

15 March 2022

Market Announcements Office  
ASX Limited

## INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2021

BlackRock Investment Management (Australia) Limited (**BIMAL**) is the Responsible Entity for the following Australian-domiciled iShares® exchange traded funds (**Fund**) which are quoted on the ASX.

| ASX Code | Fund                             |
|----------|----------------------------------|
| BILL     | iShares Core Cash ETF            |
| IAF      | iShares Core Composite Bond ETF  |
| ISEC     | iShares Enhanced Cash ETF        |
| ILB      | iShares Government Inflation ETF |
| ICOR     | iShares Core Corporate Bond ETF  |
| IYLD     | iShares Yield Plus ETF           |
| IGB      | iShares Treasury ETF             |

Attached is a copy of the Fund's Condensed financial report for the half year ended 31 December 2021.

### Important Notice

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**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 [blackrock.com/au](https://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 [blackrock.com/au](https://blackrock.com/au).

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

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The liability of shareholders is limited.

BlackRock Investment Management (Australia) Limited ABN 13 006 165 975

## Interim Financial Report

### iShares Domestic Fixed Interest Funds.

- iShares Core Cash ETF  
617 355 174
- iShares Core Composite Bond ETF  
154 626 767
- iShares Enhanced Cash ETF  
617 356 117
- iShares Government Inflation ETF  
154 626 534
- iShares Core Corporate Bond ETF  
639 854 872
- iShares Yield Plus ETF  
639 855 011
- iShares Treasury ETF  
154 626 865

# iShares Domestic Fixed Interest Funds

## Condensed Financial Report - For the half-year ended 31 December 2021

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## Directors' Report

The directors of BlackRock Investment Management (Australia) Limited (ABN 13 006 165 975) (the "Responsible Entity"), the Responsible Entity of iShares Domestic Fixed Interest Funds (the "Funds"), present their interim report together with the condensed financial statements of the Funds, for the half-year ended 31 December 2021 and the auditor's report thereon.

These condensed financial statements have been prepared for the iShares Domestic Fixed Interest Funds which comprise of iShares Core Cash ETF, iShares Core Composite Bond ETF, iShares Enhanced Cash ETF, iShares Government Inflation ETF, iShares Core Corporate Bond ETF, iShares Yield Plus ETF and iShares Treasury ETF as they are disclosing entities under the Corporations Act 2001.

### Fund Objectives

#### *iShares Core Cash ETF*

The Fund aims to provide investors with the performance, before fees and expenses, of an index comprised of Australian bank bills.

#### *iShares Core Composite Bond ETF*

The Fund aims to provide investors with the performance of an index, before fees and expenses, composed of investment grade fixed income bonds issued in the Australian debt market.

#### *iShares Enhanced Cash ETF*

The Fund aims to provide investors with performance, before fees and expenses, in excess of the performance of an index comprised of Australian bank bills.

#### *iShares Government Inflation ETF*

The Fund aims to provide investors with the performance of an index, before fees and expenses, composed of fixed income bonds issued by the Australian Treasury or Australian semi-government entities.

#### *iShares Core Corporate Bond ETF*

The Fund aims to provide investors with the performance of an index, before fees and expenses. The index is designed to measure the performance of the Australian corporate bond market and includes investment grade fixed income securities issued by corporate entities.

#### *iShares Yield Plus ETF*

The Fund aims to provide investors with the performance of an index, before fees and expenses. The index is designed to measure the performance of the Australian corporate bond market (excluding issuers ANZ, CBA, NAB and WBC).

#### *iShares Treasury ETF*

The Fund aims to provide investors with the performance of an index, before fees and expenses, composed of fixed income bonds issued by the Australian Treasury.

### Principal Activities

The Funds invest in accordance with the provisions of the Funds' Constitutions.

The Funds are currently listed on the Australian Securities Exchange (ASX). The admission dates for iShares Core Cash ETF, iShares Core Composite Bond ETF, iShares Enhanced Cash ETF, iShares Government Inflation ETF, iShares Core Corporate Bond ETF, iShares Yield Plus ETF and iShares Treasury ETF were 6 June 2017, 14 March 2012, 6 June 2017, 14 March 2012, 10 March 2020, 10 March 2020 and 14 March 2012 respectively.

The Funds did not have any employees during the half-year ended 31 December 2021 (31 December 2020: Nil).

There were no significant changes in the nature of the Funds' activities during the half-year ended 31 December 2021 (31 December 2020: Nil).

## Directors' Report (continued)

### Directors

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

| Director    | Date appointed             | Date resigned            |
|-------------|----------------------------|--------------------------|
| M S McCorry | Appointed 2 December 2009  |                          |
| A Telfer    | Appointed 12 December 2013 | Resigned 11 October 2021 |
| J Collins   | Appointed 29 July 2015     |                          |
| A Landman   | Appointed 3 February 2020  |                          |
| I Davila    | Appointed 5 March 2020     |                          |

### Review and Results of Operations

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

### Results

The performance of the Funds, as represented by the results of their operations, were as follows:

|                                 | iShares Core Cash ETF<br>Half-year ended           |                            | iShares Core Composite Bond ETF<br>Half-year ended  |                            |
|---------------------------------|--|----------------------------|---|----------------------------|
|                                 | 31 December 2021<br>\$'000                         | 31 December 2020<br>\$'000 | 31 December 2021<br>\$'000                          | 31 December 2020<br>\$'000 |
| Profit/(loss) for the half-year | (2)  | 307                        | (21,043)  | 10,954                     |
| Distributions paid and payable  | 40   | 467                        | 17,626  | 14,421                     |
|                                 | iShares Enhanced Cash ETF<br>Half-year ended       |                            | iShares Government Inflation ETF<br>Half-year ended |                            |
|                                 | 31 December 2021<br>\$'000                         | 31 December 2020<br>\$'000 | 31 December 2021<br>\$'000                          | 31 December 2020<br>\$'000 |
| Profit/(loss) for the half-year | 49   | 504                        | 5,059   | 8,919                      |
| Distributions paid and payable  | 151  | 310                        | 1,235   | 816                        |
|                                 | iShares Core Corporate Bond ETF<br>Half-year ended |                            | iShares Yield Plus ETF<br>Half-year ended           |                            |
|                                 | 31 December 2021<br>\$'000                         | 31 December 2020<br>\$'000 | 31 December 2021<br>\$'000                          | 31 December 2020<br>\$'000 |
| Profit/(loss) for the half-year | (327)  | 329                        | (23)  | 174                        |
| Distributions paid and payable  | 125  | 54                         | 56  | 62                         |

## Directors' Report (continued)

### Review and Results of Operations (continued)

|                                 | iShares Treasury<br>ETF |                     |
|---------------------------------|-------------------------|---------------------|
|                                 | Half-year ended         |                     |
|                                 | 31 December<br>2021     | 31 December<br>2020 |
|                                 | \$'000                  | \$'000              |
| Profit/(loss) for the half-year | 56                      | 82                  |
| Distributions paid and payable  | 839                     | 1,502               |

### Returns

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

|                                  | Returns*                                 |  |  |
|----------------------------------|--|--|--|
|                                  | 1 July 2021<br>to<br>31 December<br>2021 | 1 July 2020<br>to<br>31 December<br>2020 | 1 July 2019<br>to<br>31 December<br>2019 |
|                                  | % p.a.                                   | % p.a.                                   | % p.a.                                   |
| iShares Core Cash ETF            | ***                                      | 0.06                                     | 0.54                                     |
| iShares Core Composite Bond ETF  | (1.24)                                   | 0.84                                     | 0.56                                     |
| iShares Enhanced Cash ETF        | 0.02                                     | 0.26                                     | 0.61                                     |
| iShares Government Inflation ETF | 1.72                                     | 5.26                                     | 0.98                                     |
| iShares Core Corporate Bond ETF  | (1.49)                                   | 3.04                                     | **                                       |
| iShares Yield Plus ETF           | (0.29)                                   | 1.76                                     | **                                       |
| iShares Treasury ETF             | (1.17)                                   | 0.12                                     | 0.22                                     |

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

\*\* Returns are Nil as the fund has not completed the target period since inception.

\*\*\* The amount is nil when it is rounded to two decimal places.

### Significant Changes in State of Affairs

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

### Rounding of Amounts

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

## Directors' Report (continued)

### Additional Disclosure

The Funds have applied the relief available in ASIC Corporations (Disclosing Entities) Instrument 2015/839 issued by the Australian Securities and Investments Commission in the preparation of this report. This class order allows registered schemes with a common responsible entity to include their financial statements in adjacent columns in a single financial report.

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

### Outbreak of COVID-19

The infectious respiratory illness caused by a novel coronavirus known as COVID-19 has given rise to an extended global pandemic and has resulted in travel restrictions, closed international borders, enhanced health screenings at ports of entry and elsewhere, disruption of and delays in healthcare service preparation and delivery, prolonged quarantines, cancellations, supply chain disruptions, and lower consumer demand, as well as general concern and uncertainty. While developments are being made with a view to ameliorating the effects of the pandemic, including the adoption in many countries of widescale vaccination programmes, the impact of COVID-19 continues to adversely affect the economies of many nations across the entire global economy, individual issuers and capital markets. It is not yet possible to predict with any accuracy how long this impact will continue to be felt. In addition, the impact of infectious illnesses in emerging market countries may be greater in impact, and more prolonged in duration, due to generally less established healthcare systems. Public health crises caused by the COVID-19 outbreak may exacerbate other pre-existing political, social and economic risks in certain countries or globally. The duration of the COVID-19 outbreak and its effects cannot be determined with certainty.

### Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 5.

The condensed financial statements were authorised for issue by the directors on 11 March 2022.

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



Director  
A Landman

Sydney  
11 March 2022

11 March 2022

The Board of Directors  
BlackRock Investment Management (Australia) Limited  
Level 34, 477 Collins Street  
MELBOURNE VIC 3000

Dear Directors


**iShares Core Cash ETF, iShares Core Composite Bond ETF, iShares Enhanced Cash ETF, iShares Government Inflation ETF, iShares Core Corporate Bond ETF, iShares Yield Plus ETF and iShares Treasury ETF (collectively "iShares Domestic Fixed Interest Funds" or the "Funds")**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of BlackRock Investment Management (Australia) Limited as Responsible Entity of iShares Domestic Fixed Interest Funds.

As lead audit partner for the review of the financial statements of iShares Domestic Fixed Interest Funds for the financial period 1 July 2021 to 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Neil Brown  
Partner  
Chartered Accountants



iShares Domestic Fixed Interest Funds  
Condensed Statements of Profit or Loss and Other Comprehensive Income  
For the half-year ended 31 December 2021

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

|   | Notes | iShares Core<br>Cash ETF |                     | iShares Core<br>Composite Bond ETF |                     |
|---|-------|--------------------------|---------------------|------------------------------------|---------------------|
|   |       | Half-year ended          |                     | Half-year ended                    |                     |
|   |       | 31 December<br>2021      | 31 December<br>2020 | 31 December<br>2021                | 31 December<br>2020 |
|   |       | \$'000                   | \$'000              | \$'000                             | \$'000              |
| <b><i>Investment income</i></b>   |       |                          |                     |                                    |                     |
| Interest income   |       | 4                        | 39                  | -                                  | -                   |
| Net gains/(losses) on financial instruments held at fair value through profit or loss (including any FX gains/(losses)) | 4     | 135                      | 464                 | (19,646)                           | 12,041              |
| Other income  |       | -                        | -                   | -                                  | 7                   |
| <b><i>Total net investment income/(loss)</i></b>  |       | <u>139</u>               | <u>503</u>          | <u>(19,646)</u>                    | <u>12,048</u>       |
| <b><i>Expenses</i></b>  |       |                          |                     |                                    |                     |
| Management fees   |       | 139                      | 194                 | 1,391                              | 1,089               |
| Custody movement fees   |       | <u>2</u>                 | <u>2</u>            | <u>6</u>                           | <u>5</u>            |
| <b><i>Total operating expenses</i></b>  |       | <u>141</u>               | <u>196</u>          | <u>1,397</u>                       | <u>1,094</u>        |
| <b><i>Profit/(loss) for the half-year</i></b>   |       | <u>(2)</u>               | <u>307</u>          | <u>(21,043)</u>                    | <u>10,954</u>       |
| Other comprehensive income  |       | -                        | -                   | -                                  | -                   |
| <b><i>Total comprehensive income/(loss) for the half-year</i></b>   |       | <u>(2)</u>               | <u>307</u>          | <u>(21,043)</u>                    | <u>10,954</u>       |

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

iShares Domestic Fixed Interest Funds  
Condensed Statements of Profit or Loss and Other Comprehensive Income  
For the half-year ended 31 December 2021

**Condensed Statements of Profit or Loss and Other Comprehensive Income (continued)**

|   |       | iShares Enhanced<br>Cash ETF |                     | iShares Government<br>Inflation ETF |                     |
|---|-------|------------------------------|---------------------|-------------------------------------|---------------------|
|   |       | Half-year ended              |                     | Half-year ended                     |                     |
|   |       | 31 December<br>2021          | 31 December<br>2020 | 31 December<br>2021                 | 31 December<br>2020 |
|   | Notes | \$'000                       | \$'000              | \$'000                              | \$'000              |
| <b>Investment income</b>  |       |                              |                     |                                     |                     |
| Interest income   |       | 27                           | 74                  | -                                   | -                   |
| Net gains/(losses) on financial instruments held at fair value through profit or loss (including any FX gains/(losses)) | 4     | 174                          | 548                 | 5,330                               | 9,073               |
| Other income  |       | -                            | -                   | -                                   | 1                   |
| <b>Total net investment income/(loss)</b>   |       | <u>201</u>                   | <u>622</u>          | <u>5,330</u>                        | <u>9,074</u>        |
| <b>Expenses</b>   |       |                              |                     |                                     |                     |
| Management fees   |       | 150                          | 117                 | 268                                 | 154                 |
| Custody movement fees   |       | <u>2</u>                     | <u>1</u>            | <u>3</u>                            | <u>1</u>            |
| <b>Total operating expenses</b>   |       | <u>152</u>                   | <u>118</u>          | <u>271</u>                          | <u>155</u>          |
| <b>Profit/(loss) for the half-year</b>  |       | <u>49</u>                    | <u>504</u>          | <u>5,059</u>                        | <u>8,919</u>        |
| Other comprehensive income  |       | -                            | -                   | -                                   | -                   |
| <b>Total comprehensive income/(loss) for the half-year</b>  |       | <u><u>49</u></u>             | <u><u>504</u></u>   | <u><u>5,059</u></u>                 | <u><u>8,919</u></u> |

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

iShares Domestic Fixed Interest Funds  
Condensed Statements of Profit or Loss and Other Comprehensive Income  
For the half-year ended 31 December 2021

**Condensed Statements of Profit or Loss and Other Comprehensive Income (continued)**

|   | Notes | iShares Core<br>Corporate Bond ETF |                     | iShares Yield Plus ETF |                     |
|---|-------|------------------------------------|---------------------|------------------------|---------------------|
|   |       | Half-year ended                    |                     | Half-year ended        |                     |
|   |       | 31 December<br>2021                | 31 December<br>2020 | 31 December<br>2021    | 31 December<br>2020 |
|   |       | \$'000                             | \$'000              | \$'000                 | \$'000              |
| <b>Investment income</b>  |       |                                    |                     |                        |                     |
| Interest income   |       | -                                  | -                   | -                      | -                   |
| Net gains/(losses) on financial instruments held at fair value through profit or loss (including any FX gains/(losses)) | 4     | (312)                              | 339                 | (18)                   | 181                 |
| Other income  |       | -                                  | -                   | -                      | -                   |
| <b>Total net investment income/(loss)</b>   |       | <u>(312)</u>                       | <u>339</u>          | <u>(18)</u>            | <u>181</u>          |
| <b>Expenses</b>   |       |                                    |                     |                        |                     |
| Management fees   |       | 14                                 | 9                   | 5                      | 6                   |
| Custody movement fees   |       | 1                                  | 1                   | -                      | 1                   |
| <b>Total operating expenses</b>   |       | <u>15</u>                          | <u>10</u>           | <u>5</u>               | <u>7</u>            |
| <b>Profit/(loss) for the half-year</b>  |       | <u>(327)</u>                       | <u>329</u>          | <u>(23)</u>            | <u>174</u>          |
| Other comprehensive income  |       | -                                  | -                   | -                      | -                   |
| <b>Total comprehensive income/(loss) for the half-year</b>  |       | <u>(327)</u>                       | <u>329</u>          | <u>(23)</u>            | <u>174</u>          |

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

iShares Domestic Fixed Interest Funds  
Condensed Statements of Profit or Loss and Other Comprehensive Income  
For the half-year ended 31 December 2021

**Condensed Statements of Profit or Loss and Other Comprehensive Income (continued)**

|   | iShares Treasury<br>ETF |                         |
|---|-------------------------|-------------------------|
|   | Half-year ended         |                         |
|   | 31 December<br>2021     | 31 December<br>2020     |
| Notes   | \$'000                  | \$'000                  |
| <b><i>Investment income</i></b>   |                         |                         |
| Interest income   | -                       | -                       |
| Net gains/(losses) on financial instruments held at fair value through profit or loss (including any FX gains/(losses)) | 4      159              | 178                     |
| Other income  | -                       | -                       |
| <b><i>Total net investment income/(loss)</i></b>  | <b><u>159</u></b>       | <b><u>178</u></b>       |
| <b><i>Expenses</i></b>  |                         |                         |
| Management fees   | 98                      | 92                      |
| Custody movement fees   | <u>5</u>                | <u>4</u>                |
| <b><i>Total operating expenses</i></b>  | <b><u>103</u></b>       | <b><u>96</u></b>        |
| <b><i>Profit/(loss) for the half-year</i></b>   | <b><u>56</u></b>        | <b><u>82</u></b>        |
| Other comprehensive income  | -                       | -                       |
| <b><i>Total comprehensive income/(loss) for the half-year</i></b>   | <b><u><u>56</u></u></b> | <b><u><u>82</u></u></b> |

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

## Condensed Statements of Financial Position

|  | Notes | iShares Core Cash ETF |                       | iShares Core Composite Bond ETF |                         |
|--|-------|-----------------------|-----------------------|---------------------------------|-------------------------|
|  |       | As at                 |                       | As at                           |                         |
|  |       | 31 December 2021      | 30 June 2021          | 31 December 2021                | 30 June 2021            |
|  |       | \$'000                | \$'000                | \$'000                          | \$'000                  |
| <b>Assets</b>  |       |                       |                       |                                 |                         |
| Cash and cash equivalents                                  |       | 147,045               | 432,325               | 3,123                           | 8,559                   |
| Financial assets held at fair value through profit or loss | 7     | 191,990               | 4,999                 | 1,864,044                       | 1,800,740               |
| Receivables  |       | <u>8</u>              | <u>7</u>              | <u>89</u>                       | <u>5,458</u>            |
| <b>Total assets</b>  |       | <u><b>339,043</b></u> | <u><b>437,331</b></u> | <u><b>1,867,256</b></u>         | <u><b>1,814,757</b></u> |
| <b>Liabilities</b>   |       |                       |                       |                                 |                         |
| Payables   |       | <u>46</u>             | <u>51</u>             | <u>2,066</u>                    | <u>3,380</u>            |
| <b>Total liabilities</b>                                   |       | <u><b>46</b></u>      | <u><b>51</b></u>      | <u><b>2,066</b></u>             | <u><b>3,380</b></u>     |
| <b>Net assets attributable to unitholders - equity</b>     | 6     | <u><b>338,997</b></u> | <u><b>437,280</b></u> | <u><b>1,865,190</b></u>         | <u><b>1,811,377</b></u> |

|  | Notes | iShares Enhanced Cash ETF |                       | iShares Government Inflation ETF |                       |
|--|-------|---------------------------|-----------------------|----------------------------------|-----------------------|
|  |       | As at                     |                       | As at                            |                       |
|  |       | 31 December 2021          | 30 June 2021          | 31 December 2021                 | 30 June 2021          |
|  |       | \$'000                    | \$'000                | \$'000                           | \$'000                |
| <b>Assets</b>  |       |                           |                       |                                  |                       |
| Cash and cash equivalents                                  |       | 49,505                    | 73,238                | 7,076                            | 1,568                 |
| Financial assets held at fair value through profit or loss | 7     | 193,856                   | 157,364               | 341,061                          | 264,948               |
| Receivables  |       | <u>10</u>                 | <u>5</u>              | <u>18</u>                        | <u>1,876</u>          |
| <b>Total assets</b>  |       | <u><b>243,371</b></u>     | <u><b>230,607</b></u> | <u><b>348,155</b></u>            | <u><b>268,392</b></u> |
| <b>Liabilities</b>   |       |                           |                       |                                  |                       |
| Payables   |       | <u>53</u>                 | <u>46</u>             | <u>1,268</u>                     | <u>1,403</u>          |
| <b>Total liabilities</b>                                   |       | <u><b>53</b></u>          | <u><b>46</b></u>      | <u><b>1,268</b></u>              | <u><b>1,403</b></u>   |
| <b>Net assets attributable to unitholders - equity</b>     | 6     | <u><b>243,318</b></u>     | <u><b>230,561</b></u> | <u><b>346,887</b></u>            | <u><b>266,989</b></u> |

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

**Condensed Statements of Financial Position (continued)**

|  | Notes | iShares Core<br>Corporate<br>Bond ETF |                      | iShares Yield<br>Plus ETF |                     |
|--|-------|---------------------------------------|----------------------|---------------------------|---------------------|
|  |       | As at                                 |                      | As at                     |                     |
|  |       | 31 December<br>2021                   | 30 June<br>2021      | 31 December<br>2021       | 30 June<br>2021     |
|  |       | \$'000                                | \$'000               | \$'000                    | \$'000              |
| <b>Assets</b>  |       |                                       |                      |                           |                     |
| Cash and cash equivalents                                  |       | 1,044                                 | 52                   | 363                       | 343                 |
| Financial assets held at fair value through profit or loss | 7     | 27,742                                | 14,639               | 11,197                    | 8,309               |
| Receivables  |       | <u>1</u>                              | <u>100</u>           | <u>233</u>                | <u>1</u>            |
| <b>Total assets</b>  |       | <u><b>28,787</b></u>                  | <u><b>14,791</b></u> | <u><b>11,793</b></u>      | <u><b>8,653</b></u> |
| <b>Liabilities</b>   |       |                                       |                      |                           |                     |
| Payables   |       | <u>365</u>                            | <u>4</u>             | <u>241</u>                | <u>33</u>           |
| <b>Total liabilities</b>                                   |       | <u><b>365</b></u>                     | <u><b>4</b></u>      | <u><b>241</b></u>         | <u><b>33</b></u>    |
| <b>Net assets attributable to unitholders - equity</b>     | 6     | <u><b>28,422</b></u>                  | <u><b>14,787</b></u> | <u><b>11,552</b></u>      | <u><b>8,620</b></u> |

|  | Notes | iShares Treasury<br>ETF |                       |
|--|-------|-------------------------|-----------------------|
|  |       | As at                   |                       |
|  |       | 31 December<br>2021     | 30 June<br>2021       |
|  |       | \$'000                  | \$'000                |
| <b>Assets</b>  |       |                         |                       |
| Cash and cash equivalents                                  |       | 114                     | 111                   |
| Financial assets held at fair value through profit or loss | 7     | 144,340                 | 112,877               |
| Receivables  |       | <u>2,632</u>            | <u>937</u>            |
| <b>Total assets</b>  |       | <u><b>147,086</b></u>   | <u><b>113,925</b></u> |
| <b>Liabilities</b>   |       |                         |                       |
| Payables   |       | <u>2,646</u>            | <u>290</u>            |
| <b>Total liabilities</b>                                   |       | <u><b>2,646</b></u>     | <u><b>290</b></u>     |
| <b>Net assets attributable to unitholders - equity</b>     | 6     | <u><b>144,440</b></u>   | <u><b>113,635</b></u> |

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

iShares Domestic Fixed Interest Funds  
Condensed Statements of Changes in Equity  
For the half-year ended 31 December 2021

## Condensed Statements of Changes in Equity

|  |       | iShares Core<br>Cash ETF     |                       | iShares Core Composite<br>Bond ETF  |                         |
|--|-------|------------------------------|-----------------------|-------------------------------------|-------------------------|
|  |       | Half-year ended              |                       | Half-year ended                     |                         |
|  |       | 31 December<br>2021          | 31 December<br>2020   | 31 December<br>2021                 | 31 December<br>2020     |
|  | Notes | \$'000                       | \$'000                | \$'000                              | \$'000                  |
| <b><i>Total equity at the beginning of the financial half-year</i></b> |       | 437,280                      | 560,202               | 1,811,377                           | 1,275,826               |
| <b><i>Comprehensive income for the half-year</i></b>                   |       |                              |                       |                                     |                         |
| Profit/(loss) for the half-year  |       | <u>(2)</u>                   | <u>307</u>            | <u>(21,043)</u>                     | <u>10,954</u>           |
| <b><i>Total comprehensive income for the half-year</i></b>             |       | <u>(2)</u>                   | <u>307</u>            | <u>(21,043)</u>                     | <u>10,954</u>           |
| <b><i>Transactions with unitholders</i></b>                            |       |                              |                       |                                     |                         |
| Creations  | 6     | 110,272                      | 64,669                | 201,297                             | 374,780                 |
| Redemptions  | 6     | (208,513)                    | (85,220)              | (109,783)                           | (3,478)                 |
| Units issued upon reinvestment of distributions                        | 6     | -                            | 3                     | 968                                 | 1,026                   |
| Distributions paid and payable   | 5     | <u>(40)</u>                  | <u>(467)</u>          | <u>(17,626)</u>                     | <u>(14,421)</u>         |
| <b><i>Total transactions with unitholders</i></b>                      |       | <u>(98,281)</u>              | <u>(21,015)</u>       | <u>74,856</u>                       | <u>357,907</u>          |
| <b><i>Total equity at the end of the financial half-year</i></b>       |       | <u><u>338,997</u></u>        | <u><u>539,494</u></u> | <u><u>1,865,190</u></u>             | <u><u>1,644,687</u></u> |
|  |       |                              |                       |                                     |                         |
|  |       | iShares Enhanced<br>Cash ETF |                       | iShares Government<br>Inflation ETF |                         |
|  |       | Half-year ended              |                       | Half-year ended                     |                         |
|  |       | 31 December<br>2021          | 31 December<br>2020   | 31 December<br>2021                 | 31 December<br>2020     |
|  | Notes | \$'000                       | \$'000                | \$'000                              | \$'000                  |
| <b><i>Total equity at the beginning of the financial half-year</i></b> |       | 230,561                      | 194,180               | 266,989                             | 141,051                 |
| <b><i>Comprehensive income for the half-year</i></b>                   |       |                              |                       |                                     |                         |
| Profit/(loss) for the half-year  |       | <u>49</u>                    | <u>504</u>            | <u>5,059</u>                        | <u>8,919</u>            |
| <b><i>Total comprehensive income for the half-year</i></b>             |       | <u>49</u>                    | <u>504</u>            | <u>5,059</u>                        | <u>8,919</u>            |
| <b><i>Transactions with unitholders</i></b>                            |       |                              |                       |                                     |                         |
| Creations  | 6     | 45,620                       | 40,854                | 76,035                              | 114,816                 |
| Redemptions  | 6     | (32,762)                     | (31,074)              | -                                   | (11,477)                |
| Units issued upon reinvestment of distributions                        | 6     | 1                            | 5                     | 39                                  | 38                      |
| Distributions paid and payable   | 5     | <u>(151)</u>                 | <u>(310)</u>          | <u>(1,235)</u>                      | <u>(816)</u>            |
| <b><i>Total transactions with unitholders</i></b>                      |       | <u>12,708</u>                | <u>9,475</u>          | <u>74,839</u>                       | <u>102,561</u>          |
| <b><i>Total equity at the end of the financial half-year</i></b>       |       | <u><u>243,318</u></u>        | <u><u>204,159</u></u> | <u><u>346,887</u></u>               | <u><u>252,531</u></u>   |

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





## Condensed Statements of Cash Flows

|   | Notes | iShares Core<br>Cash ETF |                         | iShares Core Composite<br>Bond ETF |                         |
|---|-------|--------------------------|-------------------------|------------------------------------|-------------------------|
|   |       | Half-year ended          |                         | Half-year ended                    |                         |
|   |       | 31 December<br>2021      | 31 December<br>2020     | 31 December<br>2021                | 31 December<br>2020     |
|   |       | \$'000                   | \$'000                  | \$'000                             | \$'000                  |
| <b><i>Cash flows from operating activities</i></b>                                    |       |                          |                         |                                    |                         |
| Proceeds from sale of financial instruments held at fair value through profit or loss |       | 407,885                  | 580,070                 | 145,580                            | 120,812                 |
| Purchase of financial instruments held at fair value through profit or loss           |       | (594,871)                | (879,589)               | (248,161)                          | (497,225)               |
| Interest received   |       | 135                      | 46                      | 23,647                             | 20,943                  |
| Dividends/distributions received  |       | -                        | -                       | -                                  | -                       |
| Other income received   |       | -                        | -                       | -                                  | 7                       |
| Management fees paid  |       | (146)                    | (184)                   | (1,352)                            | (984)                   |
| Operating expenses paid   |       | (2)                      | (2)                     | (6)                                | (10)                    |
| <b><i>Net cash inflow/(outflow) from operating activities</i></b>                     |       | <b><u>(186,999)</u></b>  | <b><u>(299,659)</u></b> | <b><u>(80,292)</u></b>             | <b><u>(356,457)</u></b> |
| <b><i>Cash flows from financing activities</i></b>                                    |       |                          |                         |                                    |                         |
| Proceeds from creations by unitholders  |       | 110,272                  | 64,669                  | 201,297                            | 376,530                 |
| Payments for redemptions by unitholders   |       | (208,513)                | (85,220)                | (109,783)                          | (3,478)                 |
| Distributions paid  |       | (40)                     | (464)                   | (16,658)                           | (13,395)                |
| <b><i>Net cash inflow/(outflow) from financing activities</i></b>                     |       | <b><u>(98,281)</u></b>   | <b><u>(21,015)</u></b>  | <b><u>74,856</u></b>               | <b><u>359,657</u></b>   |
| <b><i>Net increase/(decrease) in cash and cash equivalents</i></b>                    |       |                          |                         |                                    |                         |
| Cash and cash equivalents at the beginning of the half-year                           |       | <u>432,325</u>           | <u>560,241</u>          | <u>8,559</u>                       | <u>6,406</u>            |
| <b><i>Cash and cash equivalents at the end of the half-year</i></b>                   |       | <b><u>147,045</u></b>    | <b><u>239,567</u></b>   | <b><u>3,123</u></b>                | <b><u>9,606</u></b>     |
| Non cash financing activities   | 6     | <u>-</u>                 | <u>3</u>                | <u>968</u>                         | <u>1,026</u>            |

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

## Condensed Statements of Cash Flows (continued)

|   | Notes | iShares Enhanced<br>Cash ETF                     |                               | iShares Government<br>Inflation ETF              |                               |
|---|-------|--|-------------------------------|--|-------------------------------|
|   |       | Half-year ended<br>31 December<br>2021<br>\$'000 | 31 December<br>2020<br>\$'000 | Half-year ended<br>31 December<br>2021<br>\$'000 | 31 December<br>2020<br>\$'000 |
| <b><i>Cash flows from operating activities</i></b>                                    |       |  |                               |  |                               |
| Proceeds from sale of financial instruments held at fair value through profit or loss |       | 221,284  | 185,901                       | 13,466   | 22,344                        |
| Purchase of financial instruments held at fair value through profit or loss           |       | (257,897)  | (220,469)                     | (84,892)   | (127,980)                     |
| Interest received   |       | 321  | 239                           | 2,348  | 1,561                         |
| Dividends/distributions received  |       | -  | -                             | -  | -                             |
| Other income received   |       | -  | -                             | -  | 1                             |
| Management fees paid  |       | (147)  | (114)                         | (250)  | (126)                         |
| Operating expenses paid   |       | (2)  | (1)                           | (3)  | (2)                           |
| <b><i>Net cash inflow/(outflow) from operating activities</i></b>                     |       | <b><u>(36,441)</u></b>                           | <b><u>(34,444)</u></b>        | <b><u>(69,331)</u></b>                           | <b><u>(104,202)</u></b>       |
| <b><i>Cash flows from financing activities</i></b>                                    |       |  |                               |  |                               |
| Proceeds from creations by unitholders  |       | 45,620   | 37,838                        | 76,035   | 116,095                       |
| Payments for redemptions by unitholders   |       | (32,762)   | (31,074)                      | -  | (11,477)                      |
| Distributions paid  |       | (150)  | (305)                         | (1,196)  | (778)                         |
| <b><i>Net cash inflow/(outflow) from financing activities</i></b>                     |       | <b><u>12,708</u></b>                             | <b><u>6,459</u></b>           | <b><u>74,839</u></b>                             | <b><u>103,840</u></b>         |
| <b><i>Net increase/(decrease) in cash and cash equivalents</i></b>                    |       | <b>(23,733)</b>                                  | <b>(27,985)</b>               | <b>5,508</b>                                     | <b>(362)</b>                  |
| Cash and cash equivalents at the beginning of the half-year                           |       | <u>73,238</u>                                    | <u>96,296</u>                 | <u>1,568</u>                                     | <u>668</u>                    |
| <b><i>Cash and cash equivalents at the end of the half-year</i></b>                   |       | <b><u>49,505</u></b>                             | <b><u>68,311</u></b>          | <b><u>7,076</u></b>                              | <b><u>306</u></b>             |
| Non cash financing activities   | 6     | <u>1</u>   | <u>5</u>                      | <u>39</u>  | <u>38</u>                     |

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

## Condensed Statements of Cash Flows (continued)

|   | iShares Core Corporate Bond<br>ETF |                       | iShares Yield Plus ETF |                       |
|---|------------------------------------|-----------------------|------------------------|-----------------------|
|   | Half-year ended                    |                       | Half-year ended        |                       |
|   | 31 December<br>2021                | 31 December<br>2020   | 31 December<br>2021    | 31 December<br>2020   |
| Notes   | \$'000                             | \$'000                | \$'000                 | \$'000                |
| <b><i>Cash flows from operating activities</i></b>                                    |                                    |                       |                        |                       |
| Proceeds from sale of financial instruments held at fair value through profit or loss | 1,304                              | 1,172                 | 2,298                  | 2,242                 |
| Purchase of financial instruments held at fair value through profit or loss           | (14,446)                           | (4,314)               | (5,295)                | (862)                 |
| Interest received   | 186                                | 167                   | 67                     | 121                   |
| Dividends/distributions received  | -                                  | -                     | 1                      | -                     |
| Other income received   | -                                  | -                     | -                      | -                     |
| Management fees paid  | (13)                               | (8)                   | (6)                    | (6)                   |
| Operating expenses paid   | (1)                                | (1)                   | -                      | (1)                   |
| <b><i>Net cash inflow/(outflow) from operating activities</i></b>                     | <b><u>(12,970)</u></b>             | <b><u>(2,984)</u></b> | <b><u>(2,935)</u></b>  | <b><u>1,494</u></b>   |
| <b><i>Cash flows from financing activities</i></b>                                    |                                    |                       |                        |                       |
| Proceeds from creations by unitholders  | 14,086                             | 3,084                 | 4,524                  | -                     |
| Payments for redemptions by unitholders   | -                                  | -                     | (1,518)                | (1,523)               |
| Distributions paid  | (124)                              | (54)                  | (51)                   | (60)                  |
| <b><i>Net cash inflow/(outflow) from financing activities</i></b>                     | <b><u>13,962</u></b>               | <b><u>3,030</u></b>   | <b><u>2,955</u></b>    | <b><u>(1,583)</u></b> |
| <b><i>Net increase/(decrease) in cash and cash equivalents</i></b>                    | <b>992</b>                         | <b>46</b>             | <b>20</b>              | <b>(89)</b>           |
| Cash and cash equivalents at the beginning of the half-year                           | <u>52</u>                          | <u>144</u>            | <u>343</u>             | <u>256</u>            |
| <b><i>Cash and cash equivalents at the end of the half-year</i></b>                   | <b><u>1,044</u></b>                | <b><u>190</u></b>     | <b><u>363</u></b>      | <b><u>167</u></b>     |
| Non cash financing activities   | 6                                  | -                     | 5                      | 2                     |

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

## Condensed Statements of Cash Flows (continued)

|  |   | iShares Treasury<br>ETF |                        |
|--|---|-------------------------|------------------------|
|  |   | Half-year ended         |                        |
|  |   | 31 December<br>2021     | 31 December<br>2020    |
| Notes  | \$'000  | \$'000                  |                        |
| <b><i>Cash flows from operating activities</i></b> |   |                         |                        |
|  | Proceeds from sale of financial instruments held at fair value through profit or loss | 39,566                  | 17,506                 |
|  | Purchase of financial instruments held at fair value through profit or loss           | (73,521)                | (43,072)               |
|  | Interest received   | 1,136                   | 1,290                  |
|  | Dividends/distributions received  | -                       | -                      |
|  | Other income received   | -                       | -                      |
|  | Management fees paid  | (91)                    | (81)                   |
|  | Operating expenses paid   | <u>(5)</u>              | <u>(4)</u>             |
|  | <b><i>Net cash inflow/(outflow) from operating activities</i></b>                     | <b><u>(32,915)</u></b>  | <b><u>(24,361)</u></b> |
| <b><i>Cash flows from financing activities</i></b> |   |                         |                        |
|  | Proceeds from creations by unitholders  | 69,043                  | 26,887                 |
|  | Payments for redemptions by unitholders   | (35,306)                | (1,131)                |
|  | Distributions paid  | <u>(819)</u>            | <u>(1,461)</u>         |
|  | <b><i>Net cash inflow/(outflow) from financing activities</i></b>                     | <b><u>32,918</u></b>    | <b><u>24,295</u></b>   |
|  | <b><i>Net increase/(decrease) in cash and cash equivalents</i></b>                    | <b>3</b>                | <b>(66)</b>            |
|  | Cash and cash equivalents at the beginning of the half-year                           | <u>111</u>              | <u>199</u>             |
|  | <b><i>Cash and cash equivalents at the end of the half-year</i></b>                   | <b><u>114</u></b>       | <b><u>133</u></b>      |
|  | Non cash financing activities   | 6 <u>20</u>             | <u>41</u>              |

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

## 1 Statement of Compliance

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

These condensed financial statements do not include all the notes normally included in an annual financial report. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

## 2 Basis of Preparation and Accounting Policies

These condensed financial statements include financial statements for iShares Core Cash ETF, iShares Core Composite Bond ETF, iShares Enhanced Cash ETF, iShares Government Inflation ETF, iShares Core Corporate Bond ETF, iShares Yield Plus ETF and iShares Treasury ETF (the "Funds") as individual entities. The Funds were constituted on 9 February 2017, 2 December 2011, 9 February 2017, 2 December 2011, 10 March 2020, 10 March 2020 and 26 August 2010, respectively.

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

The accounting policies and methods of computation adopted in the preparation of the half-year financial statements are consistent with those adopted and disclosed in the Funds' 2021 annual financial report for the financial year ended 30 June 2021.

There are no new standards, interpretations or amendments to existing standards that are effective for the first time for the financial half-year beginning 1 July 2021 that would be expected to have a material impact on the Funds.

## 3 Financial Risk Management

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

The carrying amounts of the Funds' assets and liabilities at the end of each reporting period approximate their fair values.

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

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

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

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

The Funds value their investments in accordance with the accounting policies set out in Note 2 of the annual financial report for financial year ended 30 June 2021. For the majority of their investments, the Funds rely on information provided by independent pricing services for the valuation of their investments.

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

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

### 3 Financial Risk Management (continued)

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

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

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

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

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

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

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

#### (b) Fair Value Hierarchy

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

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

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

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

The following tables present the Funds' financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 31 December 2021 and 30 June 2021.

|                         | iShares Core Cash ETF |                 |                 | Total                 |
|-------------------------|-----------------------|-----------------|-----------------|-----------------------|
|                         | Level 1               | Level 2         | Level 3         |                       |
| As at 31 December 2021  | \$'000                | \$'000          | \$'000          | \$'000                |
| <b>Financial assets</b> |                       |                 |                 |                       |
| Money market securities | <u>191,990</u>        | <u>-</u>        | <u>-</u>        | <u>191,990</u>        |
| <b>Total</b>            | <u><u>191,990</u></u> | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>191,990</u></u> |

### 3 Financial Risk Management (continued)

(b) Fair Value Hierarchy (continued)

|                         | iShares Core Cash ETF |                   |                   | Total<br>\$'000 |
|-------------------------|-----------------------|-------------------|-------------------|-----------------|
|                         | Level 1<br>\$'000     | Level 2<br>\$'000 | Level 3<br>\$'000 |                 |
| As at 30 June 2021      |                       |                   |                   |                 |
| <b>Financial assets</b> |                       |                   |                   |                 |
| Money market securities | 4,999                 | -                 | -                 | 4,999           |
| <b>Total</b>            | <u>4,999</u>          | <u>-</u>          | <u>-</u>          | <u>4,999</u>    |

|                             | iShares Core Composite Bond ETF |                   |                   | Total<br>\$'000  |
|-----------------------------|---------------------------------|-------------------|-------------------|------------------|
|                             | Level 1<br>\$'000               | Level 2<br>\$'000 | Level 3<br>\$'000 |                  |
| As at 31 December 2021      |                                 |                   |                   |                  |
| <b>Financial assets</b>     |                                 |                   |                   |                  |
| Interest bearing securities | -                               | 1,861,678         | -                 | 1,861,678        |
| Money market securities     | -                               | 2,366             | -                 | 2,366            |
| <b>Total</b>                | <u>-</u>                        | <u>1,864,044</u>  | <u>-</u>          | <u>1,864,044</u> |

|                             | iShares Core Composite Bond ETF |                   |                   | Total<br>\$'000  |
|-----------------------------|---------------------------------|-------------------|-------------------|------------------|
|                             | Level 1<br>\$'000               | Level 2<br>\$'000 | Level 3<br>\$'000 |                  |
| As at 30 June 2021          |                                 |                   |                   |                  |
| <b>Financial assets</b>     |                                 |                   |                   |                  |
| Interest bearing securities | -                               | 1,800,740         | -                 | 1,800,740        |
| <b>Total</b>                | <u>-</u>                        | <u>1,800,740</u>  | <u>-</u>          | <u>1,800,740</u> |

|                             | iShares Enhanced Cash ETF |                   |                   | Total<br>\$'000 |
|-----------------------------|---------------------------|-------------------|-------------------|-----------------|
|                             | Level 1<br>\$'000         | Level 2<br>\$'000 | Level 3<br>\$'000 |                 |
| As at 31 December 2021      |                           |                   |                   |                 |
| <b>Financial assets</b>     |                           |                   |                   |                 |
| Interest bearing securities | -                         | 31,357            | -                 | 31,357          |
| Money market securities     | 156,978                   | 5,521             | -                 | 162,499         |
| <b>Total</b>                | <u>156,978</u>            | <u>36,878</u>     | <u>-</u>          | <u>193,856</u>  |

|                             | iShares Enhanced Cash ETF |                   |                   | Total<br>\$'000 |
|-----------------------------|---------------------------|-------------------|-------------------|-----------------|
|                             | Level 1<br>\$'000         | Level 2<br>\$'000 | Level 3<br>\$'000 |                 |
| As at 30 June 2021          |                           |                   |                   |                 |
| <b>Financial assets</b>     |                           |                   |                   |                 |
| Interest bearing securities | -                         | 40,393            | -                 | 40,393          |
| Money market securities     | 64,995                    | 51,976            | -                 | 116,971         |
| <b>Total</b>                | <u>64,995</u>             | <u>92,369</u>     | <u>-</u>          | <u>157,364</u>  |

|                             | iShares Government Inflation ETF |                   |                   | Total<br>\$'000 |
|-----------------------------|----------------------------------|-------------------|-------------------|-----------------|
|                             | Level 1<br>\$'000                | Level 2<br>\$'000 | Level 3<br>\$'000 |                 |
| As at 31 December 2021      |                                  |                   |                   |                 |
| <b>Financial assets</b>     |                                  |                   |                   |                 |
| Interest bearing securities | -                                | 341,061           | -                 | 341,061         |
| <b>Total</b>                | <u>-</u>                         | <u>341,061</u>    | <u>-</u>          | <u>341,061</u>  |

### 3 Financial Risk Management (continued)

(b) Fair Value Hierarchy (continued)

|                             | iShares Government Inflation ETF |                   |                   |                 |
|-----------------------------|----------------------------------|-------------------|-------------------|-----------------|
|                             | Level 1<br>\$'000                | Level 2<br>\$'000 | Level 3<br>\$'000 | Total<br>\$'000 |
| As at 30 June 2021          |                                  |                   |                   |                 |
| <b>Financial assets</b>     |                                  |                   |                   |                 |
| Interest bearing securities | -                                | 264,948           | -                 | 264,948         |
| <b>Total</b>                | <u>-</u>                         | <u>264,948</u>    | <u>-</u>          | <u>264,948</u>  |

|                             | iShares Core Corporate Bond ETF |                   |                   |                 |
|-----------------------------|---------------------------------|-------------------|-------------------|-----------------|
|                             | Level 1<br>\$'000               | Level 2<br>\$'000 | Level 3<br>\$'000 | Total<br>\$'000 |
| As at 31 December 2021      |                                 |                   |                   |                 |
| <b>Financial assets</b>     |                                 |                   |                   |                 |
| Interest bearing securities | -                               | 27,586            | -                 | 27,586          |
| Money market securities     | -                               | 156               | -                 | 156             |
| <b>Total</b>                | <u>-</u>                        | <u>27,742</u>     | <u>-</u>          | <u>27,742</u>   |

|                             | iShares Core Corporate Bond ETF |                   |                   |                 |
|-----------------------------|---------------------------------|-------------------|-------------------|-----------------|
|                             | Level 1<br>\$'000               | Level 2<br>\$'000 | Level 3<br>\$'000 | Total<br>\$'000 |
| As at 30 June 2021          |                                 |                   |                   |                 |
| <b>Financial assets</b>     |                                 |                   |                   |                 |
| Interest bearing securities | -                               | 14,639            | -                 | 14,639          |
| <b>Total</b>                | <u>-</u>                        | <u>14,639</u>     | <u>-</u>          | <u>14,639</u>   |

|                             | iShares Yield Plus ETF |                   |                   |                 |
|-----------------------------|------------------------|-------------------|-------------------|-----------------|
|                             | Level 1<br>\$'000      | Level 2<br>\$'000 | Level 3<br>\$'000 | Total<br>\$'000 |
| As at 31 December 2021      |                        |                   |                   |                 |
| <b>Financial assets</b>     |                        |                   |                   |                 |
| Interest bearing securities | -                      | 10,230            | -                 | 10,230          |
| Money market securities     | -                      | 967               | -                 | 967             |
| <b>Total</b>                | <u>-</u>               | <u>11,197</u>     | <u>-</u>          | <u>11,197</u>   |

|                             | iShares Yield Plus ETF |                   |                   |                 |
|-----------------------------|------------------------|-------------------|-------------------|-----------------|
|                             | Level 1<br>\$'000      | Level 2<br>\$'000 | Level 3<br>\$'000 | Total<br>\$'000 |
| As at 30 June 2021          |                        |                   |                   |                 |
| <b>Financial assets</b>     |                        |                   |                   |                 |
| Interest bearing securities | -                      | 8,309             | -                 | 8,309           |
| <b>Total</b>                | <u>-</u>               | <u>8,309</u>      | <u>-</u>          | <u>8,309</u>    |



### 3 Financial Risk Management (continued)

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

| As at 31 December 2021      | iShares Treasury ETF |                   |                   | Total<br>\$'000 |
|-----------------------------|----------------------|-------------------|-------------------|-----------------|
|                             | Level 1<br>\$'000    | Level 2<br>\$'000 | Level 3<br>\$'000 |                 |
| <b>Financial assets</b>     |                      |                   |                   |                 |
| Interest bearing securities | -                    | 144,340           | -                 | 144,340         |
| <b>Total</b>                | <u>-</u>             | <u>144,340</u>    | <u>-</u>          | <u>144,340</u>  |

| As at 30 June 2021          | iShares Treasury ETF |                   |                   | Total<br>\$'000 |
|-----------------------------|----------------------|-------------------|-------------------|-----------------|
|                             | Level 1<br>\$'000    | Level 2<br>\$'000 | Level 3<br>\$'000 |                 |
| <b>Financial assets</b>     |                      |                   |                   |                 |
| Interest bearing securities | -                    | 112,877           | -                 | 112,877         |
| <b>Total</b>                | <u>-</u>             | <u>112,877</u>    | <u>-</u>          | <u>112,877</u>  |

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

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

Investments classified as level 2 are money market securities and debt instruments. The fair value of money market securities and debt instruments is derived from industry standard valuation models with published or observable market data.

The Funds' assets and liabilities not measured at fair value on a recurring basis (but fair value disclosures are required) at 31 December 2021 and 30 June 2021 have been classified as level 2. The carrying amounts of these assets and liabilities approximate their fair values as at the end of the reporting date.

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

The Funds did not hold any level 3 instruments during the half-year ended 31 December 2021 (30 June 2021: Nil).

There were no transfers between levels for recurring fair value measurements during the half-year ended 31 December 2021 (30 June 2021: Nil).

#### (c) COVID-19 Impact

An outbreak of an infectious respiratory illness caused by a novel coronavirus known as COVID-19 has developed into a global pandemic. The impact of COVID-19 has adversely affected the economies of many nations across the entire global economy, individual issuers and capital markets, and could continue to extents that cannot necessarily be foreseen.

The Responsible Entity has assessed the impact of COVID-19 in preparing the financial statements. As at the reporting date, the carrying value of financial assets and liabilities held at fair value through profit or loss have an appropriate consideration of market conditions as at reporting date on the inputs to valuations, the classification in the fair value hierarchy and credit and liquidity concerns. There has been no impact on other assets and liabilities nor on the going concern ability of the Funds.

The nature of COVID-19 may impact future estimates and outcomes applied to the measuring of the Funds financial performance and position. The impact of events that arise after the reporting period will be accounted for in future reporting periods.

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

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

|  | iShares Core<br>Cash ETF |                     | iShares Core Composite<br>Bond ETF |                      |
|--|--------------------------|---------------------|------------------------------------|----------------------|
|  | Half-year ended          |                     | Half-year ended                    |                      |
|  | 31 December<br>2021      | 31 December<br>2020 | 31 December<br>2021                | 31 December<br>2020  |
|  | \$'000                   | \$'000              | \$'000                             | \$'000               |
| Net gains/(losses) on financial assets and liabilities held at fair value through profit or loss (including any FX gains/(losses)) | <u>135</u>               | <u>464</u>          | <u>(19,646)</u>                    | <u>12,041</u>        |
|  | <u><u>135</u></u>        | <u><u>464</u></u>   | <u><u>(19,646)</u></u>             | <u><u>12,041</u></u> |

|  | iShares Enhanced<br>Cash ETF |                     | iShares Government<br>Inflation ETF |                     |
|--|------------------------------|---------------------|-------------------------------------|---------------------|
|  | Half-year ended              |                     | Half-year ended                     |                     |
|  | 31 December<br>2021          | 31 December<br>2020 | 31 December<br>2021                 | 31 December<br>2020 |
|  | \$'000                       | \$'000              | \$'000                              | \$'000              |
| Net gains/(losses) on financial assets and liabilities held at fair value through profit or loss (including any FX gains/(losses)) | <u>174</u>                   | <u>548</u>          | <u>5,330</u>                        | <u>9,073</u>        |
|  | <u><u>174</u></u>            | <u><u>548</u></u>   | <u><u>5,330</u></u>                 | <u><u>9,073</u></u> |

|  | iShares Core Corporate<br>Bond ETF |                     | iShares Yield Plus ETF |                     |
|--|------------------------------------|---------------------|------------------------|---------------------|
|  | Half-year ended                    |                     | Half-year ended        |                     |
|  | 31 December<br>2021                | 31 December<br>2020 | 31 December<br>2021    | 31 December<br>2020 |
|  | \$'000                             | \$'000              | \$'000                 | \$'000              |
| Net gains/(losses) on financial assets and liabilities held at fair value through profit or loss (including any FX gains/(losses)) | <u>(312)</u>                       | <u>339</u>          | <u>(18)</u>            | <u>181</u>          |
|  | <u><u>(312)</u></u>                | <u><u>339</u></u>   | <u><u>(18)</u></u>     | <u><u>181</u></u>   |

|  | iShares Treasury<br>ETF |                     |
|--|-------------------------|---------------------|
|  | Half-year ended         |                     |
|  | 31 December<br>2021     | 31 December<br>2020 |
|  | \$'000                  | \$'000              |
| Net gains/(losses) on financial assets and liabilities held at fair value through profit or loss (including any FX gains/(losses)) | <u>159</u>              | <u>178</u>          |
|  | <u><u>159</u></u>       | <u><u>178</u></u>   |

## 5 Distributions to Unitholders

The distributions during the half-year were as follows:

|                                   | <b>iShares Core Cash ETF</b> |             |                             |             |
|-----------------------------------|------------------------------|-------------|-----------------------------|-------------|
|                                   | <b>Half-year ended</b>       |             |                             |             |
|                                   | <b>31 December<br/>2021</b>  |             | <b>31 December<br/>2020</b> |             |
|                                   | <b>\$'000</b>                | <b>CPU</b>  | <b>\$'000</b>               | <b>CPU</b>  |
| Distributions paid - 30 June*     | 24                           | 0.55        | 178                         | 3.19        |
| Distributions paid - 31 July      | 5                            | 0.12        | 72                          | 1.33        |
| Distributions paid - 31 August    | 1                            | 0.03        | 71                          | 1.26        |
| Distributions paid - 30 September | 4                            | 0.10        | 61                          | 1.09        |
| Distributions paid - 31 October   | 4                            | 0.10        | 55                          | 1.00        |
| Distributions paid - 30 November  | <u>2</u>                     | <u>0.05</u> | <u>30</u>                   | <u>0.54</u> |
|                                   | <u><u>40</u></u>             |             | <u><u>467</u></u>           |             |

|                                   | <b>iShares Core Composite Bond ETF</b> |              |                             |              |
|-----------------------------------|--|--------------|-----------------------------|--------------|
|                                   | <b>Half-year ended</b>                 |              |                             |              |
|                                   | <b>31 December<br/>2021</b>            |              | <b>31 December<br/>2020</b> |              |
|                                   | <b>\$'000</b>                          | <b>CPU</b>   | <b>\$'000</b>               | <b>CPU</b>   |
| Distributions paid - 30 June*     | 11,673                                 | 73.09        | 9,065                       | 82.81        |
| Distributions paid - 30 September | <u>5,953</u>                           | <u>37.26</u> | <u>5,356</u>                | <u>42.60</u> |
|                                   | <u><u>17,626</u></u>                   |              | <u><u>14,421</u></u>        |              |

|                                   | <b>iShares Enhanced Cash ETF</b> |             |                             |             |
|-----------------------------------|----------------------------------|-------------|-----------------------------|-------------|
|                                   | <b>Half-year ended</b>           |             |                             |             |
|                                   | <b>31 December<br/>2021</b>      |             | <b>31 December<br/>2020</b> |             |
|                                   | <b>\$'000</b>                    | <b>CPU</b>  | <b>\$'000</b>               | <b>CPU</b>  |
| Distributions paid - 30 June*     | 29                               | 1.28        | 67                          | 3.40        |
| Distributions paid - 31 July      | 30                               | 1.24        | 79                          | 4.00        |
| Distributions paid - 31 August    | 28                               | 1.11        | 38                          | 2.05        |
| Distributions paid - 30 September | 25                               | 0.97        | 41                          | 2.18        |
| Distributions paid - 31 October   | 21                               | 0.78        | 46                          | 2.41        |
| Distributions paid - 30 November  | <u>18</u>                        | <u>0.78</u> | <u>39</u>                   | <u>2.02</u> |
|                                   | <u><u>151</u></u>                |             | <u><u>310</u></u>           |             |

|                                 | <b>iShares Government Inflation ETF</b> |             |                             |              |
|---------------------------------|---|-------------|-----------------------------|--------------|
|                                 | <b>Half-year ended</b>                  |             |                             |              |
|                                 | <b>31 December<br/>2021</b>             |             | <b>31 December<br/>2020</b> |              |
|                                 | <b>\$'000</b>                           | <b>CPU</b>  | <b>\$'000</b>               | <b>CPU</b>   |
| Distributions paid - Quarter 4* | 1,123                                   | 55.78       | 563                         | 51.03        |
| Distributions paid - Quarter 1  | <u>112</u>                              | <u>5.00</u> | <u>253</u>                  | <u>20.82</u> |
|                                 | <u><u>1,235</u></u>                     |             | <u><u>816</u></u>           |              |

\* Relates to 30 June 2021 and 30 June 2020 distributions which had an ex-date of 1 July 2021 and 1 July 2020 respectively.

## 5 Distributions to Unitholders (continued)

|                                 | <b>iShares Core Corporate Bond ETF</b> |          |                     |              |
|---------------------------------|--|----------|---------------------|--------------|
|                                 | <b>Half-year ended</b>                 |          |                     |              |
|                                 | 31 December<br>2021                    |          | 31 December<br>2020 |              |
|                                 | \$'000                                 | CPU      | \$'000              | CPU          |
| Distributions paid - Quarter 4* | 60                                     | 41.64    | 13                  | 12.80        |
| Distributions paid - Quarter 1  | 65                                     | 33.13    | -                   | -            |
| Distributions paid - Quarter 1  | <u>-</u>                               | <u>-</u> | <u>41</u>           | <u>35.62</u> |
|                                 | <u><b>125</b></u>                      |          | <u><b>54</b></u>    |              |

|                                   | <b>iShares Yield Plus ETF</b> |             |                     |             |
|-----------------------------------|-------------------------------|-------------|---------------------|-------------|
|                                   | <b>Half-year ended</b>        |             |                     |             |
|                                   | 31 December<br>2021           |             | 31 December<br>2020 |             |
|                                   | \$'000                        | CPU         | \$'000              | CPU         |
| Distributions paid - 30 June *    | 20                            | 23.61       | 13                  | 12.74       |
| Distributions paid - 31 July      | 9                             | 10.02       | 12                  | 12.52       |
| Distributions paid - 31 August    | 8                             | 10.94       | 12                  | 11.98       |
| Distributions paid - 30 September | 6                             | 8.32        | 7                   | 7.07        |
| Distributions paid - 31 October   | 5                             | 6.27        | 10                  | 9.57        |
| Distributions paid - 30 November  | <u>8</u>                      | <u>7.13</u> | <u>8</u>            | <u>8.08</u> |
|                                   | <u><b>56</b></u>              |             | <u><b>62</b></u>    |             |

|                                   | <b>iShares Treasury ETF</b> |             |                     |              |
|-----------------------------------|-----------------------------|-------------|---------------------|--------------|
|                                   | <b>Half-year ended</b>      |             |                     |              |
|                                   | 31 December<br>2021         |             | 31 December<br>2020 |              |
|                                   | \$'000                      | CPU         | \$'000              | CPU          |
| Distributions paid - 30 June *    | 779                         | 75.60       | 1,298               | 174.77       |
| Distributions paid - 30 September | <u>60</u>                   | <u>7.93</u> | <u>204</u>          | <u>22.34</u> |
|                                   | <u><b>839</b></u>           |             | <u><b>1,502</b></u> |              |

\* Relates to 30 June 2021 and 30 June 2020 distributions which had an ex-date of 1 July 2021 and 1 July 2020 respectively

## 6 Net Assets Attributable to Unitholders

Under AASB 132 *Financial instruments: Presentation*, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. The Funds shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions.

The Funds meet the criteria set out under AASB 132 and net assets attributable to unitholders is classified as equity.

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

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

|   | iShares Core Cash ETF |                     |                       |                       |
|---|-----------------------|---------------------|-----------------------|-----------------------|
|   | 31 December<br>2021   | 30 June<br>2021     | 31 December<br>2021   | 30 June<br>2021       |
|   | No.'000               | No.'000             | \$'000                | \$'000                |
| Opening balance                                 | 4,362                 | 5,586               | 437,280               | 560,202               |
| Profit/(loss) for the half-year                 | -                     | -                   | (2)                   | 334                   |
| Creations                                       | 1,100                 | 889                 | 110,272               | 89,109                |
| Redemptions                                     | (2,080)               | (2,113)             | (208,513)             | (211,842)             |
| Units issued upon reinvestment of distributions | -                     | -                   | -                     | 3                     |
| Distributions paid and payable                  | -                     | -                   | (40)                  | (526)                 |
| <b>Closing balance</b>                          | <b><u>3,382</u></b>   | <b><u>4,362</u></b> | <b><u>338,997</u></b> | <b><u>437,280</u></b> |

|   | iShares Core Composite Bond ETF |                      |                         |                         |
|---|---------------------------------|----------------------|-------------------------|-------------------------|
|   | 31 December<br>2021             | 30 June<br>2021      | 31 December<br>2021     | 30 June<br>2021         |
|   | No.'000                         | No.'000              | \$'000                  | \$'000                  |
| Opening balance                                 | 15,971                          | 10,933               | 1,811,377               | 1,275,826               |
| Profit/(loss) for the half-year                 | -                               | -                    | (21,043)                | (19,035)                |
| Creations                                       | 1,805                           | 5,560                | 201,297                 | 638,240                 |
| Redemptions                                     | (970)                           | (535)                | (109,783)               | (60,556)                |
| Units issued upon reinvestment of distributions | 9                               | 14                   | 968                     | 1,593                   |
| Distributions paid and payable                  | -                               | -                    | (17,626)                | (24,691)                |
| <b>Closing balance</b>                          | <b><u>16,815</u></b>            | <b><u>15,972</u></b> | <b><u>1,865,190</u></b> | <b><u>1,811,377</u></b> |

|   | iShares Enhanced Cash ETF |                     |                       |                       |
|---|---------------------------|---------------------|-----------------------|-----------------------|
|   | 31 December<br>2021       | 30 June<br>2021     | 31 December<br>2021   | 30 June<br>2021       |
|   | No.'000                   | No.'000             | \$'000                | \$'000                |
| Opening balance                                 | 2,294                     | 1,933               | 230,561               | 194,180               |
| Profit/(loss) for the half-year                 | -                         | -                   | 49                    | 622                   |
| Creations                                       | 454                       | 897                 | 45,620                | 90,108                |
| Redemptions                                     | (326)                     | (536)               | (32,762)              | (53,892)              |
| Units issued upon reinvestment of distributions | -                         | -                   | 1                     | 6                     |
| Distributions paid and payable                  | -                         | -                   | (151)                 | (463)                 |
| <b>Closing balance</b>                          | <b><u>2,422</u></b>       | <b><u>2,294</u></b> | <b><u>243,318</u></b> | <b><u>230,561</u></b> |

## 6 Net Assets Attributable to Unitholders (continued)

|   | iShares Government Inflation ETF |                     |                       |                       |
|---|----------------------------------|---------------------|-----------------------|-----------------------|
|   | 31 December<br>2021              | 30 June<br>2021     | 31 December<br>2021   | 30 June<br>2021       |
|   | No.'000                          | No.'000             | \$'000                | \$'000                |
| Opening balance                                 | 2,014                            | 1,094               | 266,989               | 141,051               |
| Profit/(loss) for the half-year                 | -                                | -                   | 5,059                 | 7,083                 |
| Creations                                       | 570                              | 1,035               | 76,035                | 135,178               |
| Redemptions                                     | -                                | (116)               | -                     | (15,351)              |
| Units issued upon reinvestment of distributions | -                                | -                   | 39                    | 45                    |
| Distributions paid and payable                  | -                                | -                   | (1,235)               | (1,017)               |
| <b>Closing balance</b>                          | <b><u>2,584</u></b>              | <b><u>2,013</u></b> | <b><u>346,887</u></b> | <b><u>266,989</u></b> |

|   | iShares Core Corporate Bond ETF |                   |                      |                      |
|---|---------------------------------|-------------------|----------------------|----------------------|
|   | 31 December<br>2021             | 30 June<br>2021   | 31 December<br>2021  | 30 June<br>2021      |
|   | No.'000                         | No.'000           | \$'000               | \$'000               |
| Opening balance                                 | 145                             | 100               | 14,787               | 10,083               |
| Profit/(loss) for the half-year                 | -                               | -                 | (327)                | 235                  |
| Creations                                       | 140                             | 45                | 14,086               | 4,608                |
| Units issued upon reinvestment of distributions | -                               | -                 | 1                    | 1                    |
| Distributions paid and payable                  | -                               | -                 | (125)                | (140)                |
| <b>Closing balance</b>                          | <b><u>285</u></b>               | <b><u>145</u></b> | <b><u>28,422</u></b> | <b><u>14,787</u></b> |

|   | iShares Yield Plus ETF |                  |                      |                     |
|---|------------------------|------------------|----------------------|---------------------|
|   | 31 December<br>2021    | 30 June<br>2021  | 31 December<br>2021  | 30 June<br>2021     |
|   | No.'000                | No.'000          | \$'000               | \$'000              |
| Opening balance                                 | 85                     | 100              | 8,620                | 10,058              |
| Profit/(loss) for the half-year                 | -                      | -                | (23)                 | 188                 |
| Creations                                       | 45                     | -                | 4,524                | -                   |
| Redemptions                                     | (15)                   | (15)             | (1,518)              | (1,523)             |
| Units issued upon reinvestment of distributions | -                      | -                | 5                    | 6                   |
| Distributions paid and payable                  | -                      | -                | (56)                 | (109)               |
| <b>Closing balance</b>                          | <b><u>115</u></b>      | <b><u>85</u></b> | <b><u>11,552</u></b> | <b><u>8,620</u></b> |

|   | iShares Treasury ETF |                     |                       |                       |
|---|----------------------|---------------------|-----------------------|-----------------------|
|   | 31 December<br>2021  | 30 June<br>2021     | 31 December<br>2021   | 30 June<br>2021       |
|   | No.'000              | No.'000             | \$'000                | \$'000                |
| Opening balance                                 | 1,030                | 742                 | 113,635               | 85,461                |
| Profit/(loss) for the half-year                 | -                    | -                   | 56                    | (2,348)               |
| Creations                                       | 641                  | 392                 | 69,043                | 43,957                |
| Redemptions                                     | (336)                | (105)               | (37,475)              | (11,520)              |
| Units issued upon reinvestment of distributions | -                    | -                   | 20                    | 50                    |
| Distributions paid and payable                  | -                    | -                   | (839)                 | (1,965)               |
| <b>Closing balance</b>                          | <b><u>1,335</u></b>  | <b><u>1,029</u></b> | <b><u>144,440</u></b> | <b><u>113,635</u></b> |

## 6 Net Assets Attributable to Unitholders (continued)

### Capital Risk Management

The Funds manage their net assets attributable to unitholders as capital. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Funds are subject to daily creations and redemptions at the discretion of unitholders.

The Funds monitor the level of daily creations and redemptions relative to the liquid assets in the Funds. As of 31 December 2021 the capital of the Funds are represented in the net assets attributable to unitholders table.

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

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

|   | iShares Core<br>Cash ETF              |                       | iShares Core Composite<br>Bond ETF  |                         |
|---|---------------------------------------|-----------------------|-------------------------------------|-------------------------|
|   | As at                                 |                       | As at                               |                         |
|   | 31 December<br>2021                   | 30 June<br>2021       | 31 December<br>2021                 | 30 June<br>2021         |
|   | \$'000                                | \$'000                | \$'000                              | \$'000                  |
| Interest bearing securities   | -                                     | -                     | 1,861,678                           | 1,800,740               |
| Money market securities   | <u>191,990</u>                        | <u>4,999</u>          | <u>2,366</u>                        | <u>-</u>                |
| <b>Total financial assets held at fair value through profit or loss</b> | <b><u>191,990</u></b>                 | <b><u>4,999</u></b>   | <b><u>1,864,044</u></b>             | <b><u>1,800,740</u></b> |
|   |                                       |                       |                                     |                         |
|   | iShares Enhanced<br>Cash ETF          |                       | iShares Government<br>Inflation ETF |                         |
|   | As at                                 |                       | As at                               |                         |
|   | 31 December<br>2021                   | 30 June<br>2021       | 31 December<br>2021                 | 30 June<br>2021         |
|   | \$'000                                | \$'000                | \$'000                              | \$'000                  |
| Interest bearing securities   | 31,357                                | 40,393                | 341,061                             | 264,948                 |
| Money market securities   | <u>162,499</u>                        | <u>116,971</u>        | <u>-</u>                            | <u>-</u>                |
| <b>Total financial assets held at fair value through profit or loss</b> | <b><u>193,856</u></b>                 | <b><u>157,364</u></b> | <b><u>341,061</u></b>               | <b><u>264,948</u></b>   |
|   |                                       |                       |                                     |                         |
|   | iShares Core<br>Corporate<br>Bond ETF |                       | iShares Yield<br>Plus ETF           |                         |
|   | As at                                 |                       | As at                               |                         |
|   | 31 December<br>2021                   | 30 June<br>2021       | 31 December<br>2021                 | 30 June<br>2021         |
|   | \$'000                                | \$'000                | \$'000                              | \$'000                  |
| Interest bearing securities   | 27,586                                | 14,639                | 10,230                              | 8,309                   |
| Money market securities   | <u>156</u>                            | <u>-</u>              | <u>967</u>                          | <u>-</u>                |
| <b>Total financial assets held at fair value through profit or loss</b> | <b><u>27,742</u></b>                  | <b><u>14,639</u></b>  | <b><u>11,197</u></b>                | <b><u>8,309</u></b>     |

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

|   | iShares Treasury<br>ETF |                       |
|---|-------------------------|-----------------------|
|   | As at                   |                       |
|   | 31 December<br>2021     | 30 June<br>2021       |
|   | \$'000                  | \$'000                |
| Interest bearing securities   | 144,340                 | 112,877               |
| Money market securities   | -                       | -                     |
| <b>Total financial assets held at fair value through profit<br/>or loss</b> | <b><u>144,340</u></b>   | <b><u>112,877</u></b> |

## 8 Segment Information

### *iShares Core Cash ETF*

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

### *iShares Core Composite Bond ETF*

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

### *iShares Enhanced Cash ETF*

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

### *iShares Government Inflation ETF*

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

### *iShares Core Corporate Bond ETF*

The Fund operates solely in the business of providing investors with the performance of the market, before fees and expenses, as represented by the Bloomberg AusBond Credit 0+ Yr Index<sup>SM</sup>. The Responsible Entity, which is the chief operating decision maker for the purposes of assessing performance and determining the allocation of resources, ensures that the Fund's holdings and performance are in accordance with the Bloomberg AusBond Credit 0+ Yr Index<sup>SM</sup>. Accordingly, no additional qualitative or quantitative disclosures are required.

### *iShares Yield Plus ETF*

The Fund operates solely in the business of providing investors with the performance of the market, before fees and expenses, as represented by the custom Bloomberg AusBond Credit and FRN Ex Big 4 Banks Index<sup>SM</sup>. The Responsible Entity, which is the chief operating decision maker for the purposes of assessing performance and determining the allocation of resources, ensures that the Fund's holdings and performance are in accordance with the custom Bloomberg AusBond Credit and FRN Ex Big 4 Banks Index<sup>SM</sup>. Accordingly, no additional qualitative or quantitative disclosures are required.



## 8 Segment Information (continued)

### *iShares Treasury ETF*

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

## 9 Events Occurring After the Reporting Period

### *iShares Core Cash ETF*

The Fund announced on 07 January 2022 an interim distribution .05 cents per unit, which equates to \$1,695. The interim distribution ex-date was 06 January 2022 and payment was on 18 January 2022.

### *iShares Core Composite Bond ETF*

The Fund announced on 07 January 2022 an interim distribution 34.20 cents per unit, which equates to \$5,750,045. The interim distribution ex-date was 06 January 2022 and payment was on 18 January 2022.

### *iShares Enhanced Cash ETF*

The Fund announced on 07 January 2022 an interim distribution .92 cents per unit, which equates to \$22,196. The interim distribution ex-date was 06 January 2022 and payment was on 18 January 2022.

### *iShares Government Inflation ETF*

The Fund announced on 07 January 2022 an interim distribution 12.89 cents per unit, which equates to \$334,447. The interim distribution ex-date was 06 January 2022 and payment was on 18 January 2022.

### *iShares Core Corporate Bond ETF*

The Fund announced on 07 January 2022 an interim distribution 24.26 cents per unit, which equates to \$69,136. The interim distribution ex-date was 06 January 2022 and payment was on 18 January 2022.

### *iShares Yield Plus ETF*

The Fund announced on 07 January 2022 an interim distribution 6.32 cents per unit, which equates to \$7,281. The interim distribution ex-date was 06 January 2022 and payment was on 18 January 2022.

### *iShares Treasury ETF*

The Fund announced on 07 January 2022 an interim distribution 24.77 cents per unit, which equates to \$330,593. The interim distribution ex-date was 06 January 2022 and payment was on 18 January 2022.

No other significant events have occurred since the end of the reporting period up to the date of signing the Condensed Financial Report which would impact on the financial position of the Funds disclosed in the Condensed Statements of Financial Position as at 31 December 2021 or on the results and cash flows of the Funds for the half-year ended on that date.

## Directors' Declaration

The directors of the Responsible Entity declare that:

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

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

On behalf of the directors of the Responsible Entity.



Director  
A Landman

Sydney  
11 March 2022

## Independent Auditor's Review Report to the unitholders of iShares Domestic Fixed Interest Funds

### *Conclusion*

We have reviewed the accompanying half-year financial report of iShares Core Cash ETF, iShares Core Composite Bond ETF, iShares Enhanced Cash ETF, iShares Government Inflation ETF, iShares Core Corporate Bond ETF, iShares Yield Plus ETF and iShares Treasury ETF (collectively "iShares Domestic Fixed Interest Funds" or the "Funds"), which comprises the condensed statements of financial position as at 31 December 2021, and the condensed statements of profit or loss and comprehensive income, the condensed statements of cash flows and the condensed statements of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 6 to 31.

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

- (a) giving a true and fair view of the Funds' financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Funds in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of BlackRock Investment Management (Australia) Limited (the "Responsible Entity"), as Responsible Entity for the Funds, would be in the same terms if given to the directors as at the time of this auditor's review report.

### *Directors' Responsibilities for the Half-year Financial Report*

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

### *Auditor's Responsibilities for the Review of the Half-year Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the

Funds' financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



DELOITTE TOUCHE TOHMATSU



Neil Brown  
Partner  
Chartered Accountants

Melbourne, 11 March 2022

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