA's and its affiliates' costs in providing services. The cost information distinguished, among other things, between fixed and variable costs, and explained how the level of fixed and variable costs, as well as the nature of such costs, may impact the existence or size of scale benefits. The Board noted that the Advisory Contract for the Fund already provided for breakpoints in the Fund's investment advisory fee rate as the assets of the Fund, on an aggregated basis with the assets of certain other iShares funds, increase. The Board noted that it would continue to monitor the sharing of economies of scale to determine the appropriateness of adding new or revised breakpoints in the future.

Based on this review, as well as the other factors considered at the meeting, the Board, recognizing its responsibility to consider the Advisory Contract at least annually, determined to approve the continuance of the Advisory Contract for the coming year.

# Board Review and Approval of Investment Advisory Contract (Continued)

iSHARES®, INC.

**Fees and Services Provided for Other Comparable Funds/Accounts Managed by BFA and its Affiliates** — The Board received and considered information regarding the investment advisory/management fee rates for other funds/accounts in the U.S. for which BFA (or its affiliates) provides investment advisory/management services, including open-end funds registered under the 1940 Act (including sub-advised funds), collective trust funds, and institutional separate accounts (together, the “Other Accounts”), and acknowledged BFA’s assertion that the iShares funds are fundamentally different investment vehicles from the Other Accounts. The Board noted that BFA and its affiliates do not manage Other Accounts with substantially the same investment objective and strategy as the Fund and that track the same index as the Fund. The Board further noted that BFA provided the Board with detailed information regarding how the Other Accounts (particularly institutional clients) generally differ from the Fund, including in terms of the different and generally more extensive services provided to the Fund, as well as other significant differences. In that regard, the Board considered that the pricing of services to institutional clients is typically based on a number of factors beyond the nature and extent of the specific services to be provided and often depends on the overall relationship between the client and its affiliates and the adviser and its affiliates. In addition, the Board considered the relative complexity and inherent risks and challenges of managing and providing other services to the Fund, as a publicly traded ETF, as compared to the Other Accounts that are institutional clients, in light of differing regulatory requirements and client-imposed mandates. The Board also acknowledged BFA’s expressed business purpose for launching a suite of iShares “Core” ETFs that generally are subject to lower investment advisory fees than iShares non-Core ETFs that may provide a similar investment exposure. The Board also considered the “all-inclusive” nature of the Fund’s advisory fee structure, and the Fund expenses borne by BFA under this arrangement. The Board noted that the investment advisory fee rate under the Advisory Contract for the Fund was generally higher than the investment advisory/management fee rates for certain of the Other Accounts (particularly institutional clients) and concluded that the differences appeared to be consistent with the factors discussed.

**Other Benefits to BFA and/or its Affiliates** — The Board reviewed the “fallout” benefits or ancillary revenue received by BFA and/or its affiliates in connection with the services provided to the Fund by BFA, such as payment of revenue to BTC, the Fund’s securities lending agent, for loaning portfolio securities (which was included in the profit margins reviewed by the Board pursuant to BFA’s profitability methodology), and payment of advisory fees and/or administration fees to BFA and BTC (or their affiliates) in connection with any investments by the Fund in other funds for which BFA (or its affiliates) provides investment advisory services and/or administration services. The Board also noted the revenue received by BFA and/or its affiliates pursuant to an agreement that permits a service provider to use certain portions of BlackRock’s technology platform to service accounts managed by BFA and/or its affiliates, including the iShares funds. The Board noted that BFA generally does not use soft dollars or consider the value of research or other services that may be provided to BFA (including its affiliates) in selecting brokers for portfolio transactions for the Fund. The Board further noted that any portfolio transactions on behalf of the Fund placed through a BFA affiliate or purchased from an underwriting syndicate in which a BFA affiliate participates, are reported to the Board pursuant to Rule 17e-1 or Rule 10f-3, as applicable, under the 1940 Act. The Board concluded that any such ancillary benefits would not be disadvantageous to the Fund’s shareholders and thus would not alter the Board’s conclusion with respect to the appropriateness of approving the continuance of the Advisory Contract for the coming year.

**Conclusion** — Based on the considerations described above, the Board determined that the Fund’s investment advisory fee rate under the Advisory Contract does not constitute a fee that is so disproportionately large as to bear no reasonable relationship to the services rendered and that could not have been the product of arm’s-length bargaining, and concluded to approve the continuance of the Advisory Contract for the coming year.



# Supplemental Information (Unaudited)

iSHARES®, INC.

## Proxy Results

A special meeting of the shareholders of each series of iShares Trust (the “Trust”) was held on June 19, 2017, to elect five Trustees to the Board of Trustees of the Trust. The five nominees were Jane D. Carlin, Richard L. Fagnani, Drew E. Lawton, Madhav V. Rajan and Mark Wiedman, all of whom were elected as Trustees at the special meeting. The other Trustees whose terms of office as Trustees continued after the special meeting are Cecilia H. Herbert, Charles A. Hurty, John E. Kerrigan, John E. Martinez and Robert S. Kapito.

<i>Trustee</i>	<i>Votes For</i>	<i>Votes Withheld</i>
Jane D. Carlin	8,669,874,031	59,322,838
Richard L. Fagnani	8,672,718,914	56,477,955
Drew E. Lawton	8,670,713,236	58,483,633
Madhav V. Rajan	8,653,682,870	75,513,999
Mark Wiedman	8,664,674,816	64,522,053

## Section 19(a) Notices

The amounts and sources of distributions reported are estimates and are provided pursuant to regulatory requirements and are not being provided for tax reporting purposes. The actual amounts and sources for tax reporting purposes will depend upon each Fund's investment experience during the year and may be subject to changes based on the tax regulations. Shareholders will receive a Form 1099-DIV each calendar year that will inform them how to report these distributions for federal income tax purposes.

	<i>Total Cumulative Distributions for the Fiscal Year</i>				<i>% Breakdown of the Total Cumulative Distributions for the Fiscal Year</i>			
	<i>Net</i>				<i>Net</i>			
	<i>Net Investment Income</i>	<i>Realized Capital Gains</i>	<i>Return of Capital</i>	<i>Total Per Share</i>	<i>Net Investment Income</i>	<i>Realized Capital Gains</i>	<i>Return of Capital</i>	<i>Total Per Share</i>
<i>iShares ETF</i>								
Edge MSCI Min Vol Global	\$ 1.895846	\$ —	\$0.032141	\$1.927987	98%	— %	2%	100%
MSCI Australia	1.009461	—	—	1.009461	100	—	—	100
MSCI Canada	0.434019	—	0.044022	0.478041	91	—	9	100
MSCI Japan	0.930654	—	0.001098	0.931752	100	—	0 <sup>a</sup>	100
MSCI Mexico Capped	0.782184	—	—	0.782184	100	—	—	100
MSCI South Korea Capped	—	—	0.645396	0.645396	—	—	100	100

<sup>a</sup> Rounds to less than 1%.

## Premium/Discount Information

The Premium/Discount Information section is intended to present information about the differences between the daily market price on secondary markets for shares of a fund and that fund's NAV. NAV is the price at which a fund issues and redeems shares. It is calculated in accordance with the standard formula for valuing mutual fund shares. The “Market Price” of a fund generally is determined using the midpoint between the highest bid and the lowest ask on the primary securities exchange on which shares of such fund are listed for trading, as of the time that the fund's NAV is calculated. A fund's Market Price may be at, above or below its NAV. The NAV of a fund will fluctuate with changes in the value of its portfolio holdings. The Market Price of a fund will fluctuate in accordance with changes in its NAV, as well as market supply and demand.

# Supplemental Information (Unaudited) (Continued)

## iSHARES®, INC.

Premiums or discounts are the differences (expressed as a percentage) between the NAV and Market Price of a fund on a given day, generally at the time the NAV is calculated. A premium is the amount that a fund is trading above the reported NAV, expressed as a percentage of the NAV. A discount is the amount that a fund is trading below the reported NAV, expressed as a percentage of the NAV.

Premium/discount information for the Funds covering the most recently completed calendar year and the most recently completed calendar quarters since that year (or the life of the Fund, if shorter) is publicly accessible, free of charge, at [www.iShares.com](http://www.iShares.com).

*The following information shows the frequency of distributions of premiums and discounts for the Funds for the immediately preceding five calendar years (or from the inception date of the Fund, if less than five years) through the date of the most recent calendar quarter-end. Each line in each table shows the number of trading days in which the Fund traded within the premium/discount range indicated. The number of trading days in each premium/discount range is also shown as a percentage of the total number of trading days in the period covered by each table. All data presented here represents past performance, which cannot be used to predict future results.*

### *iShares Edge MSCI Min Vol Global ETF Period Covered: January 1, 2012 through June 30, 2017*

<u>Premium/Discount Range</u>	<u>Number of Days</u>	<u>Percentage of Total Days</u>
Greater than 3.0% .....	2	0.14%
Greater than 2.5% and Less than 3.0% .....	1	0.07
Greater than 2.0% and Less than 2.5% .....	6	0.43
Greater than 1.5% and Less than 2.0% .....	3	0.22
Greater than 1.0% and Less than 1.5% .....	16	1.16
Greater than 0.5% and Less than 1.0% .....	103	7.45
Greater than 0.0% and Less than 0.5% .....	856	61.90
<b>At NAV</b> .....	21	1.52
Less than 0.0% and Greater than -0.5% .....	356	25.74
Less than -0.5% and Greater than -1.0% .....	17	1.23
Less than -1.0% and Greater than -1.5% .....	1	0.07
Less than -1.5% .....	1	0.07
	<u>1,383</u>	<u>100.00%</u>

# Supplemental Information (Unaudited) (Continued)

iSHARES®, INC.

## *iShares MSCI Australia ETF* *Period Covered: January 1, 2012 through June 30, 2017*

<u>Premium/Discount Range</u>	<u>Number of Days</u>	<u>Percentage of Total Days</u>
Greater than 3.0% and Less than 3.5% .....	2	0.14%
Greater than 2.5% and Less than 3.0% .....	1	0.07
Greater than 2.0% and Less than 2.5% .....	6	0.43
Greater than 1.5% and Less than 2.0% .....	22	1.59
Greater than 1.0% and Less than 1.5% .....	60	4.34
Greater than 0.5% and Less than 1.0% .....	237	17.14
Greater than 0.0% and Less than 0.5% .....	474	34.28
<b>At NAV</b> .....	13	0.94
Less than 0.0% and Greater than -0.5% .....	331	23.93
Less than -0.5% and Greater than -1.0% .....	148	10.71
Less than -1.0% and Greater than -1.5% .....	60	4.34
Less than -1.5% and Greater than -2.0% .....	13	0.94
Less than -2.0% and Greater than -2.5% .....	12	0.87
Less than -2.5% and Greater than -3.0% .....	2	0.14
Less than -3.0% and Greater than -3.5% .....	1	0.07
Less than -3.5% .....	1	0.07
	<u>1,383</u>	<u>100.00%</u>

## *iShares MSCI Canada ETF* *Period Covered: January 1, 2012 through June 30, 2017*

<u>Premium/Discount Range</u>	<u>Number of Days</u>	<u>Percentage of Total Days</u>
Greater than 2.5% .....	1	0.07%
Greater than 2.0% and Less than 2.5% .....	1	0.07
Greater than 1.5% and Less than 2.0% .....	2	0.14
Greater than 1.0% and Less than 1.5% .....	5	0.36
Greater than 0.5% and Less than 1.0% .....	35	2.53
Greater than 0.0% and Less than 0.5% .....	623	45.05
<b>At NAV</b> .....	34	2.46
Less than 0.0% and Greater than -0.5% .....	641	46.35
Less than -0.5% and Greater than -1.0% .....	37	2.68
Less than -1.0% and Greater than -1.5% .....	4	0.29
	<u>1,383</u>	<u>100.00%</u>

# Supplemental Information (Unaudited) (Continued)

iSHARES®, INC.

## *iShares MSC Japan ETF* *Period Covered: January 1, 2012 through June 30, 2017*

<u>Premium/Discount Range</u>	<u>Number of Days</u>	<u>Percentage of Total Days</u>
Greater than 4.5% . . . . .	1	0.07%
Greater than 4.0% and Less than 4.5% . . . . .	3	0.22
Greater than 3.5% and Less than 4.0% . . . . .	3	0.22
Greater than 3.0% and Less than 3.5% . . . . .	4	0.29
Greater than 2.5% and Less than 3.0% . . . . .	4	0.29
Greater than 2.0% and Less than 2.5% . . . . .	14	1.01
Greater than 1.5% and Less than 2.0% . . . . .	47	3.40
Greater than 1.0% and Less than 1.5% . . . . .	108	7.81
Greater than 0.5% and Less than 1.0% . . . . .	259	18.73
Greater than 0.0% and Less than 0.5% . . . . .	353	25.52
<b>At NAV</b> . . . . .	11	0.80
Less than 0.0% and Greater than -0.5% . . . . .	289	20.90
Less than -0.5% and Greater than -1.0% . . . . .	160	11.57
Less than -1.0% and Greater than -1.5% . . . . .	63	4.56
Less than -1.5% and Greater than -2.0% . . . . .	36	2.60
Less than -2.0% and Greater than -2.5% . . . . .	15	1.08
Less than -2.5% and Greater than -3.0% . . . . .	5	0.36
Less than -3.0% and Greater than -3.5% . . . . .	1	0.07
Less than -3.5% and Greater than -4.0% . . . . .	1	0.07
Less than -4.0% and Greater than -4.5% . . . . .	2	0.14
Less than -4.5% and Greater than -5.0% . . . . .	1	0.07
Less than -5.0% . . . . .	3	0.22
	<u>1,383</u>	<u>100.00%</u>

## *iShares MSCI Mexico Capped ETF* *Period Covered: January 1, 2012 through June 30, 2017*

<u>Premium/Discount Range</u>	<u>Number of Days</u>	<u>Percentage of Total Days</u>
Greater than 2.0% and Less than 2.5% . . . . .	4	0.29%
Greater than 1.5% and Less than 2.0% . . . . .	5	0.36
Greater than 1.0% and Less than 1.5% . . . . .	19	1.37
Greater than 0.5% and Less than 1.0% . . . . .	101	7.30
Greater than 0.0% and Less than 0.5% . . . . .	508	36.73
<b>At NAV</b> . . . . .	25	1.81
Less than 0.0% and Greater than -0.5% . . . . .	562	40.65
Less than -0.5% and Greater than -1.0% . . . . .	134	9.69
Less than -1.0% and Greater than -1.5% . . . . .	20	1.45
Less than -1.5% and Greater than -2.0% . . . . .	2	0.14
Less than -2.0% and Greater than -2.5% . . . . .	1	0.07
Less than -2.5% and Greater than -3.0% . . . . .	1	0.07
Less than -3.0% and Greater than -3.5% . . . . .	1	0.07
	<u>1,383</u>	<u>100.00%</u>

# Supplemental Information (Unaudited) (Continued)

iSHARES®, INC.

## *iShares MSCI South Korea Capped ETF* *Period Covered: January 1, 2012 through June 30, 2017*

<u>Premium/Discount Range</u>	<u>Number of Days</u>	<u>Percentage of Total Days</u>
Greater than 4.0% and Less than 4.5% .....	1	0.07%
Greater than 3.5% and Less than 4.0% .....	1	0.07
Greater than 3.0% and Less than 3.5% .....	1	0.07
Greater than 2.5% and Less than 3.0% .....	3	0.22
Greater than 2.0% and Less than 2.5% .....	8	0.58
Greater than 1.5% and Less than 2.0% .....	27	1.95
Greater than 1.0% and Less than 1.5% .....	53	3.83
Greater than 0.5% and Less than 1.0% .....	188	13.59
Greater than 0.0% and Less than 0.5% .....	327	23.65
<b>At NAV</b> .....	10	0.72
Less than 0.0% and Greater than -0.5% .....	348	25.17
Less than -0.5% and Greater than -1.0% .....	243	17.57
Less than -1.0% and Greater than -1.5% .....	107	7.74
Less than -1.5% and Greater than -2.0% .....	38	2.75
Less than -2.0% and Greater than -2.5% .....	17	1.23
Less than -2.5% and Greater than -3.0% .....	10	0.72
Less than -3.0% and Greater than -3.5% .....	1	0.07
	<u>1,383</u>	<u>100.00%</u>

## Regulation under the Alternative Investment Fund Managers Directive

The Alternative Investment Fund Managers Directive ("AIFMD") imposes obligations on fund managers established in the European Union (the "EU"). These do not currently apply to managers established outside the EU, such as BFA. Rather, non-EU managers are only required to comply with certain disclosure, reporting and transparency obligations of AIFMD if such managers market a fund to EU investors.

BFA has registered the iShares MSCI Canada ETF, iShares MSCI Japan ETF, iShares MSCI Mexico Capped ETF and iShares MSCI South Korea Capped ETF (each a "Fund", collectively the "Funds") for marketing to investors in the United Kingdom, the Netherlands, Finland, Sweden and Luxembourg.

## Report on Remuneration

BFA is required under AIFMD to make quantitative disclosures of remuneration. These disclosures are made in line with BlackRock's interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops BlackRock may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other BlackRock fund disclosures in that same year.

Disclosures are provided in relation to both (a) the staff of BFA; (b) staff who are senior management; and (c) staff who have the ability to materially affect the risk profile of the Funds.

# Supplemental Information (Unaudited) (Continued)

## *iSHARES®*, INC.

All individuals included in the aggregated figures disclosed are rewarded in line with BlackRock's remuneration policy for their responsibilities across the relevant BlackRock business area. As all individuals have a number of areas of responsibilities, only the portion of remuneration for those individuals' services attributable to each Fund is included in the aggregate figures disclosed.

BlackRock has a clear and well defined pay-for-performance philosophy, and compensation programs which support that philosophy. For senior management, a significant percentage of variable remuneration is deferred over time. All employees are subject to a claw-back policy.

Compensation decisions for employees are made based on BlackRock's full-year financial results and other non-financial goals and objectives. Alongside financial performance, individual compensation is also based on strategic and operating results and other considerations such as management and leadership capabilities. No set formulas are established and no fixed benchmarks are used in determining annual incentive awards.

Bonus pools are reviewed by BlackRock's independent compensation committee, taking into account both actual and projected financial information together with information provided by the Operational Risk and Regulatory Compliance departments in relation to any activities, incidents or events that warrant consideration in making compensation decisions.

Functions such as Finance, Operational Risk, Legal & Compliance, and Human Resources each have their own organizational structures which are independent of the business units. Functional bonus pools are determined with reference to the performance of each individual function and the remuneration of the senior members of control functions is directly overseen by BlackRock's independent compensation committee. No individual is involved in setting his or her own remuneration.

Members of staff and senior management of BFA typically provide both AIFMD and non-AIFMD related services in respect of multiple funds, clients and functions of BFA and across the broader BlackRock group. Therefore, the figures disclosed are a sum of each individual's portion of remuneration attributable to each Fund according to an objective apportionment methodology which acknowledges the multiple-service nature of BFA. Accordingly the figures are not representative of any individual's actual remuneration or their remuneration structure.

The amount of the total remuneration awarded by BFA to its staff which has been attributed to the iShares MSCI Canada ETF in respect of BFA's financial year ending December 31, 2016 was USD 372.86 thousand. This figure is comprised of fixed remuneration of USD 146.68 thousand and variable remuneration of USD 226.18 thousand. There were a total of 325 beneficiaries of the remuneration described above.

The amount of the aggregate remuneration awarded by BFA, which has been attributed to the iShares MSCI Canada ETF in respect of BFA's financial year ending December 31, 2016, to its senior management was USD 51.57 thousand, and to members of its staff whose actions have a material impact on the risk profile of the Fund was USD 12.42 thousand.

The amount of the total remuneration awarded by BFA to its staff which has been attributed to the iShares MSCI Japan ETF in respect of BFA's financial year ending December 31, 2016 was USD 1.63 million. This figure is comprised of fixed remuneration of USD 642.93 thousand and variable remuneration of USD 991.42 thousand. There were a total of 325 beneficiaries of the remuneration described above.

The amount of the aggregate remuneration awarded by BFA, which has been attributed to the iShares MSCI Japan ETF in respect of the BFA's financial year ending December 31, 2016, to its senior management was USD 226.03 thousand, and to members of its staff whose actions have a material impact on the risk profile of the Fund was USD 54.46 thousand.

The amount of the total remuneration awarded by BFA to its staff which has been attributed to the iShares MSCI Mexico Capped ETF in respect of BFA's financial year ending December 31, 2016 was USD 190.23 thousand. This figure is comprised of fixed

# Supplemental Information (Unaudited) (Continued)

## *iSHARES®*, INC.

remuneration of USD 74.83 thousand and variable remuneration of USD 115.39 thousand. There were a total of 325 beneficiaries of the remuneration described above.

The amount of the aggregate remuneration awarded by BFA, which has been attributed to the iShares MSCI Mexico Capped ETF in respect of the BFA's financial year ending December 31, 2016, to its senior management was USD 26.31 thousand, and to members of its staff whose actions have a material impact on the risk profile of the Fund was USD 6.34 thousand.

The amount of the total remuneration awarded by BFA to its staff which has been attributed to the iShares MSCI South Korea Capped ETF in respect of BFA's financial year ending December 31, 2016 was USD 301.00 thousand. This figure is comprised of fixed remuneration of USD 118.41 thousand and variable remuneration of USD 182.59 thousand. There were a total of 325 beneficiaries of the remuneration described above.

The amount of the aggregate remuneration awarded by BFA, which has been attributed to the iShares MSCI South Korea Capped ETF in respect of the BFA's financial year ending December 31, 2016, to its senior management was USD 41.63 thousand, and to members of its staff whose actions have a material impact on the risk profile of the Fund was USD 10.03 thousand.

# Director and Officer Information

## iSHARES®, INC.

The Board of Directors has responsibility for the overall management and operations of the Funds, including general supervision of the duties performed by BFA and other service providers. Each Director serves until he or she resigns, is removed, dies, retires or becomes incapacitated. Each officer shall hold office until his or her successor is elected and qualifies or until his or her death, resignation or removal. Directors who are not “interested persons” (as defined in the 1940 Act) of the Company are referred to as independent directors (“Independent Directors”).

The registered investment companies advised by BFA or its affiliates (the “BlackRock-advised Funds”) are organized into one complex of closed-end funds, two complexes of open-end funds and one complex of exchange-traded funds (“Exchange-Traded Fund Complex”) (each, a “BlackRock Fund Complex”). Each Fund is included in the BlackRock Fund Complex referred to as the Exchange-Traded Fund Complex. Each Director also serves as a Trustee of iShares Trust and a Trustee of iShares U.S. ETF Trust and, as a result, oversees a total of 344 funds (as of August 31, 2017) within the Exchange-Traded Fund Complex. Drew E. Lawton, from October 2016 to June 2017, and Richard L. Fagnani, from April 2017 to June 2017, served as Advisory Board Members for iShares Trust, iShares Inc. and iShares U.S. ETF Trust with respect to all funds within the Exchange-Traded Fund Complex. With the exception of Robert S. Kapito, Mark K. Wiedman, Charles Park, Martin Small and Benjamin Archibald, the address of each Director, and officer is c/o BlackRock, Inc., 400 Howard Street, San Francisco, CA 94105. The address of Mr. Kapito, Mr. Wiedman, Mr. Park, Mr. Small and Mr. Archibald is c/o BlackRock, Inc., Park Avenue Plaza, 55 East 52<sup>nd</sup> Street, New York, NY 10055. The Board has designated Cecilia H. Herbert as its Independent Board Chair. Additional information about the Funds’ Directors and officers may be found in the Funds’ combined Statement of Additional Information, which is available without charge, upon request, by calling toll-free 1-800-iShares (1-800-474-2737).

### Interested Directors

Name (Age)	Position(s)	Principal Occupation(s) During the Past 5 Years	Other Directorships Held by Director
<b>Robert S. Kapito<sup>a</sup> (60)</b>	Director (since 2009).	President, BlackRock, Inc. (since 2006); Vice Chairman of BlackRock, Inc. and Head of BlackRock’s Portfolio Management Group (since its formation in 1998) and BlackRock, Inc.’s predecessor entities (since 1988); Trustee, University of Pennsylvania (since 2009); President of Board of Directors, Hope & Heroes Children’s Cancer Fund (since 2002).	Director of BlackRock, Inc. (since 2006); Trustee of iShares Trust (since 2009); Trustee of iShares U.S. ETF Trust (since 2011).
<b>Mark K. Wiedman<sup>b</sup> (46)</b>	Director (since 2013).	Senior Managing Director, BlackRock, Inc. (since 2014); Managing Director, BlackRock, Inc. (2007-2014); Global Head of BlackRock’s ETF and Index Investments Business (since 2016); Global Head of iShares (2011-2016); Head of Corporate Strategy, BlackRock, Inc. (2009-2011).	Trustee of iShares Trust (since 2013); Trustee of iShares U.S. ETF Trust (since 2013); Director of PennyMac Financial Services, Inc. (since 2008).

<sup>a</sup> Robert S. Kapito is deemed to be an “interested person” (as defined in the 1940 Act) of the Company due to his affiliations with BlackRock, Inc. and its affiliates.

<sup>b</sup> Mark K. Wiedman is deemed to be an “interested person” (as defined in the 1940 Act) of the Company due to his affiliations with BlackRock, Inc. and its affiliates.



# Director and Officer Information (Continued)

iSHARES®, INC.

## Independent Directors

Name (Age)	Position(s)	Principal Occupation(s) During the Past 5 Years	Other Directorships Held by Director
<b>Cecilia H. Herbert (68)</b>	Director (since 2005); Independent Board Chair (since 2016).	Trustee and Member of the Finance, Technology and Quality Committee of Stanford Health Care (since 2016); Trustee and Member of the Investment Committee, WNET, a New York public media company (since 2011); Chair (1994-2005) and Member (since 1992) of the Investment Committee, Archdiocese of San Francisco; Director (1998-2013) and President (2007-2011) of the Board of Directors, Catholic Charities CYO; Trustee (2002-2011) and Chair of the Finance and Investment Committee (2006-2010) of the Thacher School.	Trustee of iShares Trust (since 2005); Trustee of iShares U.S. ETF Trust (since 2011); Independent Board Chair of iShares Trust and iShares U.S. ETF Trust (since 2016); Trustee of Forward Funds (14 portfolios) (since 2009); Trustee of Salient MF Trust (4 portfolios) (since 2015).
<b>Jane D. Carlin (61)</b>	Director (since 2015); Risk Committee Chair (since 2016).	Consultant (since 2012); Managing Director and Global Head of Financial Holding Company Governance & Assurance and the Global Head of Operational Risk Management of Morgan Stanley (2006-2012).	Trustee of iShares Trust (since 2015); Trustee of iShares U.S. ETF Trust (since 2015); Director of PHH Corporation (mortgage solutions) (since 2012); Director of The Hanover Insurance Group, Inc. (since 2016).
<b>Richard L. Fagnani (62)</b>	Director (since 2017); Equity Plus Committee Chair (since 2017).	Partner, KPMG LLP (2002-2016).	Trustee of iShares Trust (since 2017); Trustee of iShares U.S. ETF Trust (since 2017).
<b>Charles A. Hurty (73)</b>	Director (since 2005); Audit Committee Chair (since 2006).	Retired; Partner, KPMG LLP (1968-2001).	Trustee of iShares Trust (since 2005); Trustee of iShares U.S. ETF Trust (since 2011); Director of SkyBridge Alternative Investments Multi-Adviser Hedge Fund Portfolios LLC (2 portfolios) (since 2002).
<b>John E. Kerrigan (62)</b>	Director (since 2005); Securities Lending Committee Chair (since 2016).	Chief Investment Officer, Santa Clara University (since 2002).	Trustee of iShares Trust (since 2005); Trustee of iShares U.S. ETF Trust (since 2011).
<b>Drew E. Lawton (58)</b>	Director (since 2017); 15(c) Committee Chair (since 2017).	Senior Managing Director of New York Life Insurance Company (2010-2015).	Trustee of iShares Trust (since 2017); Trustee of iShares U.S. ETF Trust (since 2017).

# Director and Officer Information (Continued)

iSHARES®, INC.

## Independent Directors (Continued)

Name (Age)	Position(s)	Principal Occupation(s) During the Past 5 Years	Other Directorships Held by Director
<b>John E. Martinez (56)</b>	Director (since 2003); Fixed Income Plus Committee Chair (since 2016).	Director of Real Estate Equity Exchange, Inc. (since 2005).	Trustee of iShares Trust (since 2003); Trustee of iShares U.S. ETF Trust (since 2011).
<b>Madhav V. Rajan (53)</b>	Director (since 2011); Nominating and Governance Committee Chair (since 2017).	Dean, and George Pratt Shultz Professor of Accounting, University of Chicago Booth School of Business (since 2017); Robert K. Jaedicke Professor of Accounting, Stanford University Graduate School of Business (2001-2017); Professor of Law (by courtesy), Stanford Law School (2005-2017); Senior Associate Dean for Academic Affairs and Head of MBA Program, Stanford University Graduate School of Business (2010-2016) .	Trustee of iShares Trust (since 2011); Trustee of iShares U.S. ETF Trust (since 2011); Director, Cavium, Inc. (since 2013).

# Director and Officer Information (Continued)

iSHARES®, INC.

## Officers<sup>c</sup>

Name (Age)	Position(s)	Principal Occupation(s) During the Past 5 Years
<b>Martin Small (42)</b>	President (since 2016).	Managing Director, BlackRock, Inc. (since 2010); Head of U.S. iShares (since 2015); Co-Head of the U.S. Financial Markets Advisory Group, BlackRock, Inc. (2008-2014).
<b>Jack Gee (57)</b>	Treasurer and Chief Financial Officer (since 2008).	Managing Director, BlackRock, Inc. (since 2009); Senior Director of Fund Administration of Intermediary Investor Business, BGI (2009).
<b>Benjamin Archibald (42)</b>	Secretary (since 2015).	Managing Director, BlackRock, Inc. (since 2014); Director, BlackRock, Inc. (2010-2013); Secretary of the BlackRock-advised Mutual Funds (since 2012).
<b>Alan Mason (56)</b>	Executive Vice President (since 2016).	Managing Director, BlackRock, Inc. (since 2009).
<b>Steve Messinger (55)</b>	Executive Vice President (since 2016).	Managing Director, BlackRock, Inc. (2007-2014 and since 2016); Managing Director, Beacon Consulting Group (2014-2016).
<b>Charles Park (49)</b>	Chief Compliance Officer (since 2006).	Chief Compliance Officer of BlackRock Advisors, LLC and the BlackRock-advised Funds in the Equity-Bond Complex, the Equity-Liquidity Complex and the Closed-End Complex (since 2014); Chief Compliance Officer of BFA (since 2006).
<b>Scott Radell (48)</b>	Executive Vice President (since 2012).	Managing Director, BlackRock, Inc. (since 2009); Head of Portfolio Solutions, BlackRock, Inc. (since 2009).

<sup>c</sup> Manish Mehta served as President until October 15, 2016.

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For more information visit [www.iShares.com](http://www.iShares.com) or call 1-800-474-2737

**This report is intended for the Funds' shareholders. It may not be distributed to prospective investors unless it is preceded or accompanied by the current prospectus.**

**Investing involves risk, including possible loss of principal.**

The iShares Funds are distributed by BlackRock Investments, LLC (together with its affiliates, "BlackRock").

The iShares Funds are not sponsored, endorsed, issued, sold or promoted by MSCI Inc., nor does this company make any representation regarding the advisability of investing in the iShares Funds. BlackRock is not affiliated with the company listed above.

A description of the policies that the Funds use to determine how to vote proxies relating to portfolio securities and information about how the Funds voted proxies relating to portfolio securities during the most recent twelve-month period ending June 30 is available without charge, upon request, by calling toll-free 1-800-474-2737; on the Funds' website at [www.iShares.com](http://www.iShares.com); and on the U.S. Securities and Exchange Commission (SEC) website at [www.sec.gov](http://www.sec.gov).

The Funds file their complete schedules of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Funds' Forms N-Q are available on the SEC's website or may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The Funds also disclose their complete schedules of portfolio holdings on a daily basis on the Funds' website.

Certain financial information required by regulations or listing exchange rules in jurisdictions outside the U.S. in which iShares Funds are cross-listed may be publicly filed in those jurisdictions. This information is available upon request by calling 1-800-474-2737.

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