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13 June 2024

Market Announcements Office
ASX Limited

ISHARES AUSTRALIAN FIXED INCOME & CASH ETFS PRODUCT DISCLOSURE STATEMENT

FOR RELEASE ON THE APPLICABLE PRIMARY LISTING EXCHANGE FOR ALL FUNDS LISTED BELOW

BlackRock Investment Management (Australia) Limited (**BIMAL**) is the Responsible Entity for the below listed Australian-domiciled iShares® exchange traded funds (**Funds**), which are quoted on the Australian Securities Exchange (**ASX**).

Fund	Exchange Code	Primary Listing Exchange
iShares Core Cash ETF	BILL	ASX
iShares Core Composite Bond ETF	IAF	ASX
iShares Core Corporate Bond ETF	ICOR	ASX
iShares Enhanced Cash ETF	ISEC	ASX
iShares Yield Plus ETF	IYLD	ASX
iShares Government Inflation ETF	ILB	ASX
iShares Treasury ETF	IGB	ASX
iShares 15+ Year Australian Government Bond ETF	ALTB	ASX

BIMAL would like to inform investors that a new product disclosure statement (**PDS**) has been issued for the Funds, to coincide with today's launch of the iShares 15+ Year Australian Government Bond ETF. The PDS is attached for reference and available at www.blackrock.com/au.

Important Notice

Before investing in an iShares ETF, you should carefully consider whether such products are appropriate for you, read the applicable product disclosure statement (PDS) available at 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.

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

** END **

iShares Australian Fixed Income & Cash ETFs
Product Disclosure Statement

Dated: 28 May 2024

iShares Core Cash ETF
ASX: BILL / ARSN: 617 355 174

iShares Core Composite Bond ETF
ASX: IAF / ARSN: 154 626 767

iShares Core Corporate Bond ETF
ASX: ICOR / ARSN: 639 854 872

iShares Enhanced Cash ETF
ASX: ISEC / ARSN: 617 356 117

iShares Yield Plus ETF
ASX: IYLD / ARSN: 639 855 011

iShares Government Inflation ETF
ASX: ILB / ARSN: 154 626 534

iShares Treasury ETF
ASX: IGB / ARSN: 154 626 865

iShares 15+ Year Australian Government Bond ETF
ASX: ALTB / ARSN: 677 258 169

BlackRock Investment Management (Australia) Limited
ABN 13 006 165 975
Australian Financial Services Licence No 230523

iShares Australian Fixed Income & Cash ETFs

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1. Before you start

1.1 The issuer of this product disclosure statement

Investment in the:

- iShares Core Composite Bond ETF;
- iShares Core Cash ETF;
- iShares Core Corporate Bond ETF;
- iShares Enhanced Cash ETF;
- iShares Yield Plus ETF;
- iShares Government Inflation ETF;
- iShares Treasury ETF; and
- iShares 15+ Year Australian Government Bond ETF,

(referred to in this Product Disclosure Statement (**PDS**) as the **Fund** in the singular or the **Funds** collectively) is offered and managed by BlackRock Investment Management (Australia) Limited ABN 13 006 165 975, AFSL No. 230523 (referred to in this PDS as **BlackRock**, the **Responsible Entity**, the **Issuer**, the **Manager**, **we**, **our** or **us**). BlackRock is the manager of each Fund and acts as the responsible entity under the Corporations Act 2001 (Cth) (**Corporations Act**). We are the issuer of this PDS and of Units in the Funds.

BlackRock is a wholly owned subsidiary of BlackRock, Inc.® (**BlackRock Inc**) but is not guaranteed by BlackRock, Inc or any BlackRock, Inc subsidiary or associated entity (collectively the **BlackRock Group**). Neither BlackRock nor any member of the BlackRock Group guarantees the success of the Fund, the achievement of the investment objective, or the repayment of capital or particular rates of return on investment or capital. An investor in a Fund could lose all or a substantial part of their investment in that Fund. In particular, the performance of a Fund will depend on the performance and market value of the assets held by that Fund.

1.2 About this product disclosure statement

This PDS describes the main features of each Fund and is dated 28 May 2024. A copy of this PDS has been lodged with the Australian Securities and Investments Commission (**ASIC**) and ASX Limited (**ASX**). Neither ASIC nor the ASX take any responsibility for the contents of this PDS.

This PDS can only be used by investors receiving it (electronically or otherwise) in Australia. It is not available in any other country. Units in each Fund have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any of the states of the United States of America (**US**). Each Fund is not and will not be registered as an investment company under the US Investment Company Act of 1940. Investment in Units of each Fund by or on behalf of US persons is not permitted. Units in a Fund may not at any time be offered, sold, transferred or delivered within the US or to, or for the account or benefit of, a US person. Any issue, sale or transfer in violation of this restriction will not be binding upon a Fund and may constitute a violation of US law.

The information provided in this PDS is general information only and does not take into account your individual objectives, financial situation, needs or circumstances. You should therefore assess whether the information is appropriate for you and obtain financial advice tailored to you having regard to your individual objectives, financial situation, needs and circumstances.

The offer in this PDS is only available to Authorised Participants who have, where required, entered into a relevant Authorised Participant Agreement (**AP Agreement**).

Investors who are not Authorised Participants cannot invest through this PDS but may do so through the ASX. Please consult your stockbroker or financial adviser. Investors who are not Authorised Participants may use this PDS for informational purposes only and may obtain further information in relation to each Fund by contacting the iShares Call Centre (refer to page 3 of this PDS for contact details).

If any part of this PDS is established to be invalid or unenforceable under the law, it is excluded so that it does not in any way affect the validity or enforceability of the remaining parts.

The offer or invitation to subscribe for Units in a Fund under this PDS is subject to the terms and conditions described in this PDS. We reserve the right to outsource any or all investment, management and administration functions, including to related parties, without notice to Unitholders. We reserve the right to accept or decline Unit creation requests in full or in part and reserve the right to change these terms and conditions.

If you have received this PDS electronically, we can provide you with a paper copy free of charge upon request by contacting the iShares Call Centre (refer to page 3 of this PDS for contact details).

1.3 Changes to this product disclosure statement and access to additional information

Information contained in this PDS is current as at the date of this PDS. Certain information in this PDS, as well as the terms and features of each Fund, is subject to change from time to time. We will notify you of any material changes or other significant events that affect the information in this PDS (and may issue a supplementary or replacement PDS) in accordance with our obligations under the Corporations Act.

Updated information that is not materially adverse can be obtained from our website at www.blackrock.com/au. A paper copy of any updated information will be given, or an electronic copy made available, free of charge upon request.

Where a Fund is subject to the continuous disclosure requirements of the Corporations Act, we will satisfy our obligations by disclosing material information regarding the Fund on our website at www.blackrock.com/au. A paper copy of this material will be available free of charge upon request. This information will also be released to the ASX via the ASX Markets Announcements Platform (asx.com.au).

1.4 Need help?

If you have questions about or need help investing, we recommend you speak to a licensed financial adviser. ASIC can help you check if a financial adviser is licensed. They have a website at www.asic.gov.au as well as a help line you can call on 1300 300 630.

Should you require general assistance with respect to an iShares ETF, please call the iShares Call Centre (refer to page 3 of this PDS for contact details). Alternatively, information on the different iShares ETFs quoted on ASX is available at www.blackrock.com/au or from your financial adviser.

1.5 Target market determinations

BlackRock has issued a target market determination (**TMD**) which, among other things, describes the class of consumers for whom each iShares ETF is likely to be consistent with their likely objectives, financial situation and needs. A summary of the TMD for each iShares ETF is set out in the relevant product section.

The TMD for each iShares ETF can be obtained by contacting Client Services and may be available on the BlackRock website at www.blackrock.com/au.

2. About BlackRock and iShares

2.1 About BlackRock

BlackRock's purpose is to help more and more people experience financial well-being. As a fiduciary to investors and a leading provider of financial technology, we help millions of people build savings that serve them throughout their lives by making investing easier and more affordable.

For additional information on BlackRock, please visit www.blackrock.com/au.

2.2 About iShares

iShares unlocks opportunity across markets to meet the evolving needs of investors. With more than twenty years of experience, a global line-up of 1400+ exchange traded funds (**ETFs**) and US$3.7 trillion in assets under management as of March 31, 2024, iShares continues to drive progress for the financial industry. iShares funds are powered by the expert portfolio and risk management of BlackRock.

3. About the iShares Core Cash ETF

The information in section 3 of this PDS relates solely to the iShares Core Cash ETF (referred to in this section 3 of the PDS as the Fund).

Target market summary

This product is likely to be appropriate for a consumer:

- who is seeking capital preservation and/or income distribution
- using the product for a whole portfolio solution or less
- with no minimum investment timeframe, and
- with a very low risk/return profile

3.1 Investment objective

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

3.2 Investment strategy

The Fund seeks to achieve its objective by employing a passive investment strategy to track the performance of the S&P/ASX Bank Bill Index (**Index**).

Given the synthetic nature of Index constituents (refer to section 3.4 of this PDS, titled “About the Index” for further information) it is not possible to implement a traditional (i.e. full replication or optimisation) passive investment strategy, which looks to construct a portfolio of index constituents. Instead, the Fund’s passive investment strategy will construct a portfolio of short-term money market securities, with consideration to the liquidity, credit and interest rate characteristics of the Index, which the Fund seeks to match. The weighted-average maturity of the Fund’s portfolio will also be similar to the Index.

Additionally, investments of the Fund are required to have a short-term credit rating of A-1 or higher by Standard and Poor’s Global Ratings (**S&P Ratings**) or equivalent rating from Moody’s Investor Services (**Moody’s**).

Given the Fund is unable to implement a traditional full replication or optimisation passive investment strategy, the Fund may at times incur greater tracking error than other ETFs (refer to the section of this PDS titled “Fund risks” for further information on the risks associated with investing in the Fund).

3.3 What does the Fund invest in?

The Fund generally invests in Australian dollar cash deposits, short-term money market securities and short-term debt and fixed income securities.

You can view the daily underlying holdings of the Fund, including the name and percentage composition of each asset by value relative to NAV as at the close of the previous trading day at http://www.blackrock.com/au/ishares.

The Fund will not purchase any securities or invest in any deposits that have issuer-imposed repayment restrictions, such as term deposits or notice period deposit accounts. All securities will settle within the standard T+2 settlement timeframe for ETFs.

3.4 About the Index

The Index offers short-term exposure to Australian dollar-denominated bank bills with maturity profiles of up to 91 days.

Unlike traditional equity and fixed income indexes, the constituents of which are shares and bonds respectively, the Index consists of synthetic “securities” that cannot be purchased and sold. The constituents of the Index are a series of 13 hypothetical weekly bills, ranging from one-week to 91 days in maturity that are interpolated using the 24 Hour Cash Rate and the 30-Day, 60-Day and 90-Day Bank Bill Swap rates (**BBSW**). The credit worthiness of the bills included in the Index is deemed that of prime banks, i.e., the major four Australian banks.

The 13 rates are derived from the four rate types described above and applied to each of the 13 hypothetical bills. As the Index progresses to the next weekly rebalancing date the term to maturity of each bill, and the Index as a whole, reduces daily until the shortest bill matures. The face value of this bill is then reinvested in a new bill with a term to maturity of 13 weeks and the term to maturity of the Index increases by approximately seven days. The total amount received on maturity, that is the face value, is reinvested in the discounted value of a new 91-day bill. The Index is maintained so that maturing bills are reinvested in the discounted value of a new 91-day bill on the day the cash is received (each Tuesday).

4. About the iShares Core Composite Bond ETF

The information in section 4 of this PDS relates solely to the iShares Core Composite Bond ETF (referred to in this section 4 of the PDS as the Fund).

Target market summary

This product is likely to be appropriate for a consumer:

- who is seeking capital preservation and/or income distribution
- using the product for a core component of their portfolio or less
- with a minimum investment timeframe of 3 years, and
- with a medium risk/return profile

4.1 Investment objective

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 bond market and includes investment grade fixed income securities issued by the Australian Treasury, Australian semi-government entities, supranational and sovereign entities and corporate entities.

4.2 Investment strategy

The Fund seeks to achieve its objective by tracking the performance of the Bloomberg AusBond Composite 0+ Yr Index℠ (referred to in this section 4 of the PDS as the **Index**).

We believe that stratified sampling is the most appropriate investment strategy to track the performance of the Index as it takes into account liquidity, transaction cost impact, and overall risk relative to the Index. Stratified sampling involves choosing a subset of Index eligible securities to create a portfolio that behaves like the Index. In many cases, holding every security in the Index is not cost effective as illiquid or thinly traded securities incur higher transaction costs and wider bid-ask spreads. By investing in a subset of securities that combine to match the overall risk profile of the Index it saves the Fund incurring unnecessary trading costs which can detract from total Fund returns.

A stratified sampling approach is usually accomplished by dividing the Index into strata or “cells” along some of the more common fixed income security attributes such as maturity, sector, and credit quality. Securities are then chosen that have similar risk and return characteristics that replicate each of the cells and in units consistent with Index exposures.

Capturing additional returns

To overcome the impact that transaction costs and cash drag can have on relative performance, we undertake several value-adding strategies such as:

- **Anticipating Index changes**: through our knowledge of the Index rules, we try to anticipate future Index additions and deletions before they are announced.
- **Buying new bonds in the primary market:** this avoids the need to purchase a scarce bond in the secondary market at month-end and takes advantage of any spread concession offered when the security is first issued.
- **Cash-flow management**: we can use exchange-traded bond futures contracts to manage bond coupon flows to minimise market impact and therefore achieve a less-costly approach to trading.

4.3 What does the Fund invest in?

The Fund generally invests in the investment grade fixed income securities issued by the Australian Treasury, Australian semi-government entities, supranational and sovereign entities and corporate entities that form the Index.

While it its intended that the securities invested in by the Fund will comprise investment grade issues, issues may be downgraded or the credit rating may be withdrawn in certain circumstances from time to time.

In such event, the Fund may hold non-investment grade issues until such time as such non-investment grade issues cease to form part of the Index (where applicable) and it is possible and practicable (in the view of BlackRock) to liquidate the position.

The Fund may hold some securities which are not constituents of the Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Index. However, from time to time the Fund may hold all constituents of the Index.

The Fund may also hold small amounts of cash (or cash equivalents, that may include units in other BlackRock funds) for cash flow management purposes and may also invest in index futures contracts for cash bondisation purposes.

4.4 About the Index

The Index is designed to measure the performance of the Australian bond market which meets certain investment criteria and covers fixed interest securities issued in the Australian debt market under Australian law. The Index is market value weighted and designed to measure the total return from investing in a range of Index eligible securities. Below is a description of the manner in which the debt securities included are determined. The Index has been calculated since 30 September 1989.

The debt securities which are included in the Index are selected by Bloomberg based on eligibility criteria, including:

- a minimum quality, which is determined by reference to levels published by independent service providers and bond rating firms. In addition, if any debt securities fall below that minimum quality then those debt securities are removed and the Index is rebalanced (as further described below);
- issued by the Australian Treasury, Australian semi-government entities, supranational and sovereign entities and corporate entities;
- denominated in Australian dollars;
- have at least 1 month to maturity;
- governed by the law of an Australian State or Territory or the Commonwealth of Australia; and
- issued in a minimum issue size of AUD 100 million.

In addition to the above, certain debt securities are excluded from the Index, these include: convertible notes, zero coupon notes, private placements, collateralised debt obligations, collateralised bond obligations and collateralised fund obligations, synthetic securitizations, hybrid capital securities and perpetual securities.

Securities are included in the Index on the basis of their gross market value proportions. Reinvestment of interest is performed on a daily basis in market value proportions across the universe of securities comprising the Index at the day’s closing prices. As the Index includes the value of reinvested interest and principal payments made on the debt instruments included in it, it is considered as a capital accumulation index - which means that it is designed to measure the total return from investing in those debt securities.

The Index rebalances on a monthly basis, with the rebalance day being the last calendar day of the month. The Index may undergo periodic unscheduled rebalances at other times.

5. About the iShares Core Corporate Bond ETF

The information in section 5 of this PDS relates solely to the iShares Core Corporate Bond ETF (referred to in this section 5 of the PDS as the Fund).

Target market summary

This product is likely to be appropriate for a consumer:

- who is seeking capital preservation and/or income distribution
- using the product for a core component of their portfolio or less
- with a minimum investment timeframe of 3 years, and
- with a medium risk/return profile

5.1 Investment objective

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.

5.2 Investment strategy

The Fund seeks to achieve its objective by tracking the performance of the Bloomberg AusBond Credit 0+ Yr Index^{SM} (referred to in this section 5 of the PDS as the **Index**).

We believe that stratified sampling is the most appropriate investment strategy to track the performance of the Index as it takes into account liquidity, transaction cost impact, and overall risk relative to the Index. Stratified sampling involves choosing a subset of Index eligible securities to create a portfolio that behaves like the Index. In many cases, holding every security in the Index is not cost effective as illiquid or thinly traded securities incur higher transaction costs and wider bid-ask spreads. By investing in a subset of securities that combine to match the overall risk profile of the Index it saves the Fund incurring unnecessary trading costs which can detract from total Fund returns.

A stratified sampling approach is usually accomplished by dividing the Index into strata or "cells" along some of the more common fixed income security attributes such as maturity, sector, and credit quality. Securities are then chosen that have similar risk and return characteristics that replicate each of the cells and in units consistent with Index exposures.

As part of the investment strategy BlackRock will also apply baseline ESG screens to remove certain companies depending on their type of involvement in the industry (e.g. producer or distributor) and whether they meet applicable revenue thresholds:

- controversial weapons;
- fossil fuels;
- tobacco;
- civilian firearms
- nuclear weapons; and
- United Nations Global Compact Violators.

These ESG screens are applied by BlackRock and are not constituted in the Index itself. Due to the sampling methodology used by the Fund, the ESG screen will not materially impact the Fund's ability to meet its investment objective of tracking the performance of the benchmark before fees and expenses.

Capturing additional returns

To overcome the impact transaction costs and cash drag can have on relative performance, we undertake several value-adding strategies such as:

- **Anticipating Index changes**: through our detailed knowledge of the Index rules, we endeavour to anticipate future Index additions and deletions before they are announced.
- **Buying new bonds in the primary market:** this avoids the need to purchase a scarce bond in the secondary market at month-end and takes advantage of any spread concession offered when the security is first issued.
- **Cash-flow management**: we can use exchange-traded bond futures contracts to manage bond coupon flows to minimise market impact and therefore achieve a less-costly approach to trading.

5.3 What does the Fund invest in?

The Fund generally invests in the investment grade fixed income securities issued by corporate entities that form the Index.

While it its intended that the securities invested in by the Fund will comprise investment grade issues, issues may be downgraded or the credit rating may be withdrawn in certain circumstances from time to time.

In such event, the Fund may hold non-investment grade issues until such time as such non-investment grade issues cease to form part of the Index (where applicable) and it is possible and practicable (in the view of BlackRock) to liquidate the position.

The Fund may hold some securities which are not constituents of the Index (however, are constituents of the Bloomberg AusBond Composite Bond 0+ Yr Index^{SM}) where such securities provide similar performance (with matching risk profile) to certain securities that make up the Index. However, from time to time the Fund may hold all constituents of the Index.

The Fund may also hold small amounts of cash (or cash equivalents, that may include units in other BlackRock funds) for cash flow management purposes and may also invest in index futures contracts for cash bondisation purposes.

ESG investment approach

While no environmental, social or governance (**ESG**) exclusions are incorporated into the Index, the Fund screens out corporate bond issuers that have exposure to, or ties with, certain business activities as defined by third party data and definitions sourced by BlackRock (and are subject to revenue thresholds), including but not limited to:

- the production of certain types of controversial weapons;
- the production of small arms intended for retail to civilians;
- the extraction thermal coal and the generation of power from them;
- the production of tobacco products or certain activities in relation to tobacco-related products; and
- issuers deemed to have failed to comply with UN Global Compact Principles.

Please see section 10.6 of this PDS for further information about ESG considerations that may apply to the Fund, including specific threshold criteria and other information.

5.4 About the Index

The Index is designed to measure the performance of the Australian corporate bond market which meets certain investment criteria and covers fixed interest securities issued in the Australian debt market under Australian law. The Index is market value weighted and designed to measure the total return from investing in a range of Index eligible securities. Below is a description of the manner in which the debt securities included are determined. The Index has been calculated since 30 September 1989.

The debt securities which are included in the Index are selected by Bloomberg based on eligibility criteria, including:

- a minimum quality, which is determined by reference to levels published by independent service providers and bond rating firms. In addition, if any debt securities fall below that minimum quality then those debt securities are removed and the Index is rebalanced (as further described below);
- issued by corporate entities;
- denominated in Australian dollars;
- have at least 1 month to maturity;
- governed by the law of an Australian State or Territory or the Commonwealth of Australia; and
- issued in a minimum issue size of AUD 100 million.

In addition to the above, certain debt securities are excluded from the Index, these include: convertible notes, zero coupon notes, private placements, collateralised debt obligations, collateralised bond obligations and collateralised fund obligations, synthetic securitizations, hybrid capital securities and perpetual securities.

Securities are included in the Index on the basis of their gross market value proportions. Reinvestment of interest is performed on a daily basis in market value proportions across the universe of securities comprising the Index at the day's closing prices. As the Index includes the value of reinvested interest and principal payments made on the debt instruments included in it, it is considered as a capital accumulation index - which means that it is designed to measure the total return from investing in those debt securities.

The Index rebalances on a monthly basis, with the rebalance day being the last calendar day of the month. The Index may undergo periodic unscheduled rebalances at other times.

6. About the iShares Enhanced Cash ETF

The information in section 6 of this PDS relates solely to the iShares Enhanced Cash ETF (referred to in this section 6 of the PDS as the Fund).

Target market summary

This product is likely to be appropriate for a consumer:

- who is seeking capital preservation and/or income distribution
- using the product for a whole portfolio solution or less
- with no minimum investment timeframe, and
- with a very low risk/return profile

6.1 Investment objective

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.

6.2 Investment strategy

The Fund seeks to achieve its objective by employing a passive investment strategy that aims to outperform the performance of the S&P/ASX Bank Bill Index (referred to in this section 6 of the PDS as the **Index**).

Given the synthetic nature of Index constituents (refer to section 6.4 of this PDS, titled “About the Index” for further information) it is not possible to implement an investment strategy that looks to construct a portfolio of Index constituents. Instead, the Fund’s conservatively managed passive investment strategy will construct a portfolio of money market and fixed income securities that typically provide higher yield without significant increase in default and interest rate risk. Securities will be selected with consideration to the security’s rating, sector, maturity, liquidity, and underlying credit fundamentals.

The Fund will be managed using a buy and hold investment philosophy, similar to other passive investment strategies, with full daily portfolio transparency. A sampling methodology has been selected as the most appropriate investment technique, as it keeps trading costs to a minimum and provides the necessary flexibility to deliver investment returns that either meet or at times may exceed Index returns. Any outperformance of the Index will not be a result of active trading nor the investment expertise of the individual fund manager(s) in selecting particular investment securities that it considers will perform better relative to other securities. Rather, returns above the Index would typically result from prudent risk mitigation and diversification measures, including:

- issuer diversification, for example, rather than having issuer concentration to the four major Australian banks, diversification can be achieved by investing in similarly rated authorised deposit taking institutions (**ADIs**) who issue securities at a margin above the benchmark BBSW rates (the rates provided by the major Australian banks) - the overarching investment consideration is prudent risk management and credit risk mitigation and not active security selection by the individual fund manager(s) based on perceived credit quality, as the credit quality is the same; and
- investment of up to 20% in Floating Rate Notes (**FRNs**) which earn a higher yield relative to very short-term “cash-like” securities - these investments will be “buy and hold” and not actively traded, the overarching investment rationale for holding these securities is to further diversify credit risk in the portfolio.

The Fund is also expected to attract additional returns from attractive interest rates on Australian dollar cash deposits. The interest rate on cash deposits will most likely exceed the 24 hour Cash Rate that is used as a price input into the Index return calculation, as BlackRock has long established commercial relationships with several Australian ADIs, which allows cash to be placed on deposit at commercial rates.

Cash deposits are not actively traded; rather allocations will be based on issuer concentration limits, therefore further diversifying the portfolio.

Trading within the Fund is only expected to meet client flows or the reinvestment of maturating securities and not as a result of active security selection. The credit quality, liquidity risk and maturity profile of the Fund will be continuously monitored and adjusted with reference to the Index. Additionally, investments of the Fund are required to have a long-term credit rating of BBB or higher or a short-term credit rating of A2 or higher by S&P Ratings or an equivalent rating from Moody’s.

Given the Fund is unable to implement a traditional full replication or optimisation passive investment strategy, the Fund may at times incur greater tracking error than other ETFs (refer to the section of this PDS titled “Fund risks” for further information on the risks associated with investing in the Fund).

6.3 What does the Fund invest in?

The Fund generally invests in Australian dollar cash deposits, short-term money market securities and short-term debt and fixed income securities. The Fund may also invest in commercial paper and corporate issued floating rate notes (**FRNs**).

The Fund may invest up to a maximum of 20% in FRNs with limits placed on single security exposure, credit rating exposure and maturity (maximum FRN maturity of 5 years). All securities will settle within the standard T+2 settlement timeframe for ETFs.

6.4 About the Index

The Index offers short-term exposure to Australian dollar-denominated bank bills with maturity profiles of up to 91 days.

Unlike traditional equity and fixed income indexes, the constituents of which are shares and bonds respectively, the Index consists of synthetic “securities” that cannot be purchased and sold. The constituents of the Index are a series of 13 hypothetical weekly bills, ranging from one-week to 91 days in maturity that are interpolated using the 24 Hour Cash Rate and the 30-Day, 60-Day and 90-Day Bank Bill Swap rates (BBSW). The credit worthiness of the bills included in the Index is deemed that of prime banks, i.e., the major four Australian banks.

The 13 rates are derived from the four rate types described above and applied to each of the 13 hypothetical bills. As the Index progresses to the next weekly rebalancing date the term to maturity of each bill, and the Index as a whole, reduces daily until the shortest bill matures. The face value of this bill is then reinvested in a new bill with a term to maturity of 13 weeks and the term to maturity of the Index increases by approximately seven days. The total amount received on maturity, that is the face value, is reinvested in the discounted value of a new 91-day bill. The Index is maintained so that maturing bills are reinvested in the discounted value of a new 91-day bill on the day the cash is received (each Tuesday).

7. About the iShares Yield Plus ETF

The information in section 7 of this PDS relates solely to the iShares Yield Plus ETF (referred to in this section 7 of the PDS as the Fund).

Target market summary

This product is likely to be appropriate for a consumer:

- who is seeking capital preservation and/or income distribution
- using the product for a core component of their portfolio or less
- with a minimum investment timeframe of 3 years, and
- with a low risk/return profile

7.1 Investment objective

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).

7.2 Investment strategy

The Fund seeks to achieve its objective by tracking the performance of a custom Bloomberg AusBond Credit and FRN Ex Big 4 Banks Index^{SM} (referred to in this section 7 of the PDS as the **Index**).

We believe that stratified sampling is the most appropriate investment strategy to track the performance of the Index as it takes into account liquidity, transaction cost impact, and overall risk relative to the Index. Stratified sampling involves choosing a subset of Index eligible securities to create a portfolio that behaves like the Index. In many cases, holding every security in the Index is not cost effective as illiquid or thinly traded securities incur higher transaction costs and wider bid-ask spreads. By investing in a subset of securities that combine to match the overall risk profile of the Index it saves the Fund incurring unnecessary trading costs which can detract from total Fund returns.

A stratified sampling approach is usually accomplished by dividing the Index into strata or “cells” along some of the more common fixed income security attributes such as maturity, sector, and credit quality. Securities are then chosen that have similar risk and return characteristics that replicate each of the cells and in units consistent with Index exposures.

As part of the investment strategy BlackRock will also apply baseline ESG screens to remove certain companies involved in the below activities depending on their type of involvement in the industry (e.g. producer or distributor) and whether they meet applicable revenue thresholds:

- controversial weapons;
- fossil fuels;
- tobacco;
- civilian firearms
- nuclear weapons; and
- United Nations Global Compact Violators.

These ESG screens are applied by BlackRock and are not constituted in the Index itself. Due to the sampling methodology used by the Fund, the ESG screen will not materially impact the Fund’s ability to meet its investment objective of tracking the performance of the benchmark before fees and expenses.

Capturing additional returns

To overcome the impact transaction costs and cash drag can have on relative performance, we undertake several value-adding strategies such as:

- **Anticipating Index changes**: through our detailed knowledge of the Index rules, we endeavour to anticipate future Index additions and deletions before they are announced.
- **Buying new bonds in the primary market:** this avoids the need to purchase a scarce bond in the secondary market at month-end and takes advantage of any spread concession offered when the security is first issued.
- **Cash-flow management**: we can use exchange-traded bond futures contracts to manage bond coupon flows to minimise market impact and therefore achieve a less-costly approach to trading.

7.3 What does the Fund invest in?

The Fund generally invests in the investment grade fixed income securities issued by corporate entities that form the Index.

While it its intended that the securities invested in by the Fund will comprise investment grade issues, issues may be downgraded or the credit rating may be withdrawn in certain circumstances from time to time.

In such event, the Fund may hold non-investment grade issues until such time as such non-investment grade issues cease to form part of the Index (where applicable) and it is possible and practicable (in the view of BlackRock) to liquidate the position.

The Fund may hold some securities which are not constituents of the Index (however, are constituents of the Bloomberg Ausbond Composite Bond 0+ Yr Index^{SM}) where such securities provide similar performance (with matching risk profile) to certain securities that make up the Index. However, from time to time the Fund may hold all constituents of the Index.

The Fund may also hold small amounts of cash (or cash equivalents, that may include units in other BlackRock funds) for cash flow management purposes and may also invest in index futures contracts for cash bondisation purposes.

ESG investment approach

While no environmental, social or governance (**ESG**) exclusions are incorporated into the Index, the Fund screens out corporate bond issuers that have exposure to, or ties with, certain business activities as defined by third party data and definitions sourced by BlackRock (and are subject to revenue thresholds), including but not limited to:

- the production of certain types of controversial weapons;
- the production of small arms intended for retail to civilians;
- the extraction of thermal coal and the generation of power from them;
- the production of tobacco products or certain activities in relation to tobacco-related products; and
- issuers deemed to have failed to comply with UN Global Compact Principles.

Please see section 10.6 of this PDS for further information about ESG considerations that may apply to the Fund, including specific threshold criteria and other information.

7.4 About the Index

The index is designed to measure the performance of the Australian corporate bond market (excluding issuers ANZ, CBA, NAB and WBC). It comprises a broad range of investment grade corporate bonds which meet certain investment criteria and cover fixed interest securities issued in the Australian debt market under Australian law. The Index is market value weighted and designed to measure the total return from investing in a range of Index eligible securities. Below is a description of the manner in which the debt securities included are determined. The index is customised and calculated by Bloomberg.

The debt securities which are included in the Index are selected by Bloomberg based on eligibility criteria, including:

- a minimum quality, which is determined by reference to levels published by independent service providers and bond rating firms. In addition, if any debt securities fall below that minimum quality then those debt securities are removed and the Index is rebalanced (as further described below);
- issued by corporate entities;
- denominated in Australian dollars;
- have at least 1 month to maturity;
- governed by the law of an Australian State or Territory or the Commonwealth of Australia; and
- issued in a minimum issue size of AUD 100 million.

In addition to the above, certain debt securities are excluded from the Index, these include: convertible notes, zero coupon notes, private placements, collateralised debt obligations, collateralised bond obligations and collateralised fund obligations, synthetic securitizations, hybrid capital securities, perpetual securities and securities issued by the CBA, WBC, ANZ and NAB.

Securities are included in the Index on the basis of their gross market value proportions. Reinvestment of interest is performed on a daily basis in market value proportions across the universe of securities comprising the Index at the day’s closing prices. As the Index includes the value of reinvested interest and principal payments made on the debt instruments included in it, it is considered as a capital accumulation index - which means that it is designed to measure the total return from investing in those debt securities.

The Index rebalances on a monthly basis, with the rebalance day being the last calendar day of the month. The Index may undergo periodic unscheduled rebalances at other times.

8. About the iShares Government Inflation ETF

The information in section 8 of this PDS relates solely to the iShares Government Inflation ETF (referred to in this section 8 of the PDS as the Fund).

Target market summary

This product is likely to be appropriate for a consumer:

- who is seeking capital preservation and/or income distribution
- using the product for a core component of their portfolio or less
- with a minimum investment timeframe of 3 years
- with a medium risk/return profile

8.1 Investment objective

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 a segment of the Australian bond market comprised of inflation-linked fixed income securities.

8.2 Investment strategy

The Fund seeks to achieve its objective by tracking the performance of the Bloomberg AusBond Government Inflation 0+ Yr Index^{SM} (referred to in this section 8 of the PDS as the **Index**).

We believe that stratified sampling is the most appropriate investment strategy to track the performance of the Index as it takes into account liquidity, transaction cost impact, and overall risk relative to the Index.

Stratified sampling involves choosing a subset of Index eligible securities to create a portfolio that behaves like the Index. In many cases, holding every security in the Index isn't cost effective as illiquid or thinly traded securities incur higher transaction costs and wider bid-ask spreads. By investing in a subset of securities that combine to match the overall risk profile of the Index it saves the Fund incurring unnecessary trading costs which can detract from total Fund returns.

A stratified sampling approach is usually accomplished by dividing up the Index into strata or "cells" along some of the more common fixed income security attributes such as: maturity, sector and credit quality. Securities are then chosen that have similar risk and return characteristics that replicate each of the cells and in units consistent with Index exposures.

8.3 What does the Fund invest in?

The Fund generally invests in the inflation-linked fixed income securities issued by the Australian Treasury or Australian semi-government entities that form the Index.

The Fund may hold some securities which are not constituents of the Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Index. However, from time to time the Fund may hold all constituents of the Index.

The Fund may also hold small amounts of cash (or cash equivalents, that may include units in other BlackRock funds) for cash flow management purposes and may also invest in index futures contracts for cash bondisation purposes.

8.4 About the Index

The Index is designed to measure the performance of the Australian bond market which meets certain investment criteria and covers fixed interest securities issued in the Australian debt market under Australian law. The Index is market value weighted and designed to measure the total return from investing in a range of Index eligible securities. Below is a description of the manner in which the debt securities included are determined. The Index has been calculated since 31 March 1991.

The debt securities which are included in the Index are selected by Bloomberg based on eligibility criteria, including:

- a minimum quality which is determined by reference to levels published by independent service providers and bond rating firms. In addition, if any debt securities fall below that minimum quality then those debt securities are removed and the Index is rebalanced (as further described below);
- issued by the Australian Treasury or Australian semi-government entities;
- denominated in Australian dollars;
- have at least 1 month to maturity;
- governed by the law of an Australian State or Territory or the Commonwealth of Australia; and
- issued in a minimum issue size of AUD 50 million.

In addition to the above, certain debt securities are excluded from the Index, these include: convertible notes, zero coupon notes, private placements, collateralised debt obligations, collateralised bond obligations and collateralised fund obligations, synthetic securitizations, hybrid capital securities and perpetual securities.

Securities are included in the Index on the basis of their gross market value proportions. Reinvestment of interest is performed on a daily basis in market value proportions across the universe of securities comprising the Index at the day's closing prices. As the Index includes the value of reinvested interest and principal payments made on the debt instruments included in it, it is considered as a capital accumulation index – which means that it is designed to measure the total return from investing in those debt securities.

The Index rebalances on a monthly basis, with the rebalance day being the last calendar day of the month. The Index may undergo periodic unscheduled rebalances at other times.

9. About the iShares Treasury ETF

The information in section 9 of this PDS relates solely to the iShares Treasury ETF (referred to in this section 9 of the PDS as the Fund).

Target market summary

This product is likely to be appropriate for a consumer:

- who is seeking capital preservation and/or income distribution
- using the product for a core component of their portfolio or less
- with a minimum investment timeframe of 3 years, and
- with a medium risk/return profile

9.1 Investment objective

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 bond market and is comprised of fixed income securities issued by the Australian Treasury.

9.2 Investment strategy

The Fund seeks to achieve its objective by tracking the performance of the Bloomberg AusBond Treasury 0+ Yr Index℠ (referred to in this section 9 of the PDS as the **Index**).

We believe that full replication is the most appropriate investment strategy to track the performance of the Index as risk relative to the Index is minimised. Our full-replication approach normally aims to purchase every security in the Index, while considering transaction costs.

If we determine that we can achieve a more efficient means of obtaining exposure to the Index, we may do so. For example, in rare circumstances where a particular constituent security of the Index cannot be acquired, a combination of existing or similar securities in the Index, of like quality, would be used.

9.3 What does the Fund invest in?

The Fund generally invests in the fixed income securities issued by the Australian Treasury that form the Index.

The Fund may also hold small amounts of cash (or cash equivalents, that may include units in other BlackRock funds) for cash flow management purposes and may also invest in index futures contracts for cash bondisation purposes.

9.4 About the Index

The Index is designed to measure the performance of the Australian bond market which meets certain investment criteria and covers fixed interest securities issued in the Australian debt market under Australian law. The Index, a sub-index of the Bloomberg AusBond Composite Index℠, is market value weighted and designed to measure the total return from investing in a range of Index eligible securities. Below is a description of the manner in which the debt securities included are determined. The Index has been calculated since 31 March 1988.

The debt securities which are included in the Index are selected by Bloomberg based on eligibility criteria, including:

- a minimum quality which is determined by reference to levels published by independent service providers and bond rating firms. In addition, if any debt securities fall below that minimum quality then those debt securities are removed and the Index is rebalanced (as further described below);
- issued by the Australian Treasury;
- denominated in Australian dollars;
- have at least 1 month to maturity;
- governed by the law of an Australian State or Territory or the Commonwealth of Australia; and
- issued in a minimum issue size of AUD 100 million.

In addition to the above, certain debt securities are excluded from the Index, these include: convertible notes, zero coupon notes, private placements, collateralised debt obligations, collateralised bond obligations and collateralised fund obligations, synthetic securitizations, hybrid capital securities and perpetual securities.

Securities are included in the Index on the basis of their gross market value proportions. Reinvestment of interest in performed on a daily basis in market value proportions across the universe of securities comprising the Index at the day's closing prices. As the Index includes the value of reinvested interest and principal payments made on the debt instruments included in it, it is considered as a capital accumulation index - which means that it is designed to measure the total return from investing in those debt securities.

The Index rebalances on a monthly basis, with the rebalance day being the last calendar day of the month. The Index may undergo periodic unscheduled rebalances at other times.

10. About the iShares 15+ Year Australian Government Bond ETF

The information in section 10 of this PDS relates solely to the iShares 15+ Year Australian Government Bond ETF (referred to in this section 10 of the PDS as the Fund).

Target market summary

This product is likely to be appropriate for a consumer:

- who is seeking capital growth and/or income distribution
- using the product for a core component of their portfolio or less
- with a minimum investment timeframe of 5 years, and
- with a high to very high risk profile

10.1 Investment objective

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 bonds issued by the Australian Commonwealth Government and Australian Semi-Governments that have a remaining maturity of fifteen years or more.

10.2 Investment strategy

The Fund seeks to achieve its objective by tracking the performance of the Bloomberg Ausbond Govt 15+ Yr Index (referred to in this section 10 of the PDS as the Index).

We believe that stratified sampling is the most appropriate investment strategy to track the performance of the Index as it takes into account liquidity, transaction cost impact, and overall risk relative to the Index.

Stratified sampling involves choosing a subset of Index eligible securities to create a portfolio that behaves like the Index. In many cases, holding every security in the Index isn't cost effective as illiquid or thinly traded securities incur higher transaction costs and wider bid-ask spreads. By investing in a subset of securities that combine to match the overall risk profile of the Index it saves the Fund incurring unnecessary trading costs which can detract from total Fund returns.

A stratified sampling approach is usually accomplished by dividing up the Index into strata or “cells” along some of the more common fixed income security attributes such as: maturity, sector and credit quality. Securities are then chosen that have similar risk and return characteristics that replicate each of the cells and in units consistent with Index exposures.

10.3 What does the Fund invest in?

The Fund generally invests in fixed income securities issued by the Australian Treasury or Australian semi government entities that form the Index.

The Fund may hold some securities which are not constituents of the Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Index. However, from time to time the Fund may hold all constituents of the Index.

The Fund may also hold small amounts of cash (or cash equivalents, that may include units in other BlackRock funds) for cash flow management purposes and may also invest in index futures contracts for cash bondisation purposes.

10.4 About the Index

The Index is market value weighted and designed to measure the performance of bonds issued by Australian Treasury or Australian semi-government entities with a minimum term to maturity greater than 15 years. The Index includes bonds that:

- are issued by the Australian Treasury or Australian semi-government entities;
- denominated in Australian dollars;
- have a minimum term to maturity greater than 15 years at the rebalancing date;
- are governed by the law of an Australian State or Territory or the Commonwealth of Australia; and
- are issued in a minimum issue size of AUD 100 million.

In addition to the above, certain debt securities are excluded from the Index, these include: convertible notes, zero coupon notes, private placements, perpetual securities, credit linked notes, total return structures, collateralised debt, bond and fund obligations, synthetic securitizations, hybrid capital securities, defaulted securities, securities with loss absorption clause and amortizing structures.

Securities are included in the Index on the basis of their gross market value proportions. Reinvestment of interest is performed on a daily basis in market value proportions across the universe of securities comprising the Index at the day’s closing prices. As the Index includes the value of reinvested interest and principal payments made on the debt instruments included in it, it is considered as a capital accumulation index - which means that it is designed to measure the total return from investing in those debt securities.

The Index rebalances on a monthly basis, with the rebalance day being the last calendar day of the month. The Index may undergo periodic unscheduled rebalances at other times.

11. Additional information about the Funds

11.1 Use of derivatives

iShares Core Cash ETF and iShares Enhanced Cash ETF (collectively referred to as the **Cash Funds**) are not permitted to use derivatives.

iShares Core Composite Bond ETF, iShares Core Corporate Bond ETF, iShares Yield Plus ETF, iShares Government Inflation ETF, iShares Treasury ETF and iShares 15+ Year Australian Government Bond ETF (collectively referred to as the **Fixed Income Funds**) may use derivatives, such as futures, forwards, options and swap contracts, to manage risk and return. When derivative positions are established they will always be backed by cash holdings and/or underlying assets. Derivative securities will not be used to gear the Fixed Income Funds.

Each Fixed Income Fund's exposure to over the counter (**OTC**) derivatives (excluding any collateral held in respect of any such OTC derivative) is not expected, in aggregate, to exceed 5% of the net asset value (**NAV**) of the Fixed Income Fund.

11.2 Borrowing

While each Fund's constitution allows the Responsible Entity to borrow on behalf of the Fund, it is our intention that no borrowing arrangements will be entered into by the Funds other than temporary overdrafts, which may be used as a means of managing certain cash flows.

11.3 Additional information about the Index

BlackRock has no present intention to change the Index adopted by each Fund. Notice of any such change will be provided to Unitholders in accordance with our obligations under the Fund's constitution and all applicable law.

Information relating to the past performance of each Index can be found on our website at www.blackrock.com/au. It is important to note that past performance is not a reliable indicator of future performance.

S&P Dow Jones Indices LLC (**S&P**) is the provider of the Index for the Cash Funds. S&P is not a related body corporate of BlackRock. Further details regarding the Index of the Cash Funds are available on the index provider's website at au.spindices.com/indices/fixed-income/sp-asx-bank-bill-index.

Bloomberg Index Services Limited (**Bloomberg**) is the provider of the Index for the Fixed Income Funds. Bloomberg is not a related body corporate of BlackRock.

The debt instruments included in the Index of each Fixed Income Fund are valued by BVAL, Bloomberg's securities valuation service. BVAL provides credible, transparent and defensible valuations across a broad spectrum of financial instruments, including fixed income, derivatives and structured notes. These prices are completely independent, drawing on contributors relevant to the market. This broad global dataset of market observations is combined with market leading analytics and Bloomberg's terms and conditions databases to produce objective third-party pricing with deep transparency into how the prices are derived.

Further details regarding the Index of each Fixed Income Fund are available on Bloomberg's website.

11.4 Rebalancing the Funds

The Cash Funds are not subject to periodic rebalances.

Each Fixed Income Fund will typically rebalance its portfolio in line with the scheduled rebalance of its Index. The Fixed income Funds may, however, undergo periodic unscheduled rebalances.

11.5 Fund performance and size

Updated performance information is available from our website at www.blackrock.com/au.

Past performance is not a reliable indicator of future performance.

11.6 Labour standards, environmental, social or ethical considerations

iShares Core Cash ETF
iShares Core Composite Bond ETF
iShares Enhanced Cash ETF
iShares Government Inflation ETF
iShares Treasury ETF
iShares 15+ Year Australian Government Bond ETF

The above Funds each track an index that does not specifically incorporate ESG considerations.

iShares Core Corporate Bond ETF
iShares Yield Plus ETF

For the above Funds, the table below contains further details of the key screens being applied (including any specific threshold criteria if applicable). This table sets out a summary only. Revenue thresholds for certain aspects of an activity may be lower than shown below, and additional screens may apply. Please contact us for further details.

Exclusion	Exclusion Criteria
Controversial Weapons	Issuers engaged in the production of controversial weapons.
Nuclear Weapons	Issuers deriving any revenue from direct involvement in the production of nuclear weapons or nuclear weapon components or delivery platforms, or the provision of auxiliary services related to nuclear weapons.
Civilian Firearms	Issuers classified as producers of firearms and small arms ammunitions for civilian markets.
	Issuers deriving greater than 5% revenue from manufacturing and selling small arms and/or firearms for civilian markets.
Tobacco	Issuers classified as producers.
	Issuers deriving greater than 5% revenue from the production, distribution, retail and supply of tobacco-related products.
Thermal Coal	Issuers deriving greater than 5% revenue from thermal coal extraction and/or thermal coal-based power generation.
Oil Sands	Issues deriving greater than 5% revenue from oil sands extraction.
United Nations Global Compact Violators	Issuers deemed by the data provider to have failed to comply with United Nations Global Compact Principles.

Information about exclusionary screens

Investors should be aware that:

- exclusionary screens apply screening in some sectors but not others, and so as result, a Fund may hold assets that have exposure to activities that may be considered controversial, sensitive, or to have an adverse ESG impact.

- BlackRock (or its index and data providers) may use revenue thresholds as a simple and meaningful indicator of an issuer's involvement in certain activities. There are limitations of using revenue data especially where revenue is not attributed to the specific business activity. In such cases, revenues are estimated.
- BlackRock (or its index and data providers) may consider the level of sector involvement in considering the inclusion or exclusion of an issuer. For example, tobacco producers and distributors may be excluded, however tobacco retailers or suppliers may not be excluded.
- Unless specifically disclosed in a Fund's PDS, exclusionary screens do not screen securities in the government, government-related or securitised sectors.
- An exclusionary screen may not exclude an issuer if data about that issuer is incomplete, inaccurate or unavailable.

Issuers of securities held by a Fund may meet or fail to meet BlackRock's or its index/data providers' ESG criteria from time to time. In these circumstances, BlackRock will use reasonable efforts to invest, divest or otherwise respond to the change within a reasonable period (for example, at the following rebalance date) considering the materiality of the change, liquidity, and transaction costs. The methodology of index and data providers may differ.

Further information about BlackRock's ESG investment approach can be obtained on request.

11.7 Investment Stewardship

The BlackRock Group's Investment Stewardship Team, a centralised resource for all portfolio managers, lead a programme focused on protecting and enhancing the economic value of companies in which the BlackRock Group invests on behalf of clients. The program includes providing specialist insight on social, environmental and governance considerations to all investment strategies, whether indexed or actively managed.

The Investment Stewardship Team does this through engagement with boards and management of investee companies and through voting at shareholder meetings.

The BlackRock Group's overarching approach to investment stewardship is set out in the BlackRock Group's Investment Stewardship Corporate Governance and Engagement Principles. Voting is carried out in accordance with our market-specific voting guidelines. These documents are available on our website.

11.8 Announcements to ASX

All announcements (including continuous disclosure notices and distribution information) will be made to ASX via the ASX Market Announcements Platform (asx.com.au).

11.9 Securities lending

The Funds do not currently participate in a securities lending program for the lending of securities held within each Fund's portfolio. Should a Fund commence securities lending we will notify Unitholders of this change.

11.10 Additional information

The following information can be obtained from our website:

- each Fund's last calculated NAV;
- each Fund's last calculated NAV per Unit (**NAV Price**). The NAV Price is that which is applied to a Unit creation or redemption request received prior to the close of trading on any Business Day. Refer to the section of this PDS titled "Processing of Unit creations and redemptions" for further information on the calculation of the NAV Price and to the Operating Procedures for details of each Fund's Business Day;
- the performance of each Fund compared to the performance of its Index;
- daily underlying holdings of each Fund, including the name and percentage composition of each asset by value relative to NAV as at the close of the previous trading day;
- a copy of the latest PDS;
- copies of each Fund's Annual and Semi Annual Financial Report (the financial year end for each Fund is 30 June); and
- details of each Fund's distributions (if declared).

11.11 Benefits of iShares

iShares ETFs are managed funds listed or quoted on exchanges (including ASX and Cboe) providing you with the opportunity to gain exposure to a diversified portfolio of assets in a single transaction.

The significant benefits of investing in the Cash Funds include:

- low cost access to a highly transparent diversified portfolio of liquid institutional-quality cash and money market securities; and
- the ability to achieve capital preservation and either regular or potentially enhanced regular income.

The significant benefits of investing in the Fixed Income Funds include:

- low cost access to diversified portfolios of Australian fixed income securities;
- access to broad market investment grade, treasury and inflation-linked fixed income exposures; and
- benchmarked to institutional-quality indices provided by leading index providers.

Other benefits of investing in iShares ETFs generally include:

- **Diversification:** In contrast to a direct investment in a single company or bond, an iShares ETF provides, as far as possible and practicable, exposure to all of the securities or instruments within the index that the particular iShares ETF seeks to track.
- **Access global markets:** iShares ETFs let you achieve international diversification by investing in overseas equity and bond markets. With iShares ETFs you can gain exposure by asset class, market capitalisation, country and sector.
- **Liquidity and transparency:** Each iShares ETF seeks investment results that correspond generally to the performance (before fees and expenses) of a particular index. As a traded security, an iShares ETF enables you to enter and exit your holding on the ASX. You can easily track performance and trade during ASX trading hours (subject to ASX rules).
- **Managing risk:** Investing in an iShares ETF can assist you in establishing a portfolio appropriate to your investment needs and risk profile.
- **Lower cost:** As each iShares ETF is passively managed and designed to track the performance of a particular index, the expenses of managing an iShares ETF are generally lower compared to other forms of retail managed funds. However, brokerage or adviser fees may still apply when buying or selling units of an iShares ETF.
- **Receipt of income:** You will generally receive income from your investment in the form of distributions. Distributions may include dividends, coupons and other income. There may be years in which no distributions are made.

- **Accessibility:** iShares ETFs can offer a cost-effective way to gain exposure to a diversified portfolio of securities. They can be less costly than purchasing a large number of individual securities as there are less trading costs and they offer lower thresholds than an investor might otherwise be able to afford.

12. About the AQUA rules

Each Fund is quoted on the ASX under the AQUA Rules. The AQUA Rules have been designed to offer greater flexibility and are specifically designed for managed funds, ETFs and structured products.

As most investors are more familiar with the ASX Listing Rules, it is important to note the main differences between the AQUA Rules and the ASX Listing Rules, which are set out below.

ASX Listing Rules	ASX AQUA Rules
Control	
A person: ▶ controls the value of its own securities and the business it runs, ▶ the value of those securities is directly influenced by the equity issuer's performance and conduct. e.g. the management and board generally control the fate of the business and, therefore, have direct influence over the share price.	A person: ▶ does not control the value of the assets underlying its products, but ▶ offers products that give investors exposure to the underlying assets – such as shares, indices, currencies or commodities. The value (price) of products quoted under the AQUA Rules is dependent upon the performance of the underlying assets rather than the financial performance of the issuer itself. e.g. A managed fund issuer does not control the value of the shares it invests in.
Continuous disclosure	
Products under the ASX Listing Rules are subject to the continuous disclosure requirements under ASX Listing Rule 3.1 and section 674 of the Corporations Act.	Issuers of products quoted under the AQUA Rules are not subject to the continuous disclosure requirements under ASX Listing Rule 3.1 and section 674 of the Corporations Act. There is, however, still a requirement under the AQUA Rules that an issuer of a product quoted under the AQUA Rules provide ASX with information that the non-disclosure of which may lead to the establishment of a false market in its products or would materially affect the price of its products. In addition, issuers of products quoted under the AQUA Rules must disclose information about: ▶ the Net Tangible Assets or the NAV of the funds; ▶ dividends, distributions and other disbursements; and ▶ any other information that is required to be disclosed to ASIC under section 675 of the Corporations Act must be disclosed to ASX via the ASX Company Announcement Platform at the same time it is disclosed to ASIC.
Periodic disclosure	
Products under the ASX Listing Rules are required to disclose half-yearly and annual financial information or annual reports under Chapter 4 of the ASX Listing Rules.	Products quoted under the AQUA Rules are not required to disclose half-yearly and annual financial information or annual reports under the AQUA Rules. However, because the Fund is a registered managed investment scheme, we are still required to prepare financial reports under Chapter 2M of the Corporations Act. These reports will be made available on our website at www.blackrock.com/au.

ASX Listing Rules	ASX AQUA Rules
Corporate control	
Requirements in the Corporations Act and the ASX Listing Rules in relation to matters such as takeover bids, share buy-backs, change of capital, new issuers, restricted securities, disclosure of directors' interests and substantial shareholdings apply to companies and schemes. The responsible entity of a listed scheme may be replaced by a resolution of members holding a majority of the votes cast on the resolution.	Certain requirements in the Corporations Act and the ASX Listing Rules in relation to matters such as takeover bids, buy-backs, change of capital, new issuers, restricted securities, disclosure of directors' interests and substantial shareholdings that apply to companies and listed schemes do not apply to products quoted under the AQUA Rules. Issuers of products quoted under the AQUA Rules are subject to general requirement to provide the ASX with any information concerning itself that may lead to the establishment of a false market or materially affect the price of its products. The responsible entity of an unlisted scheme being admitted to Trading Status on ASX or quoted under the AQUA Rules may only be replaced by a resolution of members holding a majority of votes that are eligible to be cast on the resolution.
Related party transactions	
Chapter 10 of the ASX Listing Rules, which relates to transactions between an entity and persons in a position to influence the entity, specifies controls over related party transactions.	Chapter 10 of the ASX Listing Rules does not apply to AQUA products. Unlisted schemes being admitted to Trading Status on ASX or quoted under the AQUA Rules remain subject to the related party requirements in Part 5C.7 and Chapter 2E of the Corporations Act.
Auditor rotation	
There are specific requirements in relation to auditor rotation under Part 2M.4 Division 5 of the Corporations Act.	Issuers of products under the AQUA Rules are not subject to the requirements under Part 2M.4 Division 5 of the Corporations Act. The responsible entity of an unlisted scheme being admitted to Trading Status on ASX or quoted under the AQUA Rules will continue to be required to undertake an independent audit of its compliance with the scheme's compliance plan in accordance with section 601HG of the Corporations Act.
Disclosure	
Entities admitted under the ASX Listing Rules are subject to the requirements of the Corporations Act in relation to the issue of a PDS.	Products quoted under the AQUA Rules will also be subject to these requirements of the Corporations Act.

Source: ASX Rules Framework

13. Fund risks

13.1 What are the risks of investing?

Before you make an investment decision, it is important to identify your investment objectives and the level of risk that you are prepared to accept. This may be influenced by:

- the timeframe over which you are expecting a return on your investment and your need for regular income versus long-term capital growth;
- your level of comfort with volatility in returns; or
- the general and specific risks associated with investing in particular funds.

13.2 General risks

All investments have an inherent level of risk. Generally, there is a trade-off between higher expected returns for higher expected risk – represented by the variability of fund returns.

The value of your investment will fluctuate with the value of the underlying investments in a Fund. Investment risk may also result in loss of income or capital invested and possible delays in repayment. You could receive back less than you initially invested and there is no guarantee that you will receive any income.

13.3 What about the specific risks of the Funds?

Specific risks of investing in the Funds may include, but are not limited to:

Cash, fixed income, and money market security risk. There are a number of risks associated with an investment in cash, fixed income and money market securities, that can result in significant variability in investment returns and a loss of income or capital value. These include:

- **Credit risk**. The value of a fund investing in cash, fixed income and money market securities is affected by the perceived or actual credit worthiness of the issuer of the security. A perceived or actual deterioration of credit quality (e.g. an issuer credit downgrade or credit event leading to a revised premium attributable to investment due to credit worthiness downgrade) of a security will adversely impact the value of such investment;
- **Income risk**. A fund investing in cash, fixed income and money market securities may experience a decline in income where market interest rates are falling. This can result when a fund reinvests in securities at a lower yield than the current fund portfolio yield;
- **Interest rate risk**. An increase in interest rates will cause the value of cash, fixed income and money market securities (in particular fixed rate securities) to decline, which will in turn impact the returns of a fund investing in such securities. Interest rate risk is generally lower for shorter term investments and higher for longer term investments;
- **Issuer risk**. Corporate issuers of cash, fixed income and money market securities may willingly or unwillingly default on their obligation to make interest or principal payments. Similarly, sovereign issuers (i.e. governments of a country or an agency backed by a government) may refuse to comply with their obligations during economically difficult or politically volatile times. Such events may cause a downgrade in the credit rating of an issuer, which in turn may cause the value of a security to fall. There is also no assurance that an issuer of a security will continue to issue in the market; and
- **Spread risk**. The prevailing rates of compensation for creditworthiness of issuers of instruments (spread) is affected by market factors including sentiment, supply and demand and general economic conditions. A change in these factors, which impact spread, can negatively impact the yield earned by a fund investing in credit securities.

Concentration risk. If an index of a fund is concentrated in a particular country, region, industry, group of industries or sector, that fund may be adversely affected by the performance of those securities and be subject to price volatility. In addition, a fund that concentrates in a single country, region, industry or group of countries or industries may be more susceptible to any single economic, market, political or regulatory occurrence affecting that country, region, industry or group of countries or industries. This could lead to a greater risk of loss to the value of your investment.

Where a fund has a large exposure to Australian government bonds, either Commonwealth or State, that fund may also experience limited diversification.

Corporate bonds risk. A fund comprising corporate bonds may invest in corporate bonds issued by companies within a range of credit worthiness. Corporate bonds may be upgraded or downgraded from time to time due to an increase or reduction in the company's credit worthiness. Consequently, a fund investing within a specific credit rating range may be exposed to bonds which fall outside its normal investment parameters, until such time as these bonds cease to form part of that fund's index and the fund's position in such bonds can be liquidated. A default by the issuer of a bond may result in a reduction in the value of a fund invested in that bond.

Although a fund will invest in bonds that invest and trade in the secondary market, the secondary market for corporate bonds may become illiquid and therefore it may be difficult to achieve fair value on purchase and sale transactions.

Derivative risk. The Fund may be exposed to derivative securities. The use of derivatives expose a fund to different risks as opposed to investing directly in a security. For example, derivatives can cause a fund to make greater gains or incur greater losses than the gains and losses of the underlying security in relation to which the derivative derives its value.

Derivative transactions may be subject to the risk that a counterparty to the transaction will wholly or partially fail to perform their contractual obligations under the arrangement (including failing to meet collateral requirements under the arrangement). Additionally, OTC markets are not guaranteed by an exchange or clearing corporation and generally do not require payment of margin. To the extent that a fund has unrealised gains in such instruments or has deposited collateral with its counterparty that fund is at risk that its counterparty will become bankrupt or otherwise fail to honour its obligations. Derivative transactions may also expose a fund to a risk of potential illiquidity if the derivative instrument is difficult to purchase or sell.

The BlackRock Group attempts to minimise these risks by engaging in derivative transactions only with financial institutions that have substantial capital or that have provided a third-party guarantee or other credit enhancement.

ESG investment risk. In relation to the iShares Core Corporate Bond ETF and iShares Yield Plus ETF, the use of ESG criteria and exclusionary screens may affect the Fund's investment performance and, as such, the Fund may perform differently compared to similar funds that do not use such criteria.

Government bonds risk. Government bonds pay a fixed rate of interest (also known as the "coupon") and behave similarly to a loan. These bonds are therefore exposed to changes in interest rates which will affect their value. In addition, in periods of low inflation, the positive growth of a fund investing in government bond may be more limited.

Investments in government bonds may be subject to liquidity constraints and periods of significantly lower liquidity in difficult market conditions. Therefore it may be more difficult to achieve a fair value on purchase and sale transactions which may cause a fund not to proceed with such transactions. As a result, changes in the value of the fund's investments may be unpredictable.

Inflation risk. Perceived or actual fluctuations in consumer prices may affect the value of inflation linked bonds, which may in turn affect the returns of a fund investing in such securities.

Insufficiency of spreads risk. A pre-set spread relating to the issue or redemption price calculation in a cash creation or cash redemption may be determined prior to trading of the underlying securities to cover estimated trading costs. If such a spread is narrower than the actual associated trading costs, the NAV of the relevant Fund will be adversely affected.

Investment grading risk. Generally when a security is downgraded its price decreases. Selling the security under these circumstances may mean crystallising an investment loss. An investment strategy of only investing in investment grade securities should generally lead to lower risk than holding non-investment grade securities, however, such strategy will also generally lead to lower income where investment grade securities have a lower coupon rate.

Liquidity risk. The Funds may be exposed to securities with limited liquidity, which are in practice infrequently traded or for which typical daily volumes traded are small. It may not be possible to sell such securities when it is desirable to do so or to realise what the manager perceives to be their fair value in the event of a sale. The general level of market liquidity also varies and may deteriorate. Such a deterioration may negatively impact the ability to trade fund securities and may negatively affect the price at which a trade is executed. These circumstances could impair a fund's ability to make distributions to a redeeming unit holder in a timely manner and a fund may need to consider suspending redemptions. The BlackRock Group aims to reduce these risks by understanding the liquidity characteristics of securities a fund is exposed to and plans trading so as to minimise the adverse consequences of low liquidity.

Reliance on investment ratings risk. Credit rating agencies assign various credit ratings to the individual securities that may form part of a fund's portfolio. These ratings vary based on the perceived quality of those securities. For example, the term "investment grade" denotes a certain level of quality of a security, which has been ascribed by an independent rating agency or agencies, though no guarantee of investment performance can be derived from this term. Grades determined by such agencies may form only one view of the security and should not be relied upon in isolation. Further, ratings are provided by commercial agencies that are paid for their services and therefore potential conflicts may exist in the classification of precise ratings grades. Rating agencies attempt to pursue principles and maintain standards that deliver effectiveness and reliability, however, neither an accurate rating classification determined when a bond is issued, nor accurate review during the life of a bond, can be assured.

13.4 Risks of investing in ETFs and managed funds

The risks of investing in ETFs and more generally managed investment schemes may include, but are not limited to:

Counterparty risk. Institutions, such as brokerage firms, banks, and broker-dealers, may enter into transactions with the manager of a fund in relation to the sale and purchase of assets or securities. Such institutions may also be issuers of the securities in which a fund invests. Bankruptcy, fraud, regulatory sanction or a refusal to complete a transaction at one of these institutions could significantly impair the operational capabilities or the capital position of a fund. While the BlackRock Group uses reasonable efforts to mitigate such risks, there can be no guarantee that transactions between such counterparties will always be completed in the manner contemplated by, and favourable to, the relevant fund.

Dealing risk. There may be instances where the Units of each Fund will not be widely held. Accordingly, any investor buying Units in small numbers may not necessarily be able to find other buyers should that investor wish to sell. While this risk cannot be entirely removed in order to address such dealing risk, each Fund has been appointed one or more market maker.

Conflicts of interest risk. Certain conflicts of interest may arise in the operation of a BlackRock Group fund. Fund structures may involve members of the BlackRock Group acting in more than one capacity, while BlackRock Group funds may hold over-the counter derivative agreements where a member of the BlackRock Group is acting (in different capacities) on both sides of the agreement. BlackRock Group funds may be invested in by persons associated with BlackRock Group or by other funds and accounts managed by different members of the BlackRock Group. Investors in a fund may, in some instances, invest on different terms to each other, some of which may be more favourable than others. Each investor in a fund may act in a way which is adverse to the interests of other investors in that fund. Additionally, funds and accounts managed by different members of the BlackRock Group may act as a seed investor in a BlackRock Group fund, which may create a commercial opportunity for the BlackRock Group. For example, a seed investment may allow the BlackRock Group to establish a track record for a fund that can then be sold to other clients. Certain investment strategies of the BlackRock Group may conflict with each other and may affect the price and availability of securities in which to invest. Members of the BlackRock Group may also give advice or take action with respect to any of their clients, which may differ from the advice given or the timing or nature of any action taken with respect to the investments of other BlackRock Group funds or accounts.

While conflicts of interest may arise from time to time, the BlackRock Group has established policies and procedures in place to manage any such conflict, which includes ensuring transactions between BlackRock Group entities are conducted on an arm's length commercial basis.

Fund risk. The price of units in a fund and the income from them may go down as well as up. Investors may not get back their original investment. There can be no assurance that a fund will achieve its investment objective or that an investor will achieve profits or avoid losses, significant or otherwise. Capital return and income of a fund is based on the capital appreciation and income of the securities invested in, less expenses incurred. Fund returns may fluctuate in response to changes in such capital appreciation or income. The payment of distributions is at the discretion of the fund issuer, taking into account various factors and its own distribution policy. Distributions are not guaranteed and there may be periods for which distributions are higher or lower than expected. There can be no assurance that the distribution yield of a fund is the same as that of its index due to factors such as expenses incurred by the fund. Investing in a fund may result in a different tax outcome than investing in securities directly. The application of tax laws and certain events occurring within a fund may result in you receiving some of your investment back as income in the form of a distribution. A fund will generally not be managed with consideration of the individual circumstances, including specific tax considerations, applicable to any single unitholder in the fund. Past performance is not indicative of future performance.

Individual investment risk. Individual securities held by a fund can and do fall in value for many reasons. Both price and levels of income are subject to fluctuation. Returns from individual securities will vary and price movements can be volatile.

Market risk. Economic, technological, political or legislative conditions and even market sentiment can (and do) change and this can affect the value of the investments in a fund. The value of a fund will change with changes in the market value of the securities to which it is exposed.

Index related risk. In order to meet its investment objective, the Funds will seek to achieve a return that reflects the return of its index, as published by the index provider. While index providers do provide a description of what each index is designed to achieve, index providers do not generally provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of their indices, nor any guarantee that the published index will be in line with their described benchmark index methodologies. Errors in respect of the quality, accuracy and completeness of the data may occur from time to time and may not be identified and corrected for a period of time, in particular where an index is less commonly used. During a period where an index contains incorrect constituents, a fund benchmarked to that index would have market exposure to such constituents. As such, errors may potentially result in a negative or positive performance impact to the fund and to its unitholders. Apart from scheduled rebalances, index providers may carry out additional ad hoc rebalances to their benchmark indices in order, for example, to correct an error in the selection of index constituents. Where the index is rebalanced and a fund in turn rebalances its portfolio to bring it in line with the index, any transaction costs and market exposure arising from such portfolio rebalancing will be borne by the fund and, by extension, the fund's unitholders. Therefore, errors and additional ad hoc rebalances carried out by an index provider may increase the costs and market exposure risk of a fund.

Market trading risk. The units of ETFs (such as the Funds) may trade on securities exchanges in the secondary market, like the ASX. Risks associated with such trading activity may include the following:

- Secondary market trading risk. While the unit creation/redemption feature of an ETF is designed to make it likely that units of the ETF will trade close to their NAV in the secondary market, at times when the ETF does not accept orders to create or redeem units (such as when a Fund suspends trading in accordance with the terms of its constitution) or if there are disruptions to unit creation or redemption processes, units of the ETF may trade in the secondary market with more significant premiums or discounts than might otherwise be experienced.
- Settlement risk. The Funds may be exposed to settlement risk, as the Funds are reliant on the operation of CHESS, including for Unit creations and redemptions. The Funds are exposed to the extent that there is a risk that Authorised Participants may fail to fulfil their settlement obligations. The risk is partly mitigated as participants in CHESS are subject to rules of participation, which include sanctions if there is a failure to meet their obligations. Where trading in relation to a security is suspended, there may be a delay in settlement in relation to that security.
- Secondary market suspension. Investors will not be able to acquire or dispose of Units on the ASX during any period that the ASX suspends trading in the Units. The ASX may suspend the trading of Units whenever the ASX determines that it is appropriate in the interests of a fair and orderly market to protect investors. The creation and redemption of Units will also be suspended in the event that the trading of Units on the ASX is suspended. Refer to the section of this PDS, titled "Redemption rights of non-Authorised Participant Unitholders" for further information on the redemption rights of secondary market investors when the trading in Units on the ASX has been suspended.
- Revocation of ASX approval of quotation risk. The ASX imposes certain requirements for the continued quotation of securities, including units of ETFs. There can be no assurance that the Funds will continue to meet the requirements necessary to maintain quotation of Units on the ASX or that the ASX will not change the quotation requirements. The Funds may be terminated if the ASX revokes listing approval.
- No trading market in ETF units. There can be no assurance that an active trading market will exist for units of an ETF on the securities exchanges the ETF is traded. Further, there can be no assurance that units of an ETF will experience trading or pricing patterns similar to those of ETFs which are issued by investment companies in other jurisdictions or those traded on the ASX that seek to track a different index. Investors should note that liquidity in the secondary market for ETF units may be adversely affected if there is no market maker or authorised participant for the ETF. Although units of an ETF may be quoted on a securities exchange and there may be one or more appointed market maker, there may be no liquid trading market for the ETF units or such appointed market maker(s) may cease to fulfil that role. It is the Responsible Entity's intention that there will always be at least one market maker for the Units of the Funds.

Operational risk. The risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Adverse impacts may arise internally through human error, technology or infrastructure changes, or through external events such as third party failures or crisis events. The BlackRock Group has procedures in place to manage these risks and, as much as possible, monitor the controls within these procedures to ensure operational risks are adequately managed.

Regulatory and business risk. Changes in corporate, taxation or other relevant laws, regulations or rules may adversely affect your investment. For example, such changes may adversely affect a fund's ability to execute certain investment strategies, which could have a material effect on performance. The laws affecting registered managed investment schemes may also change in the future.

Tracking error risk. The NAV of each Fund may not correlate exactly with the index it is designed to match. Factors such as fund fees and expenses, imperfect correlation between fund security holdings and index constituents, inability to rebalance portfolio holdings in response to changes to index constituents, rounding of prices, index changes and regulatory policies may affect the ability of a fund to achieve close correlation with the index. A fund's returns may therefore deviate from the index it is designed to match. Funds that employ a stratified sampling strategy, those employing non-traditional passive index tracking strategies (like the Cash Funds) or those that have additional screens (for example, ESG screens) may incur tracking error risk to a greater extent than a fund that seeks to fully replicate an index or do not employ such non-traditional tracking strategies or screens.

13.5 Risk management

The Funds benefit from the BlackRock Group's global expertise and risk management practices, with investment strategies employed across the BlackRock Group being continuously monitored and assessed.

Risk management is integral to the BlackRock Group's culture and has been integrated into management and investment practices wherever possible. The BlackRock Group recognises that risk management is an integral part of sound management practice and is therefore committed to continually investing incrementally in its risk management capabilities commensurate with the increasing complexity, range and scale of its business activities.

Asset exposures are constantly monitored to ensure all BlackRock Group funds remain within permitted investment parameters. Operating and investment processes are continuously reviewed through a combination of internal and external audit, regular compliance monitoring, management self-assessment procedures and risk management oversight.

Management of key controls and performance measurement is accomplished through routine reporting on investment activities. The BlackRock Group's automated systems produce reports that enable the ongoing monitoring of trading and investment activity against assigned limits, including individual trader and counterparty limits. Transactions that may result in exceptions to the established limits must have appropriate approval in accordance with internally documented policies.

Departmental oversight

The BlackRock Group has operational functions that help in the implementation of its risk management framework, including:

- **Risk and Quantitative Analysis:** Monitors the continuing development of process controls and functional segregation in conjunction with relevant business units to ensure that these remain robust and appropriate to the needs of the business. The Risk and Quantitative Analysis Team also measures and monitors all BlackRock Group funds.
- **Legal and Compliance:** Responsible for the identification, communication and control of applicable legislation and restrictions. Compliance staff also conduct periodic compliance reviews of key processes and work closely with management to develop suitable controls.
- **Internal Audit:** Responsible for the review of internal processes and controls.
- **Counterparty & Concentration Risk Group:** Responsible for managing counterparty risk across the BlackRock Group. The Counterparty and Concentration Risk Group monitors and assesses counterparty exposures arising from a wide range of financial instruments.

14. Fees and other costs

14.1 Consumer advisory warning

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from $100,000 to $80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC) Moneysmart website (www.moneysmart.gov.au)** has a managed funds fee calculator to help you check out different fee options.

14.2 Fees and costs summary

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole. Taxes are set out in another part of this document. You should read all the information about fees and costs because it is important to understand their impact on your investment.

iShares Australian Fixed Income & Cash ETFs			
Type of fee or cost	**Amount**		**How and when paid**
Ongoing annual fees and costs			
Management fees and costs The fees and costs for managing your investment[1]	iShares Core Cash ETF	0.07% p.a.	The management fee for each Fund is calculated in relation to the NAV of the Fund on a daily basis. This cost is deducted from the assets of the Fund and is generally paid to us monthly in arrears. Management fees and costs include indirect costs. Indirect costs are a reasonable estimate of certain costs incurred within the Fund (or any underlying fund) that reduce returns. The deduction of managements fees and costs is reflected in the Fund's unit price.
	iShares Core Composite Bond ETF	0.10% p.a.	
	iShares Core Corporate Bond ETF	0.15% p.a.	
	iShares Enhanced Cash ETF	0.12% p.a.	
	iShares Yield Plus ETF	0.12% p.a.	
	iShares Government Inflation ETF	0.18% p.a.	
	iShares Treasury ETF	0.18% p.a.	
	iShares 15+ Year Australian Government Bond ETF	0.15% p.a.	
Performance fees Amounts deducted from your investment in relation to the performance of the product	Nil for all Funds		The Funds do not charge a performance fee.
Transaction costs The costs incurred by the Fund when buying or selling assets	iShares Core Cash ETF	0.00% p.a.	Transaction costs which are incurred when a member invests or redeems from the Fund will generally be recovered through the buy-sell spread applied to the unit price. Transaction costs that are not recovered ('net transaction costs') reduce returns and are reflected in the Fund's unit price.
	iShares Core Composite Bond ETF	0.00% p.a.	
	iShares Core Corporate Bond ETF	0.00% p.a.	
	iShares Enhanced Cash ETF	0.00% p.a.	
	iShares Yield Plus ETF	0.00% p.a.	
	iShares Government Inflation ETF	0.00% p.a.	
	iShares Treasury ETF	0.00% p.a.	
	iShares 15+ Year Australian Government Bond ETF	0.00% p.a.	

Member activity related fees and costs (fees for services or when your money moves in or out of the Fund)			
Establishment fee The fee to open your investment	Nil for all Funds		Not applicable.
Contribution fee The fee on each amount contributed to your investment	If you are BUYING ON EXCHANGE Nil	If you are an Authorised Participant creating Units Nil	These fees are only applicable to Authorised Participants, as only Authorised Participants are able to create Units. These fixed fees are payable at the time of creating Units. Refer to the section of this PDS titled "Additional explanation of fees and costs" for details of the contribution fee charged by each Fund.
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the Fund	Nil for all Funds		Buy-sell spreads do not apply when buying/selling units on exchange.
Withdrawal fee The fee on each amount you take out of your investment	If you are SELLING ON EXCHANGE Nil	If you are an Authorised Participant redeeming Units Nil	These fees are only applicable to Authorised Participants, as only Authorised Participants are able to redeem Units. These fixed fees are payable at the time of redeeming Units. Refer to the section of this PDS titled "Additional explanation of fees and costs" for details of the withdrawal fee charged by each Fund.
Exit fee The fee to close your investment	Nil for all Funds		Not applicable.
Switching fee The fee for changing investment options	Nil for all Funds		Not applicable.

[1] Fees can be negotiated with certain "wholesale clients" investors (as defined by the Corporations Act) in compliance with legal requirements and any applicable ASIC class orders. See 'Differential fees" within the "Additional explanation of fees and costs" section for further information.

14.3 Example of annual fees and costs

The table below gives an example of how ongoing annual fees and costs in the iShares Core Composite Bond ETF can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

EXAMPLE - iShares Core Composite Bond ETF		
BALANCE OF $50,000 WITH A CONTRIBUTION OF $5,000 DURING THE YEAR		
Contribution fees	Nil	For every additional $5,000 you put in, you will be charged $0.
PLUS		
Management fees and costs	0.10%	**And**, for every $50,000 you have in the Fund you will be charged or have deducted from your investment **$50** each year
Performance fees	Nil	**And**, you will be charged or have deducted from your investment **$0** in performance fees each year
Transaction costs	0.00%	**And**, you will be charged or have deducted from your investment **$0** in transaction costs
EQUALS		
Cost of Fund	If you had an investment of $50,000 at the beginning of the year and you put in an additional $5,000 during that year you would be charged fees and costs of **$50**.[1] **What it costs you will depend on the fees you negotiate.**	

1. Additional fees may apply. Authorised Participants may incur a fixed contribution fee to create Units in a Fund. Additionally, Authorised Participants may also incur transaction costs when creating units in a Fund by way of a Non-Standard Transaction. These

fees/costs are not applicable to investors buying on exchange. Refer to the section of this PDS titled "Additional explanation of fees and costs" for further information.

14.4 Cost of product information

COST OF PRODUCT FOR 1 YEAR

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your investment over a 1-year period for all investment options. It is calculated in the manner shown in the *Example of annual fees and costs*.

The cost of product assumes a balance of $50,000 at the beginning of the year with a contribution of $5,000 during the year. (Additional fees such as an establishment fee or an exit fee may apply: refer to the Fees and costs summary for the relevant option.)

You should use this figure to help compare this product with other products offered by managed investment schemes.

Fund	Cost of Product
iShares Core Cash ETF	$35
iShares Core Composite Bond ETF	$50
iShares Core Corporate Bond ETF	$75
iShares Enhanced Cash ETF	$60
iShares Yield Plus ETF	$60
iShares Government Inflation ETF	$90
iShares Treasury ETF	$90
iShares 15+ Year Australian Government Bond ETF	$75

14.5 Additional explanation of fees and other costs

Ongoing annual fees and costs

The ongoing annual fees and costs comprise:

- **Management fees and costs**

Management fees and costs calculated for the financial year ending 30 June 2023 are set out in the table below and include:

- amounts payable to us for administering the Funds ('management fees');
- amounts paid for investing in the assets of the Funds; and
- other expenses and reimbursements in relation to the Funds.

Management fees and costs also include indirect costs.

Management fees and costs

Fund name	Management fee	Indirect costs	Total
iShares Core Cash ETF	0.07%	0.00%	0.07%
iShares Core Composite Bond ETF	0.10%	0.00%	0.10%
iShares Core Corporate Bond ETF	0.15%	0.00%	0.15%
iShares Enhanced Cash ETF	0.12%	0.00%	0.12%
iShares Yield Plus ETF	0.12%	0.00%	0.12%
iShares Government Inflation ETF	0.18%	0.00%	0.18%
iShares Treasury ETF	0.18%	0.00%	0.18%
iShares 15+ Year Australian Government Bond ETF	0.15%	0.00%	0.15%

Management fees and costs are not deducted directly from your Fund account. Instead, they are accrued daily within a Fund's NAV price and are deducted from the assets of a Fund. Management fees are generally paid to the Responsible Entity monthly in arrears.

Investment management services may be provided to the Responsible Entity by other members of the BlackRock Group, for which management fees and costs are charged. Where such fees and costs are paid for the provision of investment management services, they are payable by BlackRock and are not at an additional cost to you.

Where an investment is made through a fund managed by us or another company in the BlackRock Group the management fees and costs of the underlying fund will generally either be rebated or not charged.

- **Performance fees**

The Funds do not charge a performance fee.

- **Transaction costs**

Transaction costs are incurred when assets are bought and sold. Transaction costs include, but are not limited to:

- explicit transaction costs, such as brokerage, buy-sell spread, settlement costs, clearing costs (including custody costs) and stamp duty; and
- where applicable, OTC derivative transaction costs, the costs of investing in OTC derivatives, excluding such costs disclosed as indirect costs.

Transaction costs exclude borrowing costs, property operating costs and certain implicit or market impact costs.

Transaction costs may be incurred when Authorised Participants create or redeem Units in a Fund or when transacting to manage a Fund's investment strategy.

Transaction costs incurred when an Authorised Participant creates or redeems Units may be recovered through the contribution or withdrawal fee. Additionally, where an Authorised Participant creates/redeems Units by way of a Non-Standard Creation/Redemption Basket or cash only creation/redemption (Non-Standard Transactions), actual brokerage incurred (and GST payable, after taking into account expected reduced input tax credits) in acquiring or realising securities (as applicable) may be charged to the transacting Authorised Participant.

Transaction costs that are not recovered (the "net transaction costs" in the below table) reduce the investment return of a Fund. Net transaction costs are reflected in each Fund's NAV Price and are not charged separately to the investor.

Transaction costs are generally calculated with consideration to the financial year of a fund ending 30 June 2023. In the case of a new fund, transaction costs are disclosed as a reasonable estimate of the costs we expect to be incurred over the next twelve months. Certain amounts or figures used to calculate transaction costs may include estimates in circumstances where actual figures could not be obtained.

The below table provides details of the transaction costs and any applicable transaction cost recovery attributable to each Fund as a percentage of each Fund's average AUM for the last financial year.

Estimated transaction costs and transaction cost recovery [1]

Fund name	Gross	Recovery	Net
iShares Core Cash ETF	0.00%	0.00%	0.00%
iShares Core Composite Bond ETF	0.00%	0.01%	0.00%
iShares Core Corporate Bond ETF	0.00%	0.21%	0.00%
iShares Enhanced Cash ETF	0.00%	0.00%	0.00%
iShares Yield Plus ETF	0.01%	0.04%	0.00%
iShares Government Inflation ETF	0.00%	0.02%	0.00%
iShares Treasury ETF	0.01%	0.03%	0.00%
iShares 15+ Year Australian Government Bond ETF	0.00%	0.00%	0.00%

1. Costs shown with consideration to the financial year of the Fund ending 30 June 2023, or in the case of new Funds, a reasonable estimate we expect to be incurred over the next twelve months and as a percentage of the Fund's average AUM. Net transaction costs equal total transaction costs minus transaction cost recovery, rounded to two decimal places.

Transaction costs are dependent upon a number of factors and therefore may change from year to year. Transaction costs for future periods may be higher or lower than the transaction costs currently disclosed.

Expense recovery costs

We are entitled to be reimbursed for certain expenses in managing and administering the Funds. These expenses may cover:

- certain out-of-pocket expenses incurred during the day-to-day operations of a Fund that the Responsible Entity is entitled to recover from each Fund; and
- other expenses that are incurred due to abnormal events (such as the cost of running a Unitholder meeting or legal costs

incurred by changes to a Fund's constitution or defending legal proceedings).

Expense recovery costs are generally calculated with consideration to the actual costs incurred during the previous financial year and disclosed as part of 'management fees and costs'. In the case of a new fund, expense recovery costs are disclosed as a reasonable estimate of any such costs we expect to be incurred over the next twelve months.

Expense recovery costs are dependent upon a number of factors and therefore may change from year to year. Expense recovery costs for future periods may be higher or lower than the expense recovery costs currently disclosed.

► **Indirect costs**

Indirect costs include any amount that we know, reasonably ought to know or, where this is not the case, may reasonably estimate, will reduce the return of a Fund. Indirect costs may be incurred directly by a Fund or, where applicable, indirectly through an underlying fund.

Indirect costs may include, but is not limited to:

- Over the counter (OTC) derivative costs: Where applicable, costs of investing in OTC derivatives, excluding such costs disclosed as transaction costs, see below for further information).

Indirect costs exclude certain transaction costs (see above for further information).

Indirect costs reduce the investment return of a Fund (or where applicable underlying fund). Indirect costs are reflected in each Fund's NAV Price and are not charged separately to an investor.

Indirect costs are generally calculated with consideration to the financial year of a Fund ending 30 June 2023. In the case of a new fund, indirect costs are disclosed as a reasonable estimate of the costs we expect to be incurred over the next twelve months. Certain amounts or figures used to calculate indirect costs may include estimates in circumstances where actual figures could not be obtained.

Indirect costs are dependent upon a number of factors and therefore may change from year to year. Indirect costs for future periods may be higher or lower than the indirect costs currently disclosed.

Contribution/withdrawal fee for Authorised Participants

These fees are only applicable only to Authorised Participants, as only Authorised Participants are able to create/redeem Units.

A contribution/withdrawal fee may be payable by an Authorised Participant with every creation/redemption of Units. The contribution/withdrawal fee applicable to each Fund is detailed in the following table.

	Contribution/ Withdrawal Fee
iShares Core Cash ETF	$0
iShares Core Composite Bond ETF	$0
iShares Core Corporate Bond ETF	$0
iShares Enhanced Cash ETF	$0
iShares Yield Plus ETF	$0
iShares Government Inflation ETF	$0
iShares Treasury ETF	$0
iShares 15+ Year Australian Government Bond ETF	$0

This fee represents the estimated custody and administration costs associated with the purchase or sale of securities following a creation or redemption of Units by an Authorised Participant. The same fee may be applied to both Unit creations and redemptions and is a separate flat dollar fee regardless of the size of the transaction.

The contribution/withdrawal fee is payable by the Authorised Participant to a Fund and is not paid to BlackRock. In the case of a creation of Units the contribution fee is payable in addition to the issue price and in the case of a redemption of Units the withdrawal fee will be deducted from the redemption proceeds.

Buy-sell spreads for Authorised Participants

The buy-sell spread reflects the estimated transaction costs associated with buying and selling the assets of a Fund when Authorised Participants create or redeem Units. The buy-sell spread is applied with the intention of ensuring all investors are treated equally and looks to ensure that investors within a Fund are not negatively impacted as a result of the investment activity of other investors in the Fund. The buy-sell spread is not paid to BlackRock.

The buy spread is the difference between the Unit creation price and the NAV Price. The sell spread is the difference between the Unit redemption price and the NAV Price. The total buy-sell spread is the difference between a Fund's Unit creation and Unit redemption prices.

Authorised Participants should note that there may be circumstances in which BlackRock may exercise its discretion to vary the buy-sell spread above or below those stated in the buy-sell spread information provided to Authorised Participants. Such discretion may be exercised, for example, where the costs associated with obtaining or disposing of the underlying assets of a Fund are likely to be materially different to those typically encountered in normal market conditions. Prior notice of a change to the buy-sell spread will not ordinarily be provided.

The buy-sell spread is an additional cost to the Authorised Participant but is reflected in a Fund's unit creation or redemption prices. Such costs are not charged separately to the Authorised Participant.

The buy-sell spread for each Fund is distributed electronically to Authorised Participants.

Can the fees change?

All fees can change. They may vary over time as a result of changes to a Fund, changing economic conditions and changes in regulations, and may change without Unitholder consent.

We will provide investors 30 days prior notice of any proposed increase to our fees. Under special circumstances, we may elect to vary the frequency of our fee collection.

The current fees applicable to your investment are set out in this PDS and although we have the power to change our fee structure without your consent, we have no present intention to do so.

Ongoing service commission

No commission is currently payable by us to advisers in relation to each Fund.

Stockbroker fees for ASX investors

Investors buying and selling Units on the ASX will incur customary brokerage fees and commissions. These fees and charges should be discussed with your stockbroker prior to investing.

Alternative forms of remuneration

We may provide alternative forms of remuneration, which include professional development, sponsorship and entertainment to licensed financial advisers, dealer groups and master trust or IDPS operators. Where such benefits are provided, they are payable by BlackRock and are not an additional cost to you.

We maintain a public register of alternative forms of remuneration in accordance with regulatory obligations. Please contact Client Services if you wish to inspect this register (refer to page 3 of this PDS for contact details).

BlackRock will only make these payments to the extent that they are permitted by law.

Fee for wholesale investors

We may individually negotiate fees with investors classed as "wholesale clients", as defined by the Corporations Act. We may also negotiate special arrangements concerning fees (including fee reductions or waivers) with other investors in certain circumstances determined by us, as permitted by law. Please contact us for further details.

15. Primary market matters

15.1 Authorised participants

Requests for the creation or redemption of Units in each Fund may only be submitted by Authorised Participants.

Before we can process an initial Unit creation request, Authorised Participants are required to provide us with a signed AP Agreement. Authorised Participants are required to comply with any additional requirements as set out in the AP Agreement.

As part of the initial Unit creation process, Authorised Participants will be provided with a copy of the Operating Procedures. Authorised Participants should read the Operating Procedures before making an investment decision. The Operating Procedures contain the following important information, which is only relevant to Authorised Participants:

- the Cut-off Time for Unit creation and redemption requests;
- details of the Business Days each Fund is open for Unit creation and redemption requests;
- settlement timeframes for Unit creation and redemption requests;
- minimum Unit creation and redemption sizes; and
- after an Authorised Participant's initial investment in a Fund, details on how subsequent Unit creation and redemption requests can be made.

The Operating Procedures may be updated at any time. Should the Operating Procedures be updated we will notify all Authorised Participants of the update and will make available a copy of the updated document. Authorised Participants may also request a copy of the current Operating Procedures by contacting the iShares Australia Capital Markets Desk (refer to page 3 of this PDS for contact details).

15.2 Minimum Unit creation and redemption size

Except in respect of a distribution reinvestment, Units of a Fund may only be created or redeemed by Authorised Participants with consideration to a minimum Unit creation or redemption size, as specified in the Operating Procedures.

Other investors looking to acquire or dispose of Units in a Fund may do so on exchange, through their stockbroker. We do not currently set any restrictions on secondary market transactions, such transactions, however, may be subject to minimum transaction amounts, as required by the exchange and/or your stockbroker.

In accordance with each Fund's constitution, we may set a minimum holding amount in respect of each Fund. Currently no minimum holding amount has been set, meaning unitholders can hold as little as one Unit in a Fund. Should we choose to set a minimum holding amount in respect of a Fund, in accordance with the provisions of each Fund's constitution, we may choose to redeem a unitholder's holding where the holding is below the stated minimum holding amount, without the need for a unitholder redemption request.

We may choose to alter the minimum unit creation and redemption sizes and minimum unit holding amounts in respect of a Fund from time to time. Unitholders will be notified of any such changes in accordance with the requirements of the Corporations Act and the relevant Fund's constitution.

15.3 Unit creation requests

To make an initial investment in a Fund, Authorised Participants may, subject to the minimum unit creation size, request the creation of Units on any Business Day by:

- submitting a request through the iShares Online platform ("iShares Online") or complying with such other Unit creation request method that the Responsible Entity may determine from time to time;
- completing the Unit creation request to us by the required Cut-off Time; and
- transferring to the Fund in which the Authorised Participant wishes to create Units cash application money.

In return, we will issue the Authorised Participant with the required number of Units of the applicable Fund, the transfer of which will be made through CHESS.

Refer to the Operating Procedures for details of each Fund's Business Day, minimum Unit creation size and Cut-off Time.

A contribution fee and buy-spread may be payable by Authorised Participants in relation to Unit creation requests. Refer to the section of this PDS titled "Fees and other costs" for further information.

Authorised Participants may also need to complete an Investor Identification Form for the purposes of Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (**AML Legislation**).

Additional investments can be made at any time via iShares Online or by complying with such other Unit creation request method that the Responsible Entity may determine from time to time. Authorised Participants who have agreed to submit Unit creation requests using iShares Online may do so in accordance with the iShares Online Terms and Conditions. Users will need to read and accept the Terms and Conditions upon logging in to the system for the first time.

Additional investments are made on the basis of a current PDS. A copy of the current PDS for the Funds and any information updating it is available free of charge upon request by contacting the iShares Call Centre (refer to page 3 of this PDS for contact details).

Units issued pursuant to a Unit creation request will be quoted under the AQUA Rules on the ASX with effect from the settlement of the issue of the relevant Units through CHESS. On a monthly basis, we will announce to the ASX via the ASX Markets Announcements Platform each Fund's total Units on issue. As the settlement of the issue of the relevant Units will be made through CHESS, we will not be required to hold application money prior to the issue of the Units.

Other investors looking to acquire Units in each Fund may buy Units on the ASX.

15.4 Unit redemption requests

An Authorised Participant may, subject to the minimum unit redemption size, request the redemption of Units on any Business Day by:

- submitting a request through iShares Online or complying with such other Unit redemption request method that the Responsible Entity may determine from time to time;
- completing the Unit redemption request to us by the required Cut-off Time; and
- transferring to the Fund in which the Authorised Participant wishes to redeem Units, the relevant number of Units through CHESS.

In return, the Fund in which the Authorised Participant wishes to redeem Units will transfer cash to the Authorised Participant.

Refer to the Operating Procedures for details of each Fund's Business Day, minimum Unit redemption size and Cut-off Time.

Authorised Participants who have agreed to submit Unit redemption requests using iShares Online may do so in accordance with the iShares Online Terms and Conditions. Users will need to read and accept the Terms and Conditions upon logging in to the system for the first time.

A withdrawal fee and sell-spread may be payable by Authorised Participants in relation to Unit redemption requests. Refer to the section of this PDS titled "Fees and other costs" for further information.

In certain circumstances we may be required or permitted by a Fund's constitution to deduct other amounts from redemption proceeds that would otherwise be payable to a Unitholder, refer to the section of this PDS titled "Distribution on redemption" for further information.

Other investors looking to dispose of Units in a Fund may sell Units on the ASX. Refer to the section of this PDS titled "Redemption rights of non-Authorised Participant Unitholders" for further information on the redemption rights of non-Authorised Participants.

The redemption procedures described above assume that each Fund remains liquid (as defined in the Corporations Act). We expect that each Fund will remain liquid. If a Fund becomes illiquid, withdrawals may only be made in accordance with the Corporations Act. We will advise Unitholders if a Fund becomes illiquid and the terms of any withdrawal offer.

15.5 Processing of Unit creations and redemptions

Generally, Unit creation or redemption requests are processed each Business Day. Unit creation or redemption requests received after the required Cut-off Time or on a non-Business Day will generally be treated as having been received the following Business Day.

Refer to the section of this PDS titled "Calculation of NAV Prices" for information regarding the calculation of NAV Prices used for Unit creations and redemptions.

In addition to the Unit creation and redemption request requirements set out in this PDS, Authorised Participants are also required to comply with other process requirements and deadlines associated with Unit creation and redemption requests, as described in the Operating Procedures.

Standard settlement timeframes of Unit creation and redemption requests are set out in the Operating Procedures.

Please note that in certain circumstances we may be entitled to suspend or postpone Unit creation and redemption requests. This will generally occur before or after the end of a Fund distribution period, but may also occur if trading or settlement on the ASX is closed, suspended or restricted. There may be other circumstances where we need to suspend or postpone Unit creation and redemption requests, such as where a Fund cannot properly ascertain the value of an asset or an event occurs that results in us not being able to reasonably acquire or dispose of assets held by a Fund. Any Unit creation or redemption request received during a period of suspension will be processed on the next available Business Day after the suspension has ended.

Refer to the Operating Procedures for details of each Fund's Business Day and Cut-off Time.

15.6 Calculation of NAV Prices

When you invest in a Fund, you are allocated a number of Units in that Fund. Each of these Units represents an equal interest in the net assets of the Fund. As a result, each Unit has a value or "unit price", also referred to as the NAV Price. The NAV Price is based on the NAV of a Fund divided by the number of Units on issue in that Fund.

The NAV and NAV Price are generally calculated as at the close of trading on each Business Day, usually one Business Day in arrears. The NAV is determined by deducting the liabilities of a Fund from the assets of that Fund. Assets and liabilities of each Fund are generally valued at their market value in accordance with each Fund's constitution.

Unit creation and redemption requests received before the required Cut-off Time on a Business Day will generally be processed at the NAV Price calculated as at the close of trading on that Business Day, plus/minus the buy/sell spread (as applicable, refer to the section of this PDS titled "Fees and other costs" for further information). Details of each Fund's daily NAV and NAV Price, as at the close of the previous Business Day, are available from our website at www.blackrock.com/au/ishares. Refer to the Operating Procedures for details of each Fund's Business Day and Cut-off Time.

We have the discretion, however, to price a Fund more or less frequently when unusual circumstances prevail (for example, where there has been unusual volatility in the market) in order to protect the interests of all Unitholders in that Fund. BlackRock has a formal "Unit Pricing Discretions Policy", which is available free of charge upon request by contacting BlackRock (refer to page 3 of this PDS for contact details).

Details of the Fund's daily NAV and NAV Price, as at the close of the previous Business Day, are available from our website at www.blackrock.com/au/ishares.

Refer to the Operating Procedures for details of the Fund's Business Day and Cut-off Time.

15.7 Calculation of settlement value for Unit creations and redemptions

The settlement value for a Unit creation and/or a redemption by an Authorised Participant may contain an adjustment to reflect the income or interest attributable to a Fund's investment for the period between the time that the applicable NAV Price was determined and the time that the relevant Unit application or redemption settles (as applicable).

15.8 Non-Standard Transaction requests

From time to time, non-standard Unit creation and Unit redemption requests may be agreed between us and the Authorised Participant (**Non-Standard Transaction**).

Authorised Participants are responsible for notifying us of any Non-Standard Transaction request before the required Cut-off Time. Authorised Participants are, however, advised to notify us of any such requests as soon as possible.

We must approve any Non-Standard Transaction request before the Unit creation or redemption request is submitted.

15.9 Indemnity

Authorised Participants acknowledge that, upon receipt of a Unit creation request, BlackRock may enter into transactions for a Fund, in anticipation of cash being received from the Authorised Participant. Authorised Participants agree to indemnify BlackRock against any losses and expenses incurred by us if cash is not received as cleared money by the applicable Fund in the normal course.

15.10 Redemption rights of non-Authorised Participant Unitholders

Generally, only Authorised Participants are eligible to transact directly with a Fund, with all other investors acquiring and disposing of Units in a Fund through their broker by buying and selling Units on the ASX.

However, in accordance with the requirements of ASIC Corporations (Relief to Facilitate Admission of Exchange Traded Funds) Instrument 2024/147, when Units of a Fund are suspended from trading on ASX for more than five consecutive trading days, non-Authorised Participant Unitholders will have a right to redeem Units directly with a Fund and receive the cash proceeds from the redemption within a reasonable period time unless:

- a Fund is being wound up;
- a Fund is not liquid for the purpose of the Corporations Act; or
- BlackRock, as responsible entity for a Fund, has suspended the redemption of Units in accordance with the provisions of the Fund's constitution.

In the event that this direct redemption right is triggered BlackRock will post further information on its website at www.blackrock.com/au at that time. This will include a non-Authorised Participant Redemption Form for Unitholders to complete, together with instructions on how to complete and submit the form and anticipated processing and payment timeframes. Non-Authorised Participant Unitholders may request to redeem in these circumstances by completing and returning the form as per these instructions.

15.11 Anti-money laundering and counter-terrorism financing

We are required to comply with the AML Legislation. The AML Legislation requires us to (amongst other requirements) verify the identity of investors making applications into funds offered by us.

We cannot accept a Unit creation request until satisfied that the identity of the Authorised Participant has been verified in accordance with the AML Legislation. The processing of a Unit creation request may be delayed until the requested information is received in a satisfactory form and the identity of the Authorised Participant is verified.

By completing the Fund's Application Form requested by BlackRock during the application process or by complying with such other Unit creation request method that the Responsible Entity may determine from time to time, Authorised Participants agree that:

- they do not make a Unit creation request under an assumed name;
- any money used to invest in a Fund is not derived from or related to any criminal activities;
- any proceeds of an investment in a Fund will not be used in relation to any criminal activities;
- upon request, the Authorised Participant will provide to us any additional information we reasonably require for the purpose of the AML Legislation; and
- we may obtain information about an Authorised Participant from third parties if we believe this is necessary to comply with the AML Legislation.

In order to comply with the AML Legislation, BlackRock may be required to take action, including:

- delaying or refusing the processing of a Unit creation or redemption request; or
- disclosing information that we hold about an Authorised Participant to our related bodies corporate or relevant regulators of the AML Legislation; or
- request from an Authorised Participant additional identification or verification documentation to verify the Authorised Participant's identity or comply with the AML Legislation. Where documentation provided is not in English, an English translation must be provided by a translator who is accredited by the National Accreditation Authority for Translators and Interpreters Ltd at the level of Professional Translator or above.

Investor identification requirements

To comply with the requirements of the AML Legislation, BlackRock may require an Authorised Participant to complete an Investor Identification Form. In order to establish your identity, BlackRock may require an Authorised Participant to submit supporting identification/verification documentation. Where such identification/verification documentation is required, an originally certified copy must be provided.

Appointed representatives

BlackRock is required to verify the identity of legal representatives and agents appointed to act on behalf of an Authorised Participant. We cannot proceed to act on the instructions of a nominated legal representative or agent until we verify the identity of that representative or agent.

Appointed legal representatives include, but are not limited to, executors of estates, attorneys (appointed under power of attorney) and nominated representatives.

16. Distributions

16.1 Receipt of income

Any income you receive from your investments will be in the form of distributions. Your distribution may include interest, dividends, coupons, other income and realised gains.

If you hold Units in a Fund as at the close of business on the last day of that Fund's distribution period, you are entitled to participate in the distributable income of that Fund based on the number of units in the Fund you hold.

The Cash Funds and the iShares Yield Plus ETF generally distribute monthly, with distributions being determined as at the end of each calendar month.

The Fixed Income Funds (other than the iShares Yield Plus ETF) generally distribute quarterly, with distributions being determined as at the end of March, June, September and December.

The Funds may distribute on such other day as determined by BlackRock.

Distributions (if any) may vary over time depending on a Fund's realised losses, gains (if any), income and expenses in a particular period. Distributions are not guaranteed and there may be periods for which distributions are higher or lower than expected. There may be periods in which no distributions are made.

Following the determination of a distribution, the NAV Price of a Fund will fall to reflect the reduced value of that Fund following the payment of the distribution to Unitholders. In other words, it is priced to exclude the distribution entitlement.

Distributions will be paid to the Registrar for payment to Unitholders and until the payment is made will be held by the Registrar in a bank account. Payment of distributions will generally be made by direct credit into a nominated Australian bank account. Unitholders will receive a payment advice detailing the components of any distribution paid by a Fund.

If applicable, distribution of Australian sourced income to non-resident Unitholders may be subject to withholding tax.

Information in relation to the distributions of each Fund will be disclosed to the ASX via the ASX Market Announcements Platform and made available on our website at www.blackrock.com/au/ishares.

16.2 Distribution reinvestment plan

A Distribution Reinvestment Plan (**DRP**) is available to eligible Unitholders so that income distributions are automatically reinvested as additional Units in the Fund that issued the distribution. Partial and full reinvestment of distributions is available.

Unless you elect to participate in the DRP, distributions will be automatically paid in cash. Unitholders can participate in the DRP by registering directly with the Registrar. Refer to the section of this PDS titled "Registrar" for further information on the Registrar.

Participation in the DRP is subject to the terms outlined in the DRP Rules, which are available on our website at www.blackrock.com/au.

16.3 Distribution on redemption

Proceeds resulting from Authorised Participant Unit redemption requests may include a distribution of gains and/or income in a Fund. Where this is the case and once the relevant information is available, we will notify redeeming Authorised Participants of the estimated amount of distribution included in the redemption proceeds. Refer to the section of this PDS titled "Authorised Participant Unit redemption requests" for further information.

For non-resident Authorised Participants, the Manager may withhold an amount of tax applicable to such Authorised Participant's distribution. This will reduce the redemption proceeds payable or paid to the Authorised Participant.

16.4 Tax statement

If a Fund has attributable income during the financial year, Unitholders will receive an annual tax statement outlining their entitlements and the composition of taxable income in that Fund. We will issue this as soon as practicable after the end of the income year.

17. Taxation

17.1 Overview

The Australian tax commentary below is provided for Unitholders and assumes that Unitholders will be either:

- Authorised Participants, who will acquire and dispose of Units by creating and redeeming Units directly with a Fund or by buying and selling Units on ASX; or
- non-Authorised Participants Unitholders, who will acquire and dispose of Units by buying and selling Units on ASX.

It is assumed that Authorised Participants hold their Units in a Fund as trading stock as part of a securities trading business, and that all other investors hold their Units on capital account. This commentary does not address Unitholders who are temporary residents for tax purposes.

Investing and dealing with investments often has tax implications which can be complex and which are invariably particular to each Unitholder's circumstances. It is important that Unitholders seek professional advice before making an investment decision.

The taxation information contained in this document reflects the income tax legislation in force, and the interpretation of the Australian Taxation Office and the courts, as at the date of issue of this document. Taxation laws are subject to continual change and there are reviews in progress that may affect the taxation of trusts and Unitholders.

17.2 Taxation of a Fund

The Responsible Entity intends to manage the Funds such that the Funds are not subject to Australian tax. An elective taxation regime is available to certain eligible management investment trusts, known as "Attribution Managed Investment Trusts" (**AMITs**). The existing tax rules for managed funds continue to apply unless an election to enter the regime is made.

The Responsible Entity has made an irrevocable election for all eligible funds to enter the AMIT regime from 1 July 2017 (or from the commencement year for eligible funds launched after 30 June 2018) on the basis that entry into the AMIT regime is in the best interest of unitholders.

The Responsible Entity does not expect the Funds to be subject to tax on the income of the Funds (other than in relation to withholding tax or other tax payable in respect of non-resident investors) as it is intended that for eligible funds that enter the AMIT regime: all taxable income will be 'attributed' to the unitholders in each financial year.

17.3 Investment portfolio taxes

A Fund may be subject to withholding or other taxes (including foreign capital gains tax) on income and/or gains arising from its investment portfolio. A Fund may not be able to recover such taxes and any unrecovered taxes could have an adverse effect on the NAV of that Fund. Where a Fund invests in securities that are not subject to withholding or other taxes at the time of acquisition, there can be no assurance that tax may not be imposed in the future, as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof.

17.4 Taxation of a resident Unitholder

You will be assessed on your share of the taxable income of the Fund in which you are invested to which you have been attributed or which you are presently entitled, regardless of whether you receive the distribution in cash or it is reinvested. You will be assessed in the year to which your entitlement relates.

For example, an income distribution for the period ending 30 June 2021 is included in the assessable income for 2020/2021, even if the cash is received in July 2021.

If you are not an Authorised Participant who holds Units as trading stock, you may have to pay tax on all or part of your capital gain (the increase in the value of your investment) when you dispose of your Units. If you hold Units as trading stock and you redeem or otherwise dispose of Units, you may need to include any profit as part of your assessable income for tax purposes.

17.5 Taxable income of a Fund

The taxable income to which you are entitled may include various amounts, as described below. If a Fund incurs a net loss for a year, the loss cannot be distributed but may be carried forward and utilised in subsequent years subject to satisfaction of various tests.

Types of income

Depending on the types of investments made, a Fund can derive income in the form of dividends, interest, gains on the disposal of investments and other types of income.

Generally, such income derived by a Fund is taxable, but tax credits (e.g. franking credits and foreign income tax offsets) may be available to Unitholders to offset part or all of any resulting tax liability.

Capital gains tax (CGT)

In broad terms, under the CGT provisions, net capital gains arising on the disposal of a Fund's investments will be included in that Fund's taxable income.

A Fund will generally calculate taxable capital gains based on half the nominal gain made on the disposal of an asset, if that asset was held for 12 months or more. Capital gains distributed may include some gains where eligible Unitholders are able to claim concessional CGT treatment.

Capital/revenue (MIT) election for Managed Investment Trusts

Trusts which are managed investment trusts (**MITs**) (which include Australian managed investment schemes that are widely held or that are taken to be widely held and that satisfy certain closely held restrictions) may be eligible to make the MIT election to apply the CGT provisions to tax gains and losses from certain eligible assets (shares, units and real property interests). Where a MIT is eligible to make an election and it does not do so, any gains and losses on the disposal of those eligible assets (excluding land or interests in land) will be taxed on the revenue account. When a Fund qualifies to make a MIT election, certain investors may obtain the benefit of the CGT discount and other tax concessions on distributions of capital gains.

Non-resident Unitholders will generally not be subject to withholding tax on capital gains made by managed investment funds which are 'fixed trusts' for tax purposes, unless those gains relate to certain direct or indirect interests in Australian real property.

Taxation of financial arrangements

Financial arrangements directly held by a Fund (for example debt securities) may be subject to the Taxation of Financial Arrangements rules (**TOFA**). Under the TOFA rules, gains and losses on financial arrangements are generally assessed for tax purposes on an accruals basis (where the gains/losses are sufficiently certain) or realisation basis; unless a specific TOFA elective methodology is adopted.

Controlled foreign company (CFC) regime

A Fund may invest in foreign entities which could mean that the Fund becomes subject to Australia's CFC regime. If the CFC regime applies, the Fund will determine any income attributable under the CFC rules. CFC attributable income will be included in the taxable income of the Fund (even if unrealised) and, generally, will be taxable to investors. Apart from Funds where there is specific disclosure in a Fund PDS regarding the application of the CFC regime, it is not expected that the Fund's interests in foreign entities will result in income attributed under the CFC Rules as generally the relevant control requirements should not be reached.

17.6 Taxation of non-resident Unitholders

If a non-resident Unitholder is entitled to or attributed taxable income of a Fund, the Unitholder may be subject to Australian withholding tax. Distributions to you of amounts attributed to Australian franked dividends will not be subject to withholding tax. Any distribution of unfranked dividends, interest or amounts in the nature of interest, however, may be subject to withholding tax. Where the Fund qualifies as a MIT, distributions of other Australian income are also subject to a final withholding tax at the rate of 15% if a unitholder is resident in a country which has an information exchange agreement with Australia, and 30% in other cases. Withholding taxis applicable irrespective of whether distributions are paid in cash or reinvested as additional units.

You may have to pay tax on all or part of your capital gain (reflecting the increase in the value of your investment) when your Units are disposed of. Non-resident Unitholders may also not be eligible to utilise the CGT discount on capital gains. We recommend that you seek professional advice and visit the Australian Taxation Office website (www.ato.gov.au) for further information. In addition, the distributable income of a Fund may include non-assessable amounts. Receipt of certain non-assessable amounts may have capital gains tax consequences.

17.7 Tax file number (TFN), exemption and Australian business number (ABN)

Australian Unitholders may quote their Tax File Number (**TFN**) to us or claim an exemption at any time. However, you are not obliged to quote your TFN or claim an exemption. Strict guidelines govern the use and storage of TFNs. If you do not quote your TFN or claim an exemption, then your income distributions will have tax withheld at the top marginal rate plus Medicare levy. Some investors that invest in a Fund in the course of carrying on an enterprise of investing may also be entitled to quote their Australian Business Number as an alternative to their TFN.

17.8 Goods and services tax (GST)

The creation and redemption of Units are not subject to GST. Fees incurred (e.g. management fees) will attract GST at the prevailing rate. Where under the GST legislation a Fund is entitled to credits for GST paid to another entity, the cost of paying GST from that Fund will be reduced proportionately.

17.9 Taxation reform

Reforms to the taxation of managed funds are generally ongoing and investors should seek their own advice and monitor the progress of such legislative changes.

17.10 Authorised Participant Unit redemption requests

This section contains general comments for Authorised Participants requesting the redemption of Units. As the taxation implications are specific to each investor, we strongly recommend that Authorised Participants seek their own independent professional taxation advice.

Redemptions

Authorised Participants who request the redemption of Units will be entitled to receive a withdrawal amount, which may include a distribution of income from the Fund from which the Authorised Participant is redeeming.

The distribution of income from a Fund may include an entitlement to gains and/or income realised by the disposal of securities as a result of the redemption. The distribution may also include income earned and gains realised by a Fund to the date of redemption.

For non-resident Authorised Participants, the Manager may withhold an amount of tax applicable to such Authorised Participant's distribution. This will reduce the redemption proceeds payable or paid to the Authorised Participant.

Authorised Participants redeeming Units should be assessed on any profits arising on the redemption, or may be entitled to a deduction for any loss arising from the redemption of Units.

17.11 Acquisition and disposal of Units on ASX

This section contains general comments for non-Authorised Participant Unitholders, who will buy and sell Units on ASX and who hold these Units on capital account. As the taxation implications are specific to each investor, we strongly recommend that non-Authorised Participant Unitholders seek their own independent professional advice.

Acquisitions

For Units bought on ASX, the amount paid for the shares (plus incidental acquisition costs) will be included in the tax cost base of the Units. Receipt of tax deferred amounts or attribution of AMIT cost base adjustments or tax deferred amounts from a Fund may reduce the cost base of that Fund's Units for CGT purposes. If the cost base is reduced to below zero, an immediate capital gain may be realised. Under the AMIT regime, AMIT cost base adjustments may increase or decrease the cost base of that Fund's Units for CGT purposes.

Disposals

The sale of Units on ASX, will give rise to a CGT event, which may result in a capital gain or loss to the Unitholder. Capital losses can be offset against capital gains. A net capital loss can be carried forward and applied against future capital gains (if any).

Unitholders who are individuals, trustees (conditions apply) and complying superannuation entities may be eligible to claim concessional treatment based on the net capital gain made on the disposal of a Unit that was held for 12 months or more.

17.12 United States Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act (**FATCA**) is a US tax law aimed at financial institutions and other financial intermediaries to prevent tax evasion by US citizens and US tax residents through use of non- US investments or accounts. The FATCA provisions were included in the US HIRE Act, which was signed into US law on 18 March 2010. Australia has entered into an intergovernmental agreement (**IGA**) with the US to implement FATCA in Australia, via the Australian Taxation Administration Act 1953 (Cth), which is to be administered by the Australian Taxation Office (**ATO**). Under the IGA, Reporting Australian Financial Institutions will have identification and reporting obligations with regard to FATCA. The Funds are expected to be a Reporting Australian Financial Institution under the IGA. The Funds intend to fully comply with their FATCA obligations as determined by the FATCA regulation, the IGA and any associated guidance from the ATO. These obligations include, but are not limited to, each Fund identifying and documenting the FATCA status of its investors. The Funds must also report certain information on applicable investors to the ATO, which will in turn report this information to the US Internal Revenue Service.

In order for the Funds to comply with their FATCA obligations, the Funds will be required to request certain information from their investors. Please consult your tax advisor should you wish to understand the implications of FATCA on your particular circumstances. We are not liable for any loss an investor may suffer as a result of the Funds' compliance with FATCA.

17.13 Common Reporting Standards (CRS)

The Common Reporting Standard (**CRS**) is a new, single global standard on Automatic Exchange Of Information (**AEOI**). It was approved by the Organisation for Economic Co-operation and Development (**OECD**) in February 2014 and draws on earlier work of the OECD and the EU, global anti-money laundering standards and, in particular, the Model FATCA Intergovernmental Agreement. Under the CRS, participating jurisdictions will be required to exchange certain information held by financial institutions regarding their non-resident investors. The CRS was effective in Australia from 1 July 2017. The Funds will be required to provide certain information to the ATO about non-Australian tax resident holders of Shares (which information will in turn be provided to the relevant tax authorities. In light of the above, holders of Shares in the Funds will be required to provide certain information to the Funds to comply with the terms of the reporting systems.

18. Additonal information

18.1 No cooling off rights

Authorised Participants are "wholesale clients" as defined in the Corporations Act and are therefore not entitled to cooling off rights in relations to Unit creation requests. Please contact Client Services if you have any queries in relation to cooling off rights.

18.2 Reporting requirements

A copy of the audited annual financial report of each Fund is generally available by the end of September from us. Each Fund's report will be issued in accordance with the Australian Accounting Standards, the Corporations Act and all other applicable professional reporting requirements.

Each Fund will be a disclosing entity and subject to the regular financial reporting and continuous disclosure requirements of the Corporations Act. We will satisfy our obligations by publishing the following material on our website:

- a copy of a Fund's annual financial report most recently lodged with ASIC;
- any half-yearly financial report lodged with ASIC in respect of a Fund after the lodgement of the annual financial report; and
- any continuous disclosure notices given in respect of a Fund.

A paper copy of this material will be available from BlackRock free of charge upon request. Copies of documents lodged with ASIC in relation to each Fund may be obtained from, or inspected at, an ASIC office.

18.3 Receipt of instructions

Please be aware that fraudulent or other unauthorised instructions can be made by persons with access to a Unitholder's account name and a copy of their authorised signatures. Accordingly, Unitholders agree to release and indemnify us against all claims and demands arising as a result of our acting on what appeared to us to be proper instructions.

18.4 Legal

We are the Responsible Entity for the Funds and as such, we are licensed by ASIC, which is responsible for regulating the operation of managed investment schemes like the Funds.

Our responsibilities and obligations, as Responsible Entity of each Fund, are governed by each Fund's constitution as well as the Corporations Act and general trust law.

Each Fund's constitution contains a number of provisions relating to the rights, terms, conditions and obligations imposed on both you and us. A copy of each Fund's constitution is available free of charge from Client Services (refer to page 3 of this PDS for contact details).

Some of the main provisions that relate to Unitholder rights under the constitution include:

- Unitholder rights to share in the income of a Fund, and how we calculate it;
- Unitholder rights to withdraw from a Fund and what Unitholders are entitled to receive when they withdraw or if a Fund is wound up;
- the nature of the Units and classes of Units (if applicable);
- Unitholder rights to attend and vote at meetings – these mainly reflect the requirements of the Corporations Act which also deals with Unitholder rights to requisition or call a meeting; and
- resolutions passed by a requisite majority at a meeting of Unitholders are binding on all Unitholders.

The constitution of each Fund provides that the liability of each Unitholder is limited to its investment in a Fund. A Unitholder is not required to indemnify us or our creditors in respect of a Fund. However, no complete assurance can be given in this regard, as the ultimate liability of a Unitholder has not been finally determined by the courts.

There are also provisions governing our powers and duties, some of which are discussed elsewhere in this PDS.

Other provisions include:

- when we can terminate a Fund or class of Units (if applicable) or reclassify Units (if applicable) and what happens if we do. Generally, we can only terminate a Fund in accordance with the Corporations Act and only if we provide Unitholders with the required notice, and if we do, Unitholders share pro rata in the net proceeds from us selling a Fund's investments;
- when we can amend a Fund's constitution. Generally, we can only amend a constitution where we reasonably believe that the changes will not adversely affect a Unitholder's rights as an investor. Otherwise a Fund constitution can only be amended if approved by special resolution at a meeting of investors;
- our right to refuse to accept Unit creation requests or record any transfer of Units without giving any reason;
- our right to determine minimum Unit creation, redemption and holding amounts and powers in support of these minimums;
- our right to deduct amounts Unitholders owe us from withdrawal proceeds; and
- our broad powers to invest, borrow and generally manage a Fund. We do not currently intend to borrow funds to acquire assets for each Fund, although this is permitted under each Fund's constitution. We may only borrow if we consider it to be in the best interests of Unitholders.

The constitution also deals with our liabilities in relation to a Fund and when they can be reimbursed to us out of a Fund's assets, for example, subject to the Corporations Act:

- we are not liable for acting in reliance and in good faith on professional advice;
- we are not liable to Unitholders for any loss unless we fail to comply with our duties, fail to act in good faith or if we act negligently; and
- we can be reimbursed for all liabilities we incur in connection with the proper performance of our duties in respect of a Fund.

Amendment of a Fund's constitution is subject to both the Corporations Act and the terms of the constitution itself.

18.5 Compliance plan

In accordance with the requirements of the Corporations Act, each Fund has a Compliance Plan. The Compliance Plan sets out the measures we will take to ensure we comply with the Corporations Act and the constitution of a Fund. To oversee compliance with the Compliance Plan, we have established a Compliance Committee.

The Compliance Committee is required to report breaches of a Fund constitution and the Corporations Act to the directors of BlackRock, and in some circumstances, to ASIC.

A copy of each Fund's Compliance Plan is available free of charge by contacting Client Services (refer to page 3 of this PDS for contact details).

18.6 Auditor

We have an obligation under the Corporations Act to appoint an auditor for each Fund and each Fund's Compliance Plan.

18.7 Custody

J.P. Morgan Chase Bank, N.A. Sydney Branch has been appointed as custodian for the Funds. The role of a custodian is limited to holding assets of the Funds on behalf of BlackRock and acting in accordance with express instructions from BlackRock (except in limited circumstances where the custodian is obliged to act without express instructions per the terms of the agreement).

BlackRock remains liable to Unitholders for acts and omissions of the custodian. A custodian has no supervisory obligation to ensure that BlackRock complies with its obligations as Responsible Entity of the Funds.

The custodian may change from time to time but must satisfy any relevant regulatory requirements as mentioned above. If you require details of our custodian at any time, you should contact Client Services (refer to page 3 of this PDS for contact details).

18.8 Registrar

We have appointed Computershare Investors Services Pty Limited (**Computershare**) as the registrar for the Funds. Computershare is responsible for the maintenance of Unitholder records such as quantity of securities held, tax file number and details of participation in the DRP.

Computershare has given and, as at the date hereof, has not withdrawn its written consent to be named as the Registrar in the form and context in which it is named. Computershare has had no involvement in the preparation of any part of this PDS other than being named as the Registrar for the Funds. Computershare has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this PDS. Refer to page 3 of this PDS for Computershare's contact details.

18.9 Market maker

Under the AQUA Rules, we have certain obligations in respect of each Fund to ensure the development of an orderly and liquid market in a Fund. Designated market makers are the dealers or brokers permitted by the ASX to act as such by making a market for the Units in the secondary market on the ASX.

Various other market makers may also be active in maintaining liquidity in a Fund by acting as buyer and seller in the secondary market.

Market makers enter into agreements with the ASX and ETF issuers to act as a market maker and must have the necessary skill and expertise to perform a market making function. The designated market maker appointed by BlackRock in respect of each Fund has the experience to meet the requirements of the AQUA Rules and already acts as a market maker for ASX quoted ETFs. Generally, the appointed designated market maker will also have experience of trading ETFs on other global exchanges. BlackRock may change its appointed designated market maker from time to time.

Each day a Fund's portfolio composition file is published, which provides details of the securities that make up a Unit Creation/Redemption Basket.

Market makers apply a bid and ask spread to a Fund's NAV Price and publish these prices on the exchange, and to the extent required by the market making agreements entered into with the ASX and BlackRock and as trading orders are submitted, continuously update the prices throughout the trading day.

Market makers are well positioned to assess the likely value of each Fund and to provide prices throughout the day by, including but not limited to, subscribing to data services that provide intra-day offer prices for the underlying securities in a Fund's Index, deriving price information by analysing flows, and interacting with brokers and other market participants.

Units may be purchased from and sold through market makers. However, there is no guarantee or assurance as to the price at which a market will be made.

18.10 Conflicts of interest and related party information

The Responsible Entity is a member of the BlackRock Group. BlackRock uses a global service delivery model across the BlackRock Group to deliver superior outcomes to its clients. In the delivery of functions, powers and duties to clients, we use multiple entities of the BlackRock Group (in addition to the Responsible Entity). For example, global order routing entails the use of multiple trading desks located in various regions and the use of global centres of excellence allows certain related parties to specialise in functions such as investment operations and portfolio management. Even though we use offshore related parties, the Responsible Entity has systems and procedures in place as the holder of an Australian financial service (AFS) licence to monitor and supervise the services provided by our related parties. The Responsible Entity remains responsible and liable for the acts and omissions of any related party.

The BlackRock Group participates in global financial markets in a number of different capacities. The Fund may invest or engage in transactions with entities for which the BlackRock Group may perform services and may act as the seed, lead or only investor in an underlying strategy or fund, which may create a commercial opportunity for the BlackRock Group. For example, a seed investment in an underlying fund may allow the BlackRock Group to establish a track record for that fund that it is then able to sell to other clients. In addition, the Manager or persons associated with the Manager may invest in the Fund from time to time. All such transactions will be on an arm's length commercial basis.

In addition, certain members of the BlackRock Group may have actual and potential conflicts of interest regarding the allocation of investment opportunities amongst funds and products they manage. The BlackRock Group will seek to manage these conflicts in a fair and equitable manner having regard to the interests of their clients generally. As a responsible entity and the holder of an AFS Licence, the Manager has policies and procedures in place to manage such conflicts of interest.

The investment choices of a BlackRock Group entity for its fund or client accounts may, at times, be restricted as a result of aggregation limits. For example, with respect to certain industries and markets, corporate and/or regulatory requirements may limit the aggregate amount of investment in certain issuers by affiliated investors. Exceeding these limits without reporting or the grant of a license, exemption or other corporate or regulatory consent may result in fines or other adverse consequences to the relevant BlackRock Group entity, its funds, and/or its clients. As a consequence of these limits, the ability of a fund or a client to achieve its investment objective may be affected. A BlackRock Group entity, in order to avoid exceeding these limits may, among other actions, limit purchases, sell existing investments and/or transfer, outsource or limit voting rights.

In circumstances where ownership thresholds or limitations must be observed, the BlackRock Group has established policies and procedures which seek to equitably allocate limited investment opportunities amongst the relevant BlackRock Group accounts.

18.11 Privacy policy

We collect your personal information for the primary purpose of establishing and administering your investments with us, communicating with you and providing you with access to protected areas of our websites. We also collect some personal information to meet our obligations, under the AML Legislation and the Corporations Act.

We use and disclose personal information to administer your investment, conduct product and market research, and deal with your concerns. We collect personal information through our interactions with you, as well as in some instances from your financial adviser or other authorised representative, your organisation, public sources and information brokers. BlackRock may take steps to verify information collected.

We are unable to process your application and provide you with the requested investment without your personal information. We ask that you advise us of any changes to the personal information you have provided. If you provide us with personal information about any other individuals (e.g. directors), you must ensure that they are aware of this privacy section.

A Privacy Policy setting out further details of our handling of personal information is available upon request or from our website at www.blackrock.com/au. The Privacy Policy contains information about how you can access and seek correction of your personal information, about how you can complain or enquire about breaches of your privacy and about how we will deal with your complaint or enquiry.

We may disclose your information to our related bodies corporate and to our service providers who assist us with, among other things, data storage and archiving, auditing, accounting, customer contact, legal, business consulting, banking, payment, data processing, data analysis, information broking, research, website and technology services. Your personal information may be disclosed to Australian and overseas regulatory authorities on reasonable request by those authorities. We may also disclose your information to external parties on your behalf, such as your financial adviser, unless you have instructed otherwise.

BlackRock operates as a global organisation and to this end functions generally operate from dedicated centres that also provide shared services around the globe. Typically, personal information collected in relation to an investment in our funds may be disclosed to our related body corporate located offshore currently in Singapore. Personal information (generally other than personal information held in relation to individual investors) may be held within applications on our portfolio management system or client relationship management system, which are potentially accessible, by our related body corporates in any country in which the BlackRock Group has an office. A list of those countries is available through a link found in our Privacy Policy. Key data is held at locations in Australia, the US and the United Kingdom, at either a BlackRock related party site or third party site.

We take reasonable steps to ensure that any recipients of your personal information do not breach the privacy obligations relating to your personal information.

We, BlackRock Inc and its related bodies corporate may use your information on occasion, to inform you by telephone, electronic messages (like email), online and other means, about other services or products offered by us or them. We may do this on an ongoing basis, but you may opt out at any time.

If you wish to opt out, update or request access to your information, obtain a copy of our Privacy Policy or raise any queries or concerns regarding privacy, you may contact our Privacy Officer by contacting Client Services (refer to page 3 of this PDS for contact details).

18.12 Complaints

We have established procedures for dealing with enquiries and complaints. If you are a Unitholder and have an enquiry or complaint, you can contact our Complaints Officer via Client Services (refer to page 3 of this PDS for contact details). If you make a complaint to us, the complaint will be acknowledged and steps will be taken to investigate your concerns. A final response will be provided within 30 calendar days in accordance with our obligations.

If you have invested through an IDPS, superannuation fund or master trust and you have a complaint, you can contact the operator of such service, using the contact details they have provided. The operator of such service may respond to your complaint in accordance with processes that are different to those set out in this document. Alternatively, you can contact our Complaints Officer via Client Services.

BlackRock is a member of the Australian Financial Complaints Authority (**AFCA**), an independent complaint resolution body. If your complaint is not addressed within 30 calendar days from the date it was received, or you are not satisfied with our response, you may refer your complaint to AFCA. AFCA provides fair and independent financial services complaint resolution that is free to consumers. AFCA can be contacted by:

- Telephone: 1800 931 678 (free call)
- Mail: Australian Financial Complaints Authority Limited, GPO Box 3, Melbourne VIC 3001
- Email: info@afca.org.au
- Website: www.afca.org.au

For the hearing and speech impaired, AFCA can be contacted via National Relay Service (www.accesshub.gov.au/about-the-nrs):

- Voice Relay: 1300 555 727;
- TTY: 133 677; or
- SMS Relay: 0423 677 767.

18.13 ASIC relief

Equal treatment relief in relation to withdrawals

BlackRock relies upon the relief granted by ASIC in ASIC Corporations (Relief to Facilitate Admission of Exchange Traded Funds) Instrument 2024/147 from the equal treatment requirement in section 601FC(1)(d), to the extent necessary to permit the Responsible Entity to not treat Unitholders equally to the extent that it restricts the redemption of Units by Authorised Participants as described in this PDS. For the purposes of this relief, except in exceptional circumstances outlined below, it is important to note that only Authorised Participants are able to redeem Units in each Fund, but other Unitholders may sell their Units on ASX.

Unitholders, including non-Authorised Participant Unitholders, may withdraw from a Fund directly where units in that Fund have been suspended from trading on ASX for a period of five consecutive trading days (refer to the section of this PDS titled "Redemption rights of non-Authorised Participant Unitholders" for further information).

Ongoing disclosure relief

Under ASIC Corporations (Relief to Facilitate Admission of Exchange Traded Funds) Instrument 2024/147, ASIC has granted relief from the ongoing disclosure requirements in section 1017B on condition that BlackRock complies with the continuous disclosure requirements in section 675 of the Corporations Act as if each Fund were an unlisted disclosing entity.

Periodic statements

BlackRock relies upon the relief granted by ASIC in ASIC Corporations (Periodic Statement Relief for Quoted Securities) Instrument 2024/14. Under this relief if BlackRock is not aware of the price at which a Unitholder bought or sold Units on the ASX, periodic statements are not required to include details of the transaction price, nor the return on investment during the reporting period, provided that BlackRock is not able to calculate the return on investment and the periodic statement explains why this information is not included and describes how it can be obtained or calculated.

Periodic statements include the date on which the Unitholder bought or sold the Units, the number of Units transacted and an explanation why the price per Unit and total dollar value is not included.

18.14 Index provider disclaimers

Bloomberg Index Services Limited

BLOOMBERG, the Bloomberg AusBond Composite 0+ Yr Index^{SM}, Bloomberg AusBond Credit 0+ Yr Index^{SM}, Bloomberg AusBond Inflation Government 0+ Yr Index^{SM,} Bloomberg AusBond Treasury 0+ Yr Index^{SM} ,Bloomberg AusBond Credit, FRN Ex Big 4 Banks Index^{SM} and Bloomberg Ausbond Govt 15+ Yr Index (collectively the **Bloomberg Indices**) are trademarks or service marks of Bloomberg Index Services Limited. and its affiliates (collectively **Bloomberg**). Bloomberg or Bloomberg's licensors own all proprietary right in the Bloomberg Indices. Bloomberg does not guarantee the timeliness, accuracy or completeness of any data or information relating to the Bloomberg Indices. Bloomberg makes no warranty, express or implied, as to the Bloomberg Indices or any data or values relating thereto or results to be obtained therefrom, and expressly disclaims all warranties of merchantability and fitness for a particular purpose with respect thereto. It is not possible to invest directly in an index. Back-tested performance is not actual performance. To the maximum extent allowed by law, Bloomberg, its licensors, and its and their respective employees, contractors, agents, suppliers and vendors shall have no liability or responsibility whatsoever for any injury or damages - whether direct, indirect, consequential, incidental, punitive or otherwise - arising in connection with the Bloomberg Indices or any data or values relating thereto - whether arising from their negligence or otherwise. Nothing in the Bloomberg Indices shall constitute or be construed as an offering of financial instruments or as investment advice or investment recommendations (i.e., recommendations as to whether or not to "buy", "sell", "hold", or to enter or not to enter into any other transaction involving any specific interest or interests) by Bloomberg or its affiliates or a recommendation as to an investment or other strategy by Bloomberg or its affiliates. Data and other information available via the Bloomberg Indices should not be considered as information sufficient upon which to base an investment decision. All information provided by the Bloomberg Indices is impersonal and not tailored to the needs of any person, entity or group of persons. Bloomberg and its affiliates do not express an opinion on the future or expected value of any security or other interest and do not explicitly or implicitly recommend or suggest an investment strategy of any kind.

S&P Dow Jones Indices LLC (S&P)

The Funds are not sponsored, endorsed, sold or promoted by S&P Dow Jones Indices LLC and its affiliates (**S&P**) or by ASX Limited and its affiliates (**ASX**). S&P and ASX make no representation, condition or warranty, express or implied, to the owners of the Funds or any member of the public regarding the advisability of investing in securities generally or in the Funds particularly or the ability of the Index to track the performance of certain financial markets and/or sections thereof and/or of groups of assets or asset classes. S&P's and ASX's only relationship to BlackRock Institutional Trust Company, N.A is the licensing of certain trademarks and trade names of the Index which is determined, composed and calculated by S&P without regard to BlackRock Institutional Trust Company, N.A, BlackRock Investment Management (Australia) Limited or the Funds. S&P and ASX have no obligation to take the needs of BlackRock Institutional Trust Company, N.A, BlackRock Investment Management (Australia) Limited or the owners of the Funds into consideration in determining, composing or calculating the Index. S&P and ASX are not responsible for and have not participated in the determination of the prices and amount of the Funds or the timing of the issuance or sale of the Funds or in the determination or calculation of the equation by which the Funds' units are to be converted into cash. S&P and ASX have no obligation or liability in connection with the administration, marketing, or trading of the Funds.

S&P and ASX do not guarantee the accuracy and/or the completeness of the Index or any data included therein and S&P and ASX shall have no liability for any errors, omissions, or interruptions therein. S&P and ASX make no warranty, condition or representation, express or implied, as to results to be obtained by BlackRock Institutional Trust Company, N.A, BlackRock Investment Management (Australia) Limited, owners of the Funds, or any other person or entity from the use of the Index or any data included therein. S&P and ASX make no express or implied warranties, representations or conditions, and expressly disclaim all warranties or conditions of merchantability or fitness for a particular purpose or use and any other express or implied warranty or condition with respect to the Index or any data included therein. Without limiting any of the foregoing, in no event shall S&P and ASX have any liability for any special, punitive, indirect, or consequential damages (including lost profits) resulting from the use of the Index or any data included therein, even if notified of the possibility of such damages.

Consent to statements in this PDS

Each of Bloomberg and S&P has given its written consent to all statements by it or to be based on statements by it in the form and context in which they are included in this PDS, and has not withdrawn its consent as at the date of this PDS.

19. Glossary

ABN	means Australian Business Number.
ADI	means authorised deposit taking institution.
AEOI	means the Automatic Exchange Of Information.
AFCA	means the Australian Financial Complaints Authority.
AFSL	means Australian Financial Services Licence.
AMIT	means Attribution Managed Investment Trust.
AML Legislation	means the Anti-Money Laundering and Counter-Terrorism Financing Act 2006.
AP Agreement	means an agreement between BlackRock and an Authorised Participant governing the creation and redemption of units in iShares ETFs.
Application Form	means the form accompanying this PDS that may be used in the submission of Unit creation/redemption requests by Authorised Participants.
AQUA Rules	means the ASX Operating Rules that apply to AQUA products and AQUA trading.
ASIC	means Australian Securities and Investments Commission.
ASX	means ASX Limited and its affiliates.
ATO	means the Australian Tax Office.
AUM	means assets under management.
Authorised Participant	means a person who is a wholesale client as described in section 761G of the Corporations Act and who has entered into a relevant Authorised Participant Agreement.
BBSW	means Bank Bill Swap rate.
BlackRock Group	means BlackRock Inc and its subsidiary and affiliated entities collectively.
BlackRock Inc	means BlackRock, Inc.®.
BlackRock, Responsible Entity, Issuer, Manager, we, our or us	means BlackRock Investment Management (Australia) Limited ABN 13 006 165 975 (Australian financial service licence number 230523).
Bloomberg	means Bloomberg Index Services Limited and/or its affiliates.
Business Day	means that days on which a Fund is open for Unit creation and redemption requests, as defined in the Operating Procedures.
Cash Funds	means iShares Core Cash ETF and iShares Enhanced Cast ETF.
CGT	means capital gains tax.
CHESS	means the Clearing House Electronic Subregister System operated by ASX Settlement and another ASX subsidiary.
Compliance Committee	means the BlackRock compliance committee established to oversee each Fund's compliance with the Compliance Plan.
Compliance Plan	means the compliance plan of each Fund.
Computershare	means Computershare Investors Services Pty Limited ACN 078 279 277.
Corporations Act	means the Corporations Act 2001 (Cth).
Cut-off Time	means the deadline by which BlackRock must receive Unit creation or redemption requests, as defined in the Operating Procedures.
CRS	means the Common Reporting Standards, a single global standard on the AEOI.
DRP	means the distribution reinvestment plan for the Funds, as described in the section of this PDS titled "Distribution reinvestment plan".
DRP Rules	means the terms and conditions of the DRP Plan.
ETF, ETFs	means exchange traded fund(s).
FATCA	means the Foreign Account Tax Compliance Act.

Fixed Income Funds	means iShares Core Composite Bond ETF, iShares Core Corporate Bond ETF, iShares Yield Plus ETF, iShares Government Inflation ETF iShares Treasury ETF and iShares 15+ Year Australian Government Bond ETF.
FRNs	means floating rate notes.
Fund, Funds	means, as applicable, iShares Core Cash ETF, iShares Core Composite Bond ETF, iShares Core Corporate Bond ETF, iShares Enhanced Cash ETF, iShares Yield Plus ETF, iShares Government Inflation ETF iShares Treasury ETF and iShares 15+ Year Australian Government Bond ETF.
GST	means Goods and Services Tax.
IGA	means the intergovernmental agreement between the US and Australia to implement FATCA in Australia.
Index, Indexes	means, as applicable, Bloomberg AusBond Composite 0+ Yr Index^{SM}, Bloomberg AusBond Credit 0+ Yr Index^{SM}, Bloomberg AusBond Government Inflation 0+ Yr Index^{SM}, Bloomberg AusBond Treasury 0+ Yr Index^{SM}, Bloomberg AusBond Credit, FRN Ex Big 4 Banks Index^{SM} and/or S&P/ASX Bank Bill Index and Bloomberg Ausbond Govt 15+ Yr Index .
MITs	means managed investment trusts.
Moody's	means Moody's Investor Services.
NAV	means net asset value.
NAV Price	means the NAV of a Fund divided by the number of Units on issue in that Fund.
NCDs	means negotiable certificates of deposits.
OECD	means the Organisation for Economic Co-operation and Development.
Operating Procedures	means the iShares Authorised Participant Operating Procedures, as amended from time to time.
OTC	means over the counter.
PDS	means this product disclosure statement dated 28 May 2024 and any supplementary or replacement product disclosure statement in relation to this document.
Registrar	means the registrar of the Funds, as appointed by BlackRock, being Computershare.
S&P	means S&P Dow Jones Indices LLC and its affiliates.
S&P Ratings	means Standard and Poor's Global Ratings.
Tax Law	means the Income Tax Assessment Act 1936 (Cth), Income Tax Assessment Act 1997 (Cth), the Taxation Administration Act 1953 (Cth) and any relevant regulations, rulings or judicial or administrative pronouncements.
TFN	means Tax File Number.
TOFA	means Taxation of Financial Agreements.
Unit	means an undivided share in the beneficial interest in the assets of a Fund as described in this PDS.
Unitholder	means a person holding Units in a Fund.
US	means United States of America.