

3 May 2018

Market Announcements Office
ASX Limited

FOR RELEASE TO ALL FUNDS BELOW

ISHARES TRUST AUSTRALIAN PROSPECTUS NO. 1 - SUPPLEMENTARY PROSPECTUS NO. 1

BlackRock Investment Management (Australia) Limited (**BIMAL**), on behalf of iShares Trust, makes this announcement regarding the following iShares® exchange traded funds (**Funds**).

Attached is a Supplementary Prospectus No. 1 to the iShares Trust Australian Prospectus No. 1 dated 4 December 2017 which includes changes applicable to the Funds.

ASX Code	Fund Name
IZZ	iShares China Large-Cap ETF
IVE	iShares MSCI EAFE 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 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.

For more information about iShares ETFs go to www.blackrock.com/au/ishares or call 1300 474 273.

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Supplementary Prospectus No. 1
to the Prospectus dated 4
December 2017

iShares Trust Australian
Prospectus No. 1

Dated 3 May 2018

iShares Trust ARBN 125 632 411

This Supplementary Prospectus No. 1 supplements the iShares Trust Australian Prospectus No. 1 dated 4 December 2017 (**Prospectus**). The Prospectus is issued by Trust (**Trust**) and relates to the following classes of shares of the Trust (**Funds**) and CDIs over such shares.

iShares China Large-Cap ETF (ASX: IZZ)

iShares MSCI EAFE ETF (ASX: IVE)

This Supplementary Prospectus No. 1 must be read together with the Prospectus.

A copy of this Supplementary Prospectus No. 1 has been lodged with the Australian Securities and Investments Commission (**ASIC**) and released to the Australian Securities Exchange (**ASX**). Neither ASIC nor ASX take any responsibility for the contents of this Supplementary Prospectus No. 1.

This Supplementary Prospectus No. 1 is dated 3 May 2018 and was lodged with ASIC on that date and sets out the following changes in respect of the Funds.

Purpose of this Supplementary Prospectus No. 1

A. NOTIFICATION OF REORGANISATION PROPOSAL

Effective 3 May 2018, the Trust announced the proposed reorganisation of the Australian offer of the Funds.

As a result of this announcement and effective from 3 May 2018, the following disclosure is inserted into the Prospectus immediately under the heading of section 1.1 of the Prospectus, titled "Important Information" as shown on page 3 of the Prospectus.

NOTIFICATION OF REORGANISATION PROPOSAL

Effective 3 May 2018, the Trust announced the proposed reorganisation of the Australian offer of the Funds.

The reorganisation will involve the exchange of CDIs in respect of the shares of each Fund for units in a corresponding newly established Australian registered managed investment scheme (each a **New Australian ETF**) that will be issued by

BlackRock Investment Management (Australia) Limited (**BIMAL**) as responsible entity and quoted on ASX under the AQUA Rules. Each New Australian ETF will invest in its corresponding Fund (initially by holding CDIs in respect of the shares of the Fund and later through holding shares of the Fund) (the **Reorganisation**).

A meeting of all holders of CDIs in respect of shares of each of the Funds as at 26 April 2018 (**Notice of Meeting Record Date**), will be held at 10:00 am (Sydney time) on 22 June 2018 (**CDI Holder Meeting**), during which eligible CDI holders will be asked to consider and if thought fit approve the proposed Reorganisation.

The Reorganisation of each Fund is being proposed for the following reasons:

- ▶ **Client experience:** Following the Reorganisation, CDI holders will hold units in a New Australian ETF, which will be an Australian registered managed investment scheme, regulated by ASIC. As CDI holders will no longer have a direct exposure to US shares, CDI holders will no longer be required to complete certain US taxes documentation, including W-8BEN forms. This will align all products in the iShares product suite in terms of the post purchase experience and client communication.
- ▶ **Tax:** BIMAL has received a draft Class Ruling from the Australian Taxation Office (**ATO**) on the availability of capital gains tax relief for CDI holders. In terms of withholding tax on income received by each New Australian ETF from its investment in its corresponding Fund, the New Australian ETF will apply for and we expect it to receive, treaty withholding tax rates as the beneficial owner.
- ▶ **Price:** The market price on the ASX is not expected to be directly impacted as a result of the Reorganisation.
- ▶ **Investment exposure:** Each New Australian ETF will provide the same investment exposure as its corresponding Fund. Following the Reorganisation, the traded price of units of each New Australian ETF on ASX will continue to represent a live value of the exposures of its corresponding Fund.
- ▶ **Management fee:** As of the date of Reorganisation, there will be no change in the management fee that CDI holders will be charged in respect of their investment in a Fund.
- ▶ **Distributions:** Following the Reorganisation, each New Australian ETF will pay all income received from its corresponding Fund (plus any other distributable income) generally 8 days after the ex-date (as opposed to the current 19 days). Following the Reorganisation, the client experience in terms of distributions will align with the other products included in the iShares Australia product suite, including distributions and tax statements. In addition, each New Australian ETF will be able to offer distribution reinvestment to investors, and the overall investor experience will be aligned with all products in the iShares product suite.

- **Nature of investment:** Following the Reorganisation, CDI holders will hold units in a New Australian ETF, as opposed to CDIs (which represents a beneficial interest in the US shares of a Fund). While investors following the Reorganisation will no longer have the right to call for delivery of the interest in the US shares of a Fund, CDI holders will continue to have the opportunity to do so prior to the Reorganisation.

If approved, the Reorganisation will mean that all CDI holders in respect of the shares of the Funds as of the record date of the Reorganisation (**Reorganisation Record Date**), including those new CDI holders who acquired CDIs after the Notice of Meeting Record Date and therefore are not entitled to participate in or vote at the CDI Holder Meeting, will hold units in a New Australian ETF, instead of CDIs in respect of the shares of a Fund, therefore changing the way in which CDI holders invest in and gain exposure to each Fund.

If approved, the Trust will, on behalf of all CDI holders as of the Reorganisation Record Date, apply for the issue of units in the corresponding New Australian ETF in consideration for the transfer of CDIs in respect of the shares of a Fund. CDI Holders will in turn be issued units in the corresponding New Australian ETF on a one-for-one basis.

The results of the CDI Holder Meeting and, if approved, a timetable of the Reorganisation of each Fund, will be issued following the CDI Holder Meeting and announced to CDI holders via the ASX Market Announcements Platform (available via asx.com.au).

Further details of the Reorganisation, including a copy of the Product Disclosure Statement (PDS) for each New Australian ETF, issued by BIMAL as responsible entity, are available at www.blackrock.com/au/simplifyinvesting.

Before making any investment decision in respect of the Funds, we urge you to read in full the information that has been made available to you, including the PDS. You may elect to receive a paper copy of any document issued in respect of the Reorganisation, including the PDS, free of charge, by contacting the iShares Call Centre on:

- Telephone: 1300 474 273 between 9:00 am and 5:00 pm Monday to Friday AEST
- Email: ishares.australia@blackrock.com.

Terms used in this Supplementary Prospectus No. 1 have the same meanings as in the Prospectus. Prior to investing in a Fund, a prospective investor must take into account and accept the foregoing information, as well as the information disclosed in the Prospectus.

This Supplementary Prospectus No. 1 is prepared by, or on behalf of, the Trust.

Signed for the purpose of section 351 of the Corporations Act 2001 (Cth):



Shane Flatman - Director
BlackRock Investment Management (Australia) Limited
Local Agent of iShares Trust