

3 November 2014

Market Announcements Office  
ASX Limited

## **ANNUAL REPORT TO SHAREHOLDERS**

FOR RELEASE UNDER EACH FUND LISTED BELOW

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

Attached is a copy of the Annual Report which has been lodged with the US Securities and Exchange Commission for an iShares fund(s) with a fiscal year end of 31 Jul.

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

The table below provides details of the fund(s) this announcement relates to:

ASX Code	Issuer	Fund
IVE	iShares Trust	iShares MSCI EAFE ETF

Disclaimer: Before investing in an iShares fund, you should carefully consider the appropriateness of such products to your circumstances, read the applicable Australian prospectus and ASX announcements relating to the fund and consult an investment adviser.

For more information about iShares funds (including Australian prospectuses) go to [iShares.com.au](http://iShares.com.au) or call (1300 474 273).

\*\*\* END \*\*\*

## 2014 ANNUAL REPORT



### **iShares Trust**

- ▶ iShares Currency Hedged MSCI EAFE ETF | HEFA | NYSE Arca
- ▶ iShares MSCI EAFE ETF | EFA | NYSE Arca



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# Management's Discussion of Fund Performance

## *iSHARES® TRUST*

### INTERNATIONAL MARKET OVERVIEW

International equities advanced for the 12-month period ended July 31, 2014 (the "reporting period"), although sluggish economic recovery in Europe, U.S. Federal Reserve Bank ("Fed") actions, and slower economic growth in China kept volatility levels elevated.

European equities collectively delivered some of the strongest returns among international equity markets for the reporting period, despite slow and uneven economic recovery in the region. For the third quarter of 2013, the eurozone as a whole experienced gross domestic product ("GDP") growth of 0.1%, representing a decline from the previous quarter. In the fourth quarter of 2013 and first quarter of 2014, GDP growth for the eurozone registered only 0.3% and 0.2%, respectively. Additionally, the growth rate stagnated in the second quarter of 2014, further calling into question the validity of true economic recovery. Underlying the GDP figures for the entire area, Germany experienced economic expansion throughout most of the reporting period, growing 0.8% in the first quarter of 2014 over the previous quarter, its fastest growth rate in three years, before declining in the second quarter. France's economy demonstrated uneven growth throughout the first half of the reporting period before stagnating beginning in the first quarter of 2014 amid weak consumer spending and business investment. Elsewhere in Europe, Spain's economy gained strength throughout the period, growing 0.6% in the second quarter of 2014, its fastest rate in more than six years. Italy's economy expanded by 0.1% in the fourth quarter of 2013, but contracted in the first quarter and second quarter of 2014, as investment fell. In addition, unemployment levels remained stubbornly high among European markets.

The United Kingdom experienced healthy economic growth during the period. GDP growth remained solid throughout the reporting period, exceeding its pre-recession peak from 2008 in the second quarter of 2014 on the strength of its services and production sectors. The unemployment rate continued to fall, finishing the reporting period at its lowest rate since late 2008.

Japanese equities achieved positive returns but lagged broader international markets. Early in the reporting period, Japanese equities benefited from the Bank of Japan's measures to improve economic conditions through quantitative easing, in which it had instituted a plan in early 2013 to purchase 7.5 trillion yen in bonds per month. The Nikkei Index rallied and the Japanese yen declined, which in turn helped export levels, although not to the extent that had been expected. In February 2014, export levels grew by 9.8% versus February 2013, short of the 12.4% rise that analysts had expected. Economic growth, as measured by GDP, was uneven during the reporting period. GDP growth was positive in the second quarter of 2013 and improved for the third and fourth quarters of 2013. The fourth quarter 2013 figures were revised downward in early 2014, however, and disappointing economic data provided cause for concern. The stock markets then strengthened when economic data indicated Japan's economy grew at a strong pace in the first quarter of 2014, surpassing forecasts. Unfortunately, concerns surrounding a hike in the country's consumption tax — its first increase in 17 years — weighed on markets late in the period. Following the tax increase on April 1, 2014, GDP declined sharply as the tax hike led to decreases in private consumption and investment during the second quarter of 2014.

Emerging market stocks as a group delivered double-digit returns, but slightly underperformed broad international indexes for the reporting period. Early in the reporting period, concern regarding the Fed tapering its quantitative easing program led investors to abandon emerging market holdings (in the past several years, emerging markets have benefited from investors seeking higher yielding alternatives in a low-interest rate environment). Political turmoil among certain emerging markets compounded investor aversion to emerging markets. As the reporting period progressed, rising expectations that the Fed would be slower to raise rates than originally anticipated, as well as reduced political unrest, helped to refuel investors' appetite for risk, boosting returns for emerging markets equities.

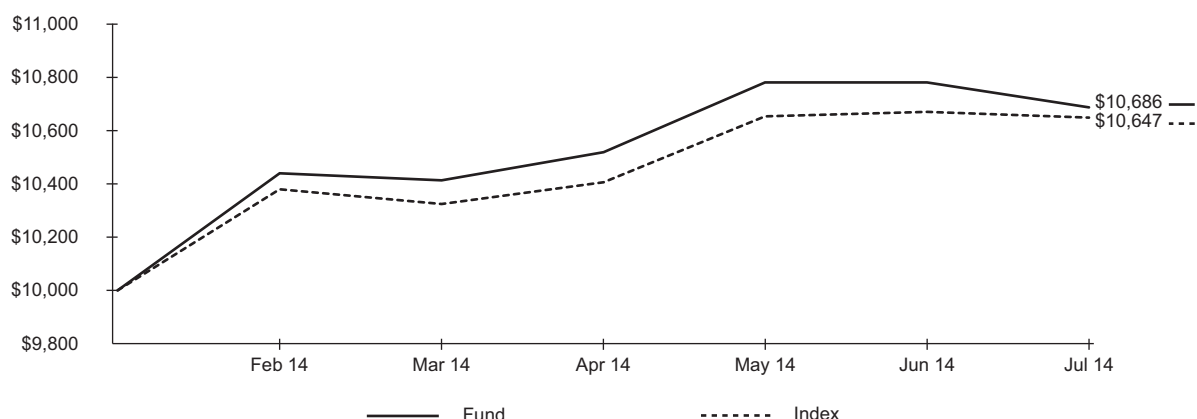
# Management's Discussion of Fund Performance

## iSHARES® CURRENCY HEDGED MSCI EAFE ETF

Performance as of July 31, 2014

	Cumulative Total Returns		
	NAV	MARKET	INDEX
Since Inception	6.86%	6.81%	6.47%

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



The inception date of the Fund was 1/31/14. The first day of secondary market trading was 2/4/14.

Past performance is no guarantee of future results. Performance results do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares. See "About Fund Performance" on page 10 for more information.

### Shareholder Expenses

Actual			Hypothetical 5% Return			
Beginning Account Value (2/1/14)	Ending Account Value (7/31/14)	Expenses Paid During Period <sup>a</sup>	Beginning Account Value (2/1/14)	Ending Account Value (7/31/14)	Expenses Paid During Period <sup>a</sup>	Annualized Expense Ratio
\$ 1,000.00	\$ 1,068.60	\$ 0.31	\$ 1,000.00	\$ 1,024.50	\$ 0.30	0.06%

<sup>a</sup> Expenses are calculated using the Fund's annualized expense ratio (as disclosed in the table), multiplied by the average account value for the period, multiplied by the number of days in the period (181 days) and divided by the number of days in the year (365 days). See "Shareholder Expenses" on page 10 for more information.

The iShares Currency Hedged MSCI EAFE ETF (the "Fund") seeks to track the investment results of an index composed of large- and mid-capitalization equities in Europe, Australasia and the Far East while mitigating exposure to fluctuations between the value of the component currencies and the U.S. dollar, as represented by the MSCI EAFE® 100% Hedged to USD Index (the "Index").

The Index applies a one-month forward rate to the total value of the non-U.S. dollar denominated securities included in the Index to effectively create a "hedge" against fluctuations in the relative value of the component currencies in relation to the U.S. dollar. In order to replicate the "hedging" component of the Index, the Fund enters into foreign currency forward contracts designed to offset the Fund's exposure to the component currencies.

The Fund invests in a representative sample of securities included in the Index that collectively has an investment profile similar to the Index. Due to the use of representative sampling, the Fund may or may not hold all of the securities that are included in the

# Management's Discussion of Fund Performance (Continued)

## iSHARES® CURRENCY HEDGED MSCI EAFE ETF

Index. The Fund currently seeks to achieve its investment objective by investing a substantial portion of its assets in one underlying fund, the iShares MSCI EAFE ETF. For the period from January 31, 2014 (inception date of the Fund) through July 31, 2014 (the "reporting period"), the total return for the Fund was 6.86%, net of fees, while the total return for the Index was 6.47%.

International stocks, as represented by the Index, advanced for the reporting period as economic conditions generally improved. Challenges to global economic recovery persisted throughout the reporting period, however, keeping volatility levels high.

Equity market performance in Europe was positive overall. After reaching a record high in June 2014, however, the German stock market reversed course to finish the reporting period nearly flat following disappointing economic data released for the second quarter. France's stock market gained, despite its struggle to regain economic growth. Switzerland also produced solid returns. In addition, the United Kingdom contributed significantly to overall Index returns. The country's GDP growth remained strong, expanding 0.8% for the second quarter of 2014, surpassing its pre-crisis peak in 2008. On an annual basis, GDP growth for the second quarter 2014 was 3.2%.

Japan also contributed significantly to Index results. Market performance was volatile, however, as economic data released over the course of the reporting period reflected uneven signs of economic activity. In Australia, the equity market delivered strong results as it experienced a pick-up in economic activity during the reporting period. Annual GDP growth for the first quarter of 2014, the most recent period for which data is available, stood at 3.5%, its largest increase since the second quarter of 2012.

Measured in local currency, the MSCI EAFE Index returned 6.51% for the reporting period. During the reporting period, the euro, Swiss dollar, British pound, and Japanese yen experienced negligible fluctuations against the U.S. dollar. The Australian dollar increased approximately 5% versus the U.S. dollar, having reached a new high against the U.S. dollar in April 2014 as the Reserve Bank of Australia adopted a neutral monetary policy stance.

PORTFOLIO ALLOCATION <sup>1</sup> As of 7/31/14		TEN LARGEST COUNTRY ALLOCATIONS <sup>1</sup> As of 7/31/14	
Sector	Percentage of Total Investments <sup>2</sup>	Country	Percentage of Total Investments <sup>2</sup>
Financials	25.77%	United Kingdom	21.52%
Industrials	12.67	Japan	20.80
Consumer Discretionary	11.63	France	9.70
Consumer Staples	10.91	Germany	8.88
Health Care	10.52	Switzerland	8.85
Materials	8.20	Australia	8.10
Energy	7.00	Spain	3.62
Telecommunication Services	4.93	Hong Kong	3.08
Information Technology	4.54	Sweden	3.01
Utilities	3.83	Netherlands	2.60
<b>TOTAL</b>	<b>100.00%</b>	<b>TOTAL</b>	<b>90.16%</b>

<sup>1</sup> Reflects the allocation of the iShares MSCI EAFE ETF, the underlying fund in which the Fund invests.

<sup>2</sup> Excludes money market funds.

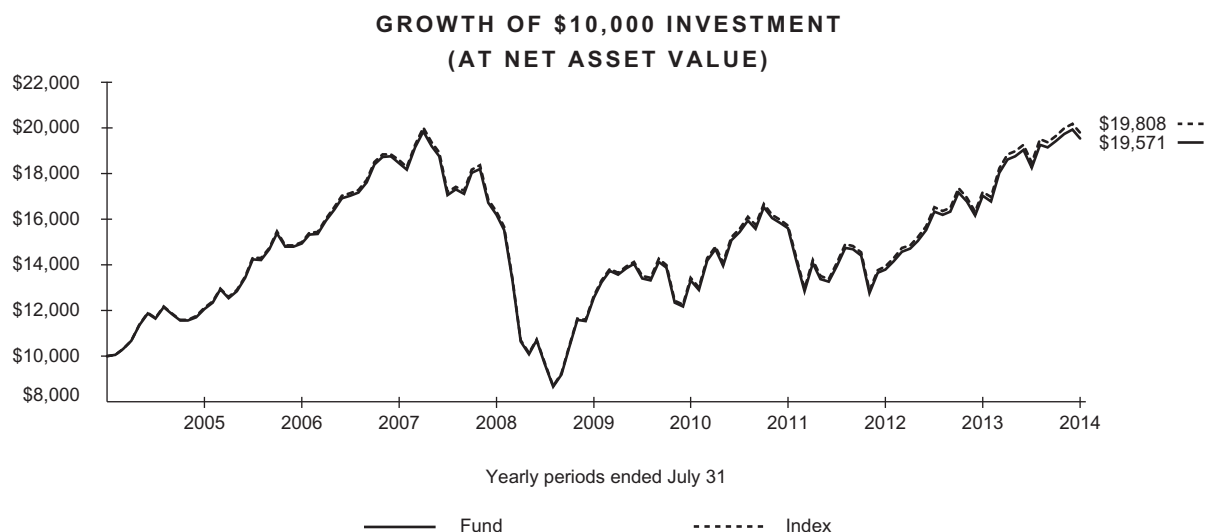


# Management's Discussion of Fund Performance

## iSHARES® MSCI EAFE ETF

Performance as of July 31, 2014

	Average Annual Total Returns			Cumulative Total Returns		
	NAV	MARKET	INDEX	NAV	MARKET	INDEX
1 Year	14.89%	13.98%	15.07%	14.89%	13.98%	15.07%
5 Years	9.25%	9.03%	9.40%	55.65%	54.10%	56.68%
10 Years	6.95%	6.87%	7.07%	95.71%	94.30%	98.08%



Past performance is no guarantee of future results. Performance results do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares. See "About Fund Performance" on page 10 for more information.

### Shareholder Expenses

Actual			Hypothetical 5% Return			
Beginning Account Value (2/1/14)	Ending Account Value (7/31/14)	Expenses Paid During Period <sup>a</sup>	Beginning Account Value (2/1/14)	Ending Account Value (7/31/14)	Expenses Paid During Period <sup>a</sup>	Annualized Expense Ratio
\$ 1,000.00	\$ 1,070.40	\$ 1.69	\$ 1,000.00	\$ 1,023.20	\$ 1.66	0.33%

<sup>a</sup> Expenses are calculated using the Fund's annualized expense ratio (as disclosed in the table), multiplied by the average account value for the period, multiplied by the number of days in the period (181 days) and divided by the number of days in the year (365 days). See "Shareholder Expenses" on page 10 for more information.

# Management's Discussion of Fund Performance (Continued)

## iSHARES® MSCI EAFE ETF

The **iShares MSCI EAFE ETF** (the "Fund") seeks to track the investment results of an index composed of large- and mid-capitalization developed market equities, excluding the U.S. and Canada, as represented by the MSCI EAFE Index (the "Index"). The Fund invests in a representative sample of securities included in the Index that collectively has an investment profile similar to the Index. Due to the use of representative sampling, the Fund may or may not hold all of the securities that are included in the Index. For the 12-month reporting period ended July 31, 2014, the total return for the Fund was 14.89%, net of fees, while the total return for the Index was 15.07%.

International stocks, as represented by the Index, delivered double-digit gains for the reporting period as economic conditions generally improved. Challenges to global economic recovery persisted throughout the reporting period, however, keeping volatility levels high.

Equity market performance in Europe was positive overall. The major markets of Germany, France, and Switzerland all advanced and contributed meaningfully to Index results. France's stock market slightly lagged most other key markets, as it struggled to regain economic growth. Spanish stocks produced robust gains and also contributed positively to Index performance.

The United Kingdom achieved solid gains and contributed significantly to overall Index returns. The country's GDP growth improved throughout the reporting period, expanding 0.8% for the second quarter of 2014, surpassing its pre-crisis peak in 2008. On an annual basis, GDP growth for the second quarter 2014 was 3.2%.

Japan, which comprised an average of 21% of the Index during the period, advanced amid uneven signs of economic activity. Early in the reporting period, government initiatives aimed at revitalizing the country's stagnant economy lifted Japanese stocks. However, disappointing economic data released in the following months, including a downward revision of GDP growth for the fourth quarter of 2013, drove down equity markets. The economy then strengthened in the first quarter of 2014, before declining sharply during the second quarter as a consumption tax levied in April 2014 led to decreases in private consumption and investment.

Australia, which represented an average of 8% of the Index during the reporting period, delivered strong results as it experienced a pick-up in economic activity over the course of the reporting period. Annual GDP growth for the first quarter of 2014, the most recent period for which data is available, stood at 3.5%, its largest increase since the second quarter of 2012.

### PORTFOLIO ALLOCATION As of 7/31/14

<i>Sector</i>	<i>Percentage of Total Investments*</i>
Financials	25.77%
Industrials	12.67
Consumer Discretionary	11.63
Consumer Staples	10.91
Health Care	10.52
Materials	8.20
Energy	7.00
Telecommunication Services	4.93
Information Technology	4.54
Utilities	3.83
<b>TOTAL</b>	<b><u>100.00%</u></b>

### TEN LARGEST COUNTRY ALLOCATIONS As of 7/31/14

<i>Country</i>	<i>Percentage of Total Investments*</i>
United Kingdom	21.52%
Japan	20.80
France	9.70
Germany	8.88
Switzerland	8.85
Australia	8.10
Spain	3.62
Hong Kong	3.08
Sweden	3.01
Netherlands	2.60
<b>TOTAL</b>	<b><u>90.16%</u></b>

\* Excludes money market funds.

# About Fund Performance

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

Net asset value or “NAV” is the value of one share of a fund as calculated in accordance with the standard formula for valuing mutual fund shares. The price used to calculate market return (“Market Price”) is determined by using the midpoint between the highest bid and the lowest offer on the primary stock exchange on which shares of a fund are listed for trading, as of the time that such fund’s NAV is calculated. Since shares of a fund may not have traded in the secondary market until after the fund’s inception, for the period from inception to the first day of secondary trading, the NAV of the fund is used as a proxy for the Market Price to calculate market returns. Market and NAV returns assume that dividends and capital gain distributions have been reinvested at Market Price and NAV, respectively.

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

## Shareholder Expenses

As a shareholder of a Fund, you incur two types of costs: (1) transaction costs, including brokerage commissions on purchases and sales of fund shares and (2) ongoing costs, including management fees and other fund expenses. The expense example, which is based on an investment of \$1,000 invested on February 1, 2014 and held through July 31, 2014, is intended to help you understand your ongoing costs (in dollars and cents) of investing in a Fund and to compare these costs with the ongoing costs of investing in other funds.

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

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

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

# Schedule of Investments

## iSHARES® CURRENCY HEDGED MSCI EAFE ETF

July 31, 2014

Security	Shares	Value
<b>INVESTMENT COMPANIES — 99.88%</b>		
<b>EXCHANGE-TRADED FUNDS — 99.88%</b>		
iShares MSCI EAFE ETF <sup>a</sup>	37,156	\$2,474,218
		<u>2,474,218</u>
<b>TOTAL INVESTMENT COMPANIES</b>		
<b>(Cost: \$2,364,975)</b>		<b>2,474,218</b>
<b>SHORT-TERM INVESTMENTS — 0.01%</b>		
<b>MONEY MARKET FUNDS — 0.01%</b>		
BlackRock Cash Funds: Treasury, SL Agency Shares		
0.00% <sup>a,b</sup>	162	162
		<u>162</u>
<b>TOTAL SHORT-TERM INVESTMENTS</b>		
<b>(Cost: \$162)</b>		<b>162</b>
<b>TOTAL INVESTMENTS</b>		
<b>IN SECURITIES — 99.89%</b>		
<b>(Cost: \$2,365,137)</b>		<b>2,474,380</b>
<b>Other Assets, Less Liabilities — 0.11%</b>		<b>2,833</b>
<b>NET ASSETS — 100.00%</b>		<b>\$2,477,213</b>

<sup>a</sup> Affiliated issuer. See Note 2.

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

Forward currency contracts as of July 31, 2014 were as follows:

	Currency to be Delivered	Currency to be Received	Settlement Date	Counter- party	Unrealized Appreciation (Depreciation)
AUD	434,000	USD 405,473	8/5/2014	CITI	\$ 2,157
CHF	211,000	USD 236,742	8/5/2014	CITI	4,555
DKK	209,000	USD 38,223	8/5/2014	CITI	688
EUR	591,000	USD 805,683	8/5/2014	CITI	14,301
GBP	330,000	USD 561,341	8/5/2014	CITI	4,207
JPY	52,960,000	USD 522,470	8/5/2014	CITI	7,618
NOK	137,000	USD 22,259	8/5/2014	CITI	467
NZD	4,000	USD 3,493	8/5/2014	CITI	96
SEK	533,000	USD 78,978	8/5/2014	CITI	1,712
USD	75,811	SEK 523,000	8/5/2014	CITI	6
USD	3,390	NZD 4,000	8/5/2014	CITI	7
USD	37,493	DKK 209,000	8/5/2014	CITI	42
USD	458,472	CHF 417,000	8/5/2014	CITI	400
USD	782,438	EUR 585,000	8/5/2014	CITI	909
USD	13,423	ILS 46,000	8/6/2014	CITI	4
AUD	215,000	USD 200,249	9/3/2014	CITI	850
GBP	322,000	USD 544,223	9/3/2014	CITI	721
HKD	582,000	USD 75,101	9/3/2014	CITI	—
JPY	53,078,000	USD 517,049	9/3/2014	CITI	964
NOK	137,000	USD 21,829	9/3/2014	CITI	59
SGD	45,000	USD 36,144	9/3/2014	CITI	72
USD	359	DKK 2,000	9/3/2014	CITI	—
USD	317	NOK 2,000	9/3/2014	CITI	1
USD	3,300	CHF 3,000	9/3/2014	CITI	2
USD	18,734	EUR 14,000	9/3/2014	CITI	15
					<u>39,853</u>

	Currency to be Delivered	Currency to be Received	Settlement Date	Counter- party	Unrealized Appreciation (Depreciation)
CHF	211,000	USD 232,047	8/5/2014	CITI	\$ (140)
HKD	564,000	USD 72,751	8/5/2014	CITI	(23)
SGD	46,000	USD 36,814	8/5/2014	CITI	(59)
USD	515,859	JPY 52,960,000	8/5/2014	CITI	(1,006)
USD	404,350	AUD 434,000	8/5/2014	CITI	(1,035)
USD	558,037	GBP 330,000	8/5/2014	CITI	(903)
USD	5,640	CHF 5,000	8/5/2014	CITI	(138)
USD	8,212	EUR 6,000	8/5/2014	CITI	(178)
USD	36,947	SGD 46,000	8/5/2014	CITI	(73)
USD	21,853	NOK 137,000	8/5/2014	CITI	(61)
USD	1,495	SEK 10,000	8/5/2014	CITI	(46)
USD	72,775	HKD 564,000	8/5/2014	CITI	(1)
ILS	46,000	USD 13,416	8/6/2014	CITI	(11)
CHF	206,000	USD 226,466	9/3/2014	CITI	(263)
DKK	209,000	USD 37,496	9/3/2014	CITI	(46)
EUR	585,000	USD 782,496	9/3/2014	CITI	(922)
ILS	46,000	USD 13,425	9/3/2014	CITI	(4)
NZD	4,000	USD 3,381	9/3/2014	CITI	(8)
SEK	523,000	USD 75,798	9/3/2014	CITI	(9)
SGD	1,000	USD 801	9/3/2014	CITI	(1)
USD	1,688	GBP 1,000	9/3/2014	CITI	(1)
					<u>(4,928)</u>
Net Unrealized Appreciation					<u>\$34,925</u>

### Counterparties:

CITI — Citibank N.A.

### Currency abbreviations:

AUD — Australian Dollar  
CHF — Swiss Franc  
DKK — Danish Krone  
EUR — Euro  
GBP — British Pound  
HKD — Hong Kong Dollar  
ILS — Israeli Shekel  
JPY — Japanese Yen  
NOK — Norwegian Krone  
NZD — New Zealand Dollar  
SEK — Swedish Krona  
SGD — Singapore Dollar  
USD — United States Dollar

See notes to financial statements.

# Schedule of Investments

## iSHARES® MSCI EAFE ETF

July 31, 2014

Security	Shares	Value
<b>COMMON STOCKS — 98.92%</b>		
<b>AUSTRALIA — 8.06%</b>		
AGL Energy Ltd.	2,293,080	\$ 31,509,128
ALS Ltd.	1,610,555	11,694,168
Alumina Ltd. <sup>a</sup>	10,419,837	15,548,150
Amcor Ltd.	4,859,682	47,123,214
AMP Ltd.	12,066,110	61,586,053
APA Group	3,414,833	23,715,529
Asciano Ltd.	3,933,775	22,126,241
ASX Ltd.	772,667	25,997,027
Aurizon Holdings Ltd.	8,437,085	39,376,661
Australia and New Zealand Banking Group Ltd.	11,176,220	352,966,294
Bank of Queensland Ltd.	1,447,913	16,880,401
Bendigo and Adelaide Bank Ltd.	1,728,643	20,490,768
BGP Holdings PLC <sup>a,b</sup>	33,026,812	442
BHP Billiton Ltd.	13,102,539	471,177,640
Boral Ltd.	3,113,964	15,517,477
Brambles Ltd.	6,312,572	55,342,756
Caltex Australia Ltd.	552,418	12,690,634
CFS Retail Property Trust Group	8,461,799	17,071,245
Coca-Cola Amatil Ltd.	2,357,441	20,404,843
Cochlear Ltd.	235,733	13,949,593
Commonwealth Bank of Australia	6,562,940	511,005,996
Computershare Ltd.	1,956,553	23,919,942
Crown Resorts Ltd.	1,492,451	22,575,136
CSL Ltd.	1,974,374	124,451,995
Dexus Property Group	22,065,483	24,411,988
Federation Centres	5,718,773	13,717,195
Flight Centre Travel Group Ltd.	221,071	9,762,659
Fortescue Metals Group Ltd.	6,480,560	29,642,879
Goodman Group	6,836,167	33,875,259
GPT Group (The)	6,705,732	25,373,674
Harvey Norman Holdings Ltd.	2,269,569	6,519,955
Iluka Resources Ltd.	1,746,456	14,337,093
Incitec Pivot Ltd.	6,851,700	18,982,672
Insurance Australia Group Ltd.	9,498,938	55,636,314
James Hardie Industries SE	1,808,271	22,998,121
Leighton Holdings Ltd.	419,426	8,617,680
Lend Lease Group	2,203,665	27,821,984
Macquarie Group Ltd.	1,175,288	63,942,758
Metcash Ltd.	3,723,576	10,073,861
Mirvac Group	14,585,527	24,611,694

Security	Shares	Value
National Australia Bank Ltd.	9,600,016	\$ 315,235,702
Newcrest Mining Ltd. <sup>a</sup>	3,149,662	31,917,818
Orica Ltd.	1,541,893	31,536,948
Origin Energy Ltd.	4,478,860	59,670,053
Qantas Airways Ltd. <sup>a</sup>	4,488,337	5,570,696
QBE Insurance Group Ltd.	5,102,068	52,177,309
Ramsay Health Care Ltd.	540,962	24,336,893
REA Group Ltd.	215,565	9,535,543
Rio Tinto Ltd.	1,783,527	110,067,647
Santos Ltd.	3,985,819	53,953,757
Scentre Group <sup>a</sup>	21,844,856	69,051,139
Seek Ltd.	1,316,707	20,308,520
Sonic Healthcare Ltd.	1,568,865	26,502,281
SP AusNet	7,138,440	8,959,419
Stockland Corp. Ltd.	9,300,954	35,107,207
Suncorp Group Ltd.	5,245,748	69,691,915
Sydney Airport	4,238,853	16,945,702
Tabcorp Holdings Ltd.	3,001,498	9,766,722
Tatts Group Ltd.	5,795,433	19,181,326
Telstra Corp. Ltd.	17,763,874	90,667,737
Toll Holdings Ltd.	2,784,488	14,134,509
TPG Telecom Ltd.	1,129,979	5,798,988
Transurban Group	6,993,434	50,583,960
Treasury Wine Estates Ltd.	2,643,658	12,387,354
Wesfarmers Ltd.	4,665,454	190,935,506
Westfield Corp.	8,202,302	57,040,077
Westpac Banking Corp.	12,663,179	407,461,980
Woodside Petroleum Ltd.	2,697,945	106,652,022
Woolworths Ltd.	5,104,814	175,362,655
WorleyParsons Ltd.	851,260	14,245,493
		4,442,233,997
<b>AUSTRIA — 0.23%</b>		
Andritz AG	292,449	15,847,522
Erste Group Bank AG	1,138,217	29,324,107
IMMOEAST AG Escrow <sup>a,b</sup>	1,571,072	21
IMMOFINANZ AG <sup>a</sup>	3,830,471	12,121,030
IMMOFINANZ AG Escrow <sup>a,b,c</sup>	1,157,632	16
OMV AG	609,612	24,518,770
Raiffeisen International Bank Holding AG	484,086	13,336,291
Telekom Austria AG	451,717	4,321,442
Vienna Insurance Group AG	163,387	8,127,989
Voestalpine AG	468,193	20,647,540
		128,244,728

# Schedule of Investments (Continued)

## iSHARES® MSCI EAFE ETF

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Security	Shares	Value	Security	Shares	Value
<b>BELGIUM — 1.19%</b>			<b>FRANCE — 9.65%</b>		
Ageas	906,180	\$ 32,560,857	Accor SA	686,500	\$ 33,251,046
Anheuser-Busch InBev NV	3,278,724	355,253,885	Aeroports de Paris	119,455	16,358,685
Belgacom SA <sup>c</sup>	621,969	20,322,194	Airbus Group NV	2,393,139	138,839,615
Colruyt SA	302,060	14,646,627	Alcatel-Lucent <sup>a,c</sup>	11,422,055	40,407,493
Delhaize Brothers and Co. "The Lion" (Delhaize Group) SA	417,392	27,261,743	ALSTOM <sup>a</sup>	878,720	31,615,315
Groupe Bruxelles Lambert SA	335,538	33,356,980	ArcelorMittal <sup>c</sup>	4,146,460	63,080,358
KBC Groep NV <sup>a</sup>	1,020,139	55,512,365	Arkema SA	236,156	21,935,109
Solvay SA	243,021	39,295,848	Atos SA	322,655	25,194,740
Telenet Group Holding NV <sup>a</sup>	219,680	11,754,337	AXA SA	7,412,827	170,496,687
UCB SA	462,701	42,494,617	BNP Paribas SA	4,311,220	285,536,471
Umicore SA	442,106	21,354,520	Bolloré	20,595	12,713,014
		653,813,973	Bouygues SA	780,639	30,838,721
<b>DENMARK — 1.48%</b>			Bureau Veritas SA	896,569	23,092,484
A.P. Moeller-Maersk A/S			Cap Gemini SA	597,255	43,336,677
Class A	9,611	21,578,953	Carrefour SA	2,509,884	86,742,964
A.P. Moeller-Maersk A/S			Casino Guichard-Perrachon SA	232,037	27,991,576
Class B	27,460	64,019,778	Christian Dior SA	223,799	38,972,523
Carlsberg A/S Class B	440,733	42,318,848	CNP Assurances SA	707,103	13,898,268
Coloplast A/S Class B	453,090	38,374,165	Compagnie de Saint-Gobain	1,802,749	87,859,965
Danske Bank A/S	2,666,366	77,189,568	Compagnie Generale des Etablissements Michelin		
DSV A/S	717,754	22,672,153	Class B	763,388	83,817,180
Novo Nordisk A/S Class B	8,125,414	376,098,257	Credit Agricole SA	4,072,318	55,141,478
Novozymes A/S Class B	972,084	48,152,336	Danone SA	2,313,515	167,434,714
Pandora A/S	465,447	31,944,243	Dassault Systemes SA	516,248	34,633,702
TDC A/S	3,335,017	33,728,455	Edenred SA	833,411	26,054,409
TrygVesta A/S	90,618	9,115,795	Electricite de France SA	987,950	31,910,120
Vestas Wind Systems A/S <sup>a</sup>	907,553	41,030,296	Essilor International SA	832,038	81,235,099
William Demant Holding A/S <sup>a,c</sup>	91,991	8,004,099	Eurazeo	152,403	11,453,920
		814,226,946	Eutelsat Communications SA	623,342	21,509,679
<b>FINLAND — 0.86%</b>			Fonciere des Regions	113,959	11,434,263
Elisa OYJ	584,898	16,770,983	GDF Suez	5,906,646	152,134,559
Fortum OYJ	1,827,463	46,946,803	Gecina SA	89,245	12,735,059
Kone OYJ Class B <sup>c</sup>	1,267,279	53,361,151	Groupe Eurotunnel		
Metso OYJ	457,209	17,979,208	SA Registered	1,923,240	25,444,747
Neste Oil OYJ <sup>c</sup>	526,814	9,727,306	Icade	148,286	14,303,140
Nokia OYJ	15,325,426	121,597,166	Iliad SA	105,721	29,139,674
Nokian Renkaat OYJ <sup>c</sup>	486,042	16,888,923	Imerys SA	138,673	10,822,811
Orion OYJ Class B	411,900	15,304,667	JCDecaux SA	273,231	9,373,552
Sampo OYJ Class A	1,827,463	90,959,431	Kering	310,298	66,407,851
Stora Enso OYJ Class R	2,265,450	20,430,104	Klepierre	408,555	19,326,694
UPM-Kymmene OYJ	2,167,967	35,447,048	L'Air Liquide SA	1,403,474	178,433,174
Wartsila OYJ Abp	600,001	30,281,673	L'Oreal SA	978,949	165,563,022
		475,694,463	Lafarge SA	758,734	58,972,172



# Schedule of Investments (Continued)

## iSHARES® MSCI EAFE ETF

July 31, 2014

Security	Shares	Value	Security	Shares	Value
Lagardere SCA	483,856	\$ 14,404,638	Continental AG	450,344	\$ 97,373,760
Legrand SA	1,066,831	59,102,332	Daimler AG Registered	3,944,629	326,597,362
LVMH Moet Hennessy Louis Vuitton SA	1,136,844	195,613,150	Deutsche Bank AG Registered	5,648,524	194,082,421
Natixis	3,791,380	24,501,950	Deutsche Boerse AG	786,729	57,095,390
Orange	7,569,349	119,001,545	Deutsche Lufthansa AG Registered	941,583	16,724,354
Pernod Ricard SA	864,990	96,870,769	Deutsche Post AG Registered	3,925,407	126,131,479
PSA Peugeot Citroen SA <sup>a</sup>	1,606,410	24,094,517	Deutsche Telekom AG Registered	12,711,234	205,877,417
Publicis Groupe SA	740,055	53,817,033	Deutsche Wohnen AG Bearer	1,161,944	25,209,159
Remy Cointreau SA	101,602	8,312,945	E.ON SE	8,181,707	154,682,894
Renault SA	789,475	65,882,539	Fraport AG	141,427	9,333,738
Rexel SA	1,075,059	20,835,648	Fresenius Medical Care AG & Co. KGaA	884,212	61,401,639
Safran SA	1,098,454	64,513,876	Fresenius SE & Co. KGaA	512,129	76,677,097
Sanofi	4,859,047	511,140,558	GEA Group AG	733,186	33,005,848
Schneider Electric SE	2,118,539	179,203,777	Hannover Rueck SE Registered	247,140	21,116,803
SCOR SE	650,802	20,920,328	HeidelbergCement AG	569,795	42,411,526
SES SA Class A FDR	1,238,446	45,485,778	Henkel AG & Co. KGaA	491,534	46,872,328
Societe BIC SA	119,451	16,462,024	Hochtief AG	93,364	7,850,039
Societe Generale	2,930,006	147,228,701	Hugo Boss AG	129,062	18,555,002
Sodexo	381,694	38,052,755	Infineon Technologies AG	4,624,264	51,199,630
STMicroelectronics NV	2,634,787	21,945,277	K+S AG Registered	701,603	21,586,441
Suez Environnement SA	1,156,590	21,587,873	Kabel Deutschland Holding AG	93,364	13,347,815
Technip SA	416,019	38,379,882	Lanxess AG	374,829	23,854,861
Thales SA	373,214	21,232,806	Linde AG	756,523	154,769,659
Total SA	8,710,312	560,460,090	MAN SE	142,792	16,958,107
Unibail-Rodamco SE	391,305	105,053,558	Merck KGaA	528,605	46,948,824
Valeo SA	311,671	37,418,835	METRO AG <sup>a</sup>	659,040	23,826,120
Vallourec SA	440,737	19,480,945	Muenchener Rueckversicherungs- Gesellschaft AG Registered	733,182	155,782,438
Veolia Environnement	1,679,179	29,724,396	Osram Licht AG <sup>a</sup>	358,353	14,542,520
Vinci SA	1,956,579	135,136,166	ProSiebenSat.1 Media AG Registered	896,569	37,745,715
Vivendi SA	4,922,223	123,618,014	QIAGEN NV <sup>a</sup>	976,203	23,922,318
Wendel	133,181	17,473,921	RTL Group SA	157,897	16,098,487
Zodiac Aerospace	748,285	23,403,179	RWE AG	2,000,461	80,445,735
		5,319,802,535	SAP SE	3,764,766	296,493,003
<b>GERMANY — 8.25%</b>			Siemens AG Registered	3,227,923	399,072,077
Adidas AG	859,498	68,322,009	Sky Deutschland AG <sup>a</sup>	1,787,646	16,157,088
Allianz SE Registered	1,860,415	310,905,550	Telefonica Deutschland Holding AG <sup>d</sup>	1,173,933	9,226,425
Axel Springer SE	162,014	9,140,308	ThyssenKrupp AG <sup>a</sup>	1,839,820	52,101,450
BASF SE	3,746,917	389,238,512	United Internet AG Registered	479,177	19,202,112
Bayer AG Registered	3,373,461	446,494,389	Volkswagen AG	122,197	28,293,609
Bayerische Motoren Werke AG	1,360,643	162,647,107			4,543,567,449
Beiersdorf AG	409,154	36,974,649			
Brenntag AG	204,577	32,915,321			
Celesio AG	207,323	7,104,169			
Commerzbank AG <sup>a</sup>	3,952,867	57,252,745			

# Schedule of Investments (Continued)

## iSHARES® MSCI EAFE ETF

July 31, 2014

Security	Shares	Value	Security	Shares	Value
<b>HONG KONG — 3.06%</b>			Yue Yuen Industrial (Holdings) Ltd. <sup>c</sup>		
AIA Group Ltd.	48,879,200	\$ 263,945,977		2,746,000	\$ 9,230,044
ASM Pacific Technology Ltd. <sup>c</sup>	961,100	10,212,397			1,687,847,297
Bank of East Asia Ltd. (The) <sup>c</sup>	5,217,440	22,317,035	<b>IRELAND — 0.29%</b>		
BOC Hong Kong (Holdings) Ltd.	14,416,500	45,481,439	Bank of Ireland <sup>a</sup>	100,919,619	35,783,077
Cathay Pacific Airways Ltd. <sup>c</sup>	4,119,000	7,823,392	CRH PLC	3,082,385	72,091,575
Cheung Kong (Holdings) Ltd.	5,492,000	106,792,137	Irish Bank Resolution Corp. Ltd. <sup>a,b</sup>	3,570,811	48
Cheung Kong Infrastructure Holdings Ltd.	2,746,792	19,422,352	Kerry Group PLC Class A	650,802	48,327,916
CLP Holdings Ltd.	7,551,500	62,896,281	Ryanair Holdings PLC <sup>a</sup>	177,504	1,624,740
First Pacific Co. Ltd.	8,978,250	10,831,754	Ryanair Holdings PLC SP ADR <sup>a</sup>	65,130	3,451,238
Galaxy Entertainment Group Ltd. <sup>c</sup>	9,611,000	81,785,982			161,278,594
Hang Lung Properties Ltd.	9,263,000	28,744,995	<b>ISRAEL — 0.53%</b>		
Hang Seng Bank Ltd. <sup>c</sup>	3,157,900	53,704,327	Bank Hapoalim BM	4,131,357	24,182,259
Henderson Land Development Co. Ltd. <sup>c</sup>	4,833,749	30,842,238	Bank Leumi le-Israel BM <sup>a</sup>	4,996,403	19,696,363
HKT Trust and HKT Ltd.	9,693,440	11,494,470	Bezeq The Israel Telecommunication Corp. Ltd.	7,713,514	14,402,491
Hong Kong and China Gas Co. Ltd. (The)	26,378,402	57,725,782	Delek Group Ltd. (The)	19,248	7,582,154
Hong Kong Exchanges and Clearing Ltd. <sup>c</sup>	4,266,300	95,509,455	Israel Chemicals Ltd.	1,808,263	14,773,822
Hutchison Whampoa Ltd.	9,611,000	131,452,829	Israel Corp. Ltd. (The) <sup>a,c</sup>	11,290	6,677,608
Hysan Development Co. Ltd.	2,746,797	13,255,425	Mizrahi Tefahot Bank Ltd.	505,264	6,411,815
Kerry Properties Ltd.	2,603,500	9,574,100	NICE Systems Ltd.	247,140	9,836,274
Li & Fung Ltd.	23,934,400	32,118,213	Teva Pharmaceutical Industries Ltd.	3,510,773	189,414,352
Link REIT (The)	9,611,258	54,504,783			292,977,138
MGM China Holdings Ltd. <sup>c</sup>	3,295,200	12,160,273	<b>ITALY — 2.51%</b>		
MTR Corp. Ltd.	6,178,500	24,355,091	Assicurazioni Generali SpA	4,760,191	99,549,610
New World Development Co. Ltd.	20,015,132	25,386,771	Atlantia SpA	1,647,539	43,691,359
NWS Holdings Ltd.	5,964,000	11,066,034	Banca Monte dei Paschi di Siena SpA <sup>a</sup>	17,704,835	31,980,250
PCCW Ltd.	15,103,000	9,295,593	Banco Popolare SC <sup>a</sup>	1,478,721	22,990,508
Power Assets Holdings Ltd.	5,983,500	53,542,329	CNH Industrial NV	3,869,114	35,772,210
Sands China Ltd.	9,885,600	73,535,634	Enel Green Power SpA	7,180,790	19,888,351
Shangri-La Asia Ltd.	5,838,666	9,266,468	Enel SpA	26,846,369	153,164,795
Sino Land Co. Ltd. <sup>c</sup>	10,984,000	18,991,568	Eni SpA	10,393,610	265,060,808
SJM Holdings Ltd. <sup>c</sup>	7,911,000	21,334,043	Exor SpA	396,807	15,237,630
Sun Hung Kai Properties Ltd. <sup>c</sup>	6,865,000	104,435,907	Fiat SpA <sup>a,c</sup>	3,595,887	34,857,853
Swire Pacific Ltd. Class A	2,593,000	33,441,120	Finmeccanica SpA <sup>a</sup>	1,655,150	15,302,825
Swire Properties Ltd. <sup>c</sup>	4,668,255	15,299,731	Intesa Sanpaolo SpA	47,284,747	141,085,420
Technic Industries Co. Ltd.	5,492,033	16,582,289	Intesa Sanpaolo SpA RNC	3,827,924	10,284,501
Wharf (Holdings) Ltd. (The)	6,559,912	52,648,244	Luxottica Group SpA	682,387	37,744,825
Wheelock and Co. Ltd.	4,120,000	20,918,833	Mediobanca SpA <sup>a</sup>	2,463,162	21,834,088
Wynn Macau Ltd. <sup>c</sup>	6,042,000	25,921,962			



# Schedule of Investments (Continued)

## iSHARES® MSCI EAFE ETF

July 31, 2014

Security	Shares	Value	Security	Shares	Value
Pirelli & C. SpA	991,306	\$ 14,828,791	Chugai Pharmaceutical Co. Ltd.	961,100	\$ 32,337,298
Prysmian SpA	831,625	17,714,415	Chugoku Bank Ltd. (The)	686,500	10,641,134
Saipem SpA <sup>a</sup>	1,075,059	25,114,975	Chugoku Electric Power Co. Inc. (The)	1,196,700	16,082,456
Snam SpA	8,327,245	49,135,586	Citizen Holdings Co. Ltd.	1,098,600	8,867,001
Telecom Italia SpA <sup>a,c</sup>	40,838,512	47,265,278	Credit Saison Co. Ltd.	536,400	10,755,645
Telecom Italia SpA RNC	24,734,595	23,182,974	Dai Nippon Printing Co. Ltd.	2,746,000	28,411,961
Tenaris SA	1,923,310	41,457,302	Dai-ichi Life Insurance Co. Ltd. (The)	4,318,952	61,864,310
Terna SpA	6,208,706	32,664,108	Daicel Corp.	1,151,000	11,774,707
UniCredit SpA	17,985,486	141,018,470	Daido Steel Co. Ltd.	1,151,000	5,462,031
Unione di Banche Italiane SpA	3,504,166	28,998,837	Daihatsu Motor Co. Ltd.	691,100	12,385,835
UnipolSai SpA	3,681,013	11,180,196	Daiichi Sankyo Co. Ltd.	2,608,795	47,794,718
		1,381,005,965	Daikin Industries Ltd.	961,100	67,104,566
<b>JAPAN — 20.70%</b>			Daito Trust Construction Co. Ltd.	274,600	33,311,956
ABC-MART Inc.	36,500	1,987,650	Daiwa House Industry Co. Ltd.	2,746,000	56,369,971
Acom Co. Ltd. <sup>a</sup>	1,647,670	6,601,255	Daiwa Securities Group Inc.	6,865,000	58,519,560
Advantest Corp.	555,200	6,295,164	Dena Co. Ltd. <sup>c</sup>	412,300	5,392,556
AEON Co. Ltd.	2,471,400	27,949,999	Denso Corp.	1,922,200	89,497,677
AEON Financial Service Co. Ltd.	411,990	9,531,037	Dentsu Inc.	837,100	33,578,427
AEON Mall Co. Ltd.	440,610	10,428,791	Don Quijote Holdings Co. Ltd.	186,100	10,188,584
Air Water Inc.	252,000	4,058,074	East Japan Railway Co.	1,373,000	111,111,061
Aisin Seiki Co. Ltd.	791,100	31,079,341	Eisai Co. Ltd.	1,061,500	45,408,066
Ajinomoto Co. Inc.	2,746,000	42,577,887	Electric Power Development Co. Ltd.	520,700	16,886,610
Alfresa Holdings Corp.	137,300	8,291,272	FamilyMart Co. Ltd.	250,300	11,305,912
Amada Co. Ltd.	1,373,000	13,458,297	FANUC Corp.	823,800	144,115,933
ANA Holdings Inc. <sup>c</sup>	4,121,000	10,278,957	Fast Retailing Co. Ltd.	212,300	71,028,166
Aozora Bank Ltd.	4,119,000	14,099,169	Fuji Electric Co. Ltd.	2,503,000	13,046,220
Asahi Glass Co. Ltd.	4,119,000	24,617,469	Fuji Heavy Industries Ltd.	2,342,000	67,548,714
Asahi Group Holdings Ltd.	1,510,500	46,048,694	FUJIFILM Holdings Corp.	1,794,200	51,792,509
Asahi Kasei Corp.	5,207,000	41,621,569	Fujitsu Ltd.	7,911,000	61,620,178
ASICS Corp.	686,500	14,686,634	Fukuoka Financial Group Inc.	3,855,000	19,943,210
Astellas Pharma Inc.	8,657,350	119,124,328	Gree Inc. <sup>c</sup>	411,900	3,296,482
Bandai Namco Holdings Inc.	653,800	16,727,260	GungHo Online Entertainment Inc. <sup>c</sup>	1,647,600	9,388,765
Bank of Kyoto Ltd. (The)	1,822,000	16,743,229	Gunma Bank Ltd. (The)	1,763,000	10,474,965
Bank of Yokohama Ltd. (The)	5,201,000	29,981,551	Hachijuni Bank Ltd. (The)	1,373,000	8,544,951
Benesse Holdings Inc.	274,600	10,414,159	Hakuhodo DY Holdings Inc.	961,120	10,178,049
Bridgestone Corp.	2,608,900	94,933,668	Hamamatsu Photonics K.K.	274,600	13,057,753
Brother Industries Ltd.	961,100	17,533,171	Hankyu Hanshin Holdings Inc.	5,207,000	30,532,610
Calbee Inc.	274,600	8,224,515	Hikari Tsushin Inc.	137,300	10,173,832
Canon Inc.	4,544,600	149,903,080	Hino Motors Ltd.	961,100	13,505,027
Casio Computer Co. Ltd. <sup>c</sup>	823,800	13,995,027	Hirose Electric Co. Ltd.	137,300	19,519,872
Central Japan Railway Co.	632,300	90,693,101	Hiroshima Bank Ltd. (The)	1,373,000	6,742,500
Chiba Bank Ltd. (The)	2,746,000	20,240,852			
Chiyoda Corp.	483,000	5,795,906			
Chubu Electric Power Co. Inc. <sup>a</sup>	2,546,600	29,890,078			

# Schedule of Investments (Continued)

## iSHARES® MSCI EAFE ETF

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Security	Shares	Value	Security	Shares	Value
Hisamitsu Pharmaceutical Co. Inc.	163,400	\$ 6,554,432	Kaneka Corp.	1,151,000	\$ 6,973,044
Hitachi Chemical Co. Ltd.	411,900	7,301,927	Kansai Electric Power Co. Inc. (The) <sup>a</sup>	2,775,100	25,636,651
Hitachi Construction Machinery Co. Ltd.	411,900	8,511,572	Kansai Paint Co. Ltd.	660,000	11,141,732
Hitachi High-Technologies Corp.	250,300	6,766,509	Kao Corp.	2,059,500	85,055,638
Hitachi Ltd.	20,079,000	157,902,342	Kawasaki Heavy Industries Ltd.	5,492,000	21,629,406
Hitachi Metals Ltd.	660,000	10,795,157	KDDI Corp.	2,344,200	136,706,057
Hokuhoku Financial Group Inc.	5,207,000	10,785,151	Keikyu Corp.	2,503,000	22,246,725
Hokuriku Electric Power Co.	686,500	8,972,198	Keio Corp.	2,503,000	20,177,829
Honda Motor Co. Ltd.	6,590,400	234,174,373	Keisei Electric Railway Co. Ltd.	531,000	5,509,574
Hoya Corp.	1,784,900	58,510,214	Keyence Corp.	180,423	79,381,909
Hulic Co. Ltd.	851,500	10,192,994	Kikkoman Corp.	599,000	13,292,342
IBIDEN Co. Ltd.	411,900	8,319,311	Kintetsu Corp.	6,865,000	25,167,550
Idemitsu Kosan Co. Ltd.	476,000	9,845,403	Kirin Holdings Co. Ltd.	3,157,900	44,603,975
IHI Corp.	5,492,000	25,795,070	Kobe Steel Ltd.	12,357,000	20,307,609
Iida Group Holdings Co. Ltd.	686,580	10,361,960	Koito Manufacturing Co. Ltd.	292,000	8,067,020
INPEX Corp.	3,432,543	51,287,036	Komatsu Ltd.	3,707,100	83,237,165
Isetan Mitsukoshi Holdings Ltd.	1,235,700	15,549,140	Konami Corp.	411,900	9,673,151
Isuzu Motors Ltd.	5,207,000	36,608,752	Konica Minolta Holdings Inc.	1,941,100	21,046,594
ITOCHU Corp.	5,923,200	76,462,761	Kubota Corp.	4,471,000	59,890,140
ITOCHU Techno-Solutions Corp.	115,100	5,215,792	Kuraray Co. Ltd.	1,373,200	18,227,432
Iyo Bank Ltd. (The)	686,500	7,022,881	Kurita Water Industries Ltd.	480,500	11,181,373
J. Front Retailing Co. Ltd.	2,188,600	14,982,977	Kyocera Corp.	1,246,700	61,186,317
Japan Airlines Co. Ltd.	250,300	13,946,798	Kyowa Hakko Kirin Co. Ltd.	1,373,000	18,945,758
Japan Display Inc. <sup>a</sup>	1,373,000	8,010,891	Kyushu Electric Power Co. Inc. <sup>a</sup>	1,737,500	19,481,086
Japan Exchange Group Inc.	1,098,600	25,489,956	Lawson Inc.	250,300	18,839,131
Japan Prime Realty Investment Corp.	2,746	9,546,312	LIXIL Group Corp.	1,098,480	27,057,421
Japan Real Estate Investment Corp.	4,355	24,647,348	M3 Inc.	693,600	11,290,771
Japan Retail Fund Investment Corp.	9,611	21,271,586	Mabuchi Motor Co. Ltd.	137,300	10,974,921
Japan Tobacco Inc.	4,404,900	156,432,098	Makita Corp.	549,200	33,058,278
JFE Holdings Inc.	2,007,975	42,703,762	Marubeni Corp.	6,865,000	48,819,706
JGC Corp.	1,373,000	41,977,070	Marui Group Co. Ltd.	961,100	9,402,116
Joyo Bank Ltd. (The)	2,746,000	14,766,743	Maruichi Steel Tube Ltd.	137,300	3,837,217
JSR Corp.	707,300	12,325,391	Mazda Motor Corp.	2,196,800	53,427,304
JTEKT Corp.	823,800	14,475,680	McDonald's Holdings Co. (Japan) Ltd. <sup>c</sup>	274,600	6,924,080
JX Holdings Inc.	8,787,600	45,674,840	Medipal Holdings Corp.	549,200	6,990,838
Kajima Corp.	3,855,000	18,143,823	Meiji Holdings Co. Ltd.	250,352	18,088,349
Kakaku.com Inc.	549,200	9,452,852	Miraca Holdings Inc.	250,300	11,671,012
Kamigumi Co. Ltd.	1,151,000	11,069,568	Mitsubishi Chemical Holdings Corp.	5,217,600	23,039,939
			Mitsubishi Corp.	5,507,600	117,077,003
			Mitsubishi Electric Corp.	8,238,000	110,229,863
			Mitsubishi Estate Co. Ltd.	5,492,000	136,051,636
			Mitsubishi Gas Chemical Co. Inc.	1,373,000	9,012,253

# Schedule of Investments (Continued)

## iSHARES® MSCI EAFE ETF

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Security	Shares	Value	Security	Shares	Value
Mitsubishi Heavy Industries Ltd.	12,357,000	\$ 81,482,780	NOK Corp.	411,900	\$ 8,479,528
Mitsubishi Logistics Corp.	477,000	7,324,189	Nomura Holdings Inc.	14,637,600	93,987,526
Mitsubishi Materials Corp.	5,207,000	19,241,114	Nomura Real Estate		
Mitsubishi Motors Corp.	2,608,700	30,060,869	Holdings Inc.	520,700	9,772,461
Mitsubishi Tanabe			Nomura Research Institute Ltd.	411,900	13,097,807
Pharma Corp.	926,300	13,556,489	NSK Ltd.	2,366,000	33,798,357
Mitsubishi UFJ Financial			NTT Data Corp.	520,791	20,004,127
Group Inc.	51,405,480	307,728,045	NTT DOCOMO Inc.	5,918,617	104,979,408
Mitsubishi UFJ Lease & Finance			NTT Urban Development Corp.	411,900	4,558,197
Co. Ltd.	1,922,200	10,953,559	Obayashi Corp.	2,503,000	18,498,371
Mitsui & Co. Ltd.	6,896,500	111,728,196	Odakyu Electric Railway		
Mitsui Chemicals Inc.	3,327,000	9,058,783	Co. Ltd.	2,746,000	27,130,218
Mitsui Fudosan Co. Ltd.	3,850,000	128,957,310	Oji Holdings Corp.	3,855,000	15,707,152
Mitsui O.S.K. Lines Ltd.	4,129,000	15,418,253	Olympus Corp. <sup>a</sup>	961,100	35,047,649
Mizuho Financial Group Inc.	91,991,260	180,252,238	Omron Corp.	823,800	37,130,481
MS&AD Insurance Group			Ono Pharmaceutical Co. Ltd.	320,000	27,414,791
Holdings Inc.	1,934,388	44,759,821	Oracle Corp. Japan	137,300	5,861,302
Murata Manufacturing Co. Ltd.	823,800	79,484,063	Oriental Land Co. Ltd.	274,600	51,803,763
Nabtesco Corp.	411,900	9,432,824	ORIX Corp.	5,227,400	86,085,495
Nagoya Railroad Co. Ltd.	4,119,000	17,343,579	Osaka Gas Co. Ltd.	7,911,000	33,102,575
NEC Corp.	10,784,000	42,261,409	Otsuka Corp.	142,500	6,526,718
Nexon Co. Ltd.	549,200	5,340,594	Otsuka Holdings Co. Ltd.	1,510,300	48,414,489
NGK Insulators Ltd.	1,373,000	33,084,981	Panasonic Corp.	8,924,768	109,134,981
NGK Spark Plug Co. Ltd.	632,000	19,113,337	PARK24 Co. Ltd.	411,900	7,618,358
NH Foods Ltd.	1,373,000	28,331,852	Rakuten Inc.	3,165,800	42,144,991
NHK Spring Co. Ltd.	549,200	5,442,065	Resona Holdings Inc.	8,512,600	47,896,051
Nidec Corp.	823,800	54,289,810	Ricoh Co. Ltd.	2,883,300	33,631,724
Nikon Corp.	1,373,000	21,542,622	Rinnai Corp.	137,300	12,657,208
Nintendo Co. Ltd.	426,300	47,776,608	Rohm Co. Ltd.	385,500	22,154,957
Nippon Building Fund Inc.	5,492	30,975,446	Sankyo Co. Ltd.	250,300	9,821,175
Nippon Electric Glass Co. Ltd.	1,487,500	8,461,978	Sanrio Co. Ltd. <sup>c</sup>	160,100	4,659,691
Nippon Express Co. Ltd.	3,855,000	18,818,593	Santen Pharmaceutical Co. Ltd.	274,600	16,235,406
Nippon Paint Co. Ltd.	650,000	15,195,216	SBI Holdings Inc.	823,880	9,806,283
Nippon Prologis REIT Inc.	5,321	12,433,863	Secom Co. Ltd.	926,300	57,090,382
Nippon Steel & Sumitomo			Sega Sammy Holdings Inc.	694,138	13,925,285
Metal Corp.	30,255,350	92,412,169	Seiko Epson Corp.	549,200	23,979,268
Nippon Telegraph and			Sekisui Chemical Co. Ltd.	1,489,000	17,983,546
Telephone Corp.	1,510,300	100,750,309	Sekisui House Ltd.	2,121,900	28,113,860
Nippon Yusen K.K.	6,559,000	18,943,191	Seven & I Holdings Co. Ltd.	3,020,680	127,204,305
Nissan Motor Co. Ltd.	9,925,700	98,644,094	Seven Bank Ltd.	2,334,100	9,464,868
Nisshin Seifun Group Inc.	823,870	9,694,002	Sharp Corp. <sup>a,c</sup>	5,937,000	18,821,043
Nissin Foods Holdings Co. Ltd.	250,300	13,849,438	Shikoku Electric Power Co. Inc. <sup>a</sup>	686,500	9,139,092
Nitori Holdings Co. Ltd.	274,600	15,541,129	Shimadzu Corp.	654,000	6,302,465
Nitto Denko Corp.	686,500	31,269,179	Shimamura Co. Ltd.	137,300	13,698,624
NKSJ Holdings Inc.	1,373,050	35,235,853	Shimano Inc.	345,500	40,652,988

# Schedule of Investments (Continued)

## iSHARES® MSCI EAFE ETF

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Security	Shares	Value	Security	Shares	Value
Shimizu Corp.	2,503,000	\$ 19,374,610	Tobu Railway Co. Ltd.	4,119,000	\$ 21,749,570
Shin-Etsu Chemical Co. Ltd.	1,647,600	105,423,329	Toho Co. Ltd.	411,900	10,081,707
Shinsei Bank Ltd.	6,865,000	14,686,634	Toho Gas Co. Ltd.	1,373,000	7,650,401
Shionogi & Co. Ltd.	1,235,700	26,940,627	Tohoku Electric Power Co. Inc.	1,872,700	20,687,385
Shiseido Co. Ltd.	1,373,200	27,334,472	Tokio Marine Holdings Inc.	2,746,000	87,372,120
Shizuoka Bank Ltd. (The)	2,746,000	29,934,030	Tokyo Electric Power Co. Inc. <sup>a</sup>	5,792,400	22,812,486
Showa Shell Sekiyu K.K.	686,700	7,806,217	Tokyo Electron Ltd.	686,500	44,994,506
SMC Corp.	274,600	76,917,907	Tokyo Gas Co. Ltd.	9,611,000	55,384,632
SoftBank Corp.	3,896,600	286,916,470	Tokyo Tatemono Co. Ltd.	1,541,000	13,336,802
Sony Corp.	4,153,200	71,565,813	Tokyu Corp.	5,207,000	37,874,615
Sony Financial Holdings Inc.	791,100	13,116,405	Tokyu Fudosan Holdings Corp.	1,922,200	14,766,743
Stanley Electric Co. Ltd.	655,900	17,227,460	TonenGeneral Sekiyu K.K.	1,373,000	12,056,391
Sumitomo Chemical Co. Ltd.	5,516,000	21,294,812	Toppa Printing Co. Ltd.	2,503,000	19,301,590
Sumitomo Corp.	4,393,800	58,556,940	Toray Industries Inc.	6,559,000	44,806,705
Sumitomo Dainippon Pharma Co. Ltd.	556,600	6,857,706	Toshiba Corp.	16,476,000	74,020,635
Sumitomo Electric Industries Ltd.	2,883,500	42,831,198	TOTO Ltd.	1,373,000	17,396,985
Sumitomo Heavy Industries Ltd.	2,503,000	12,389,041	Toyo Seikan Group Holdings Ltd.	655,900	10,351,784
Sumitomo Metal Mining Co. Ltd.	1,900,000	31,973,064	Toyo Suisan Kaisha Ltd.	203,000	6,208,343
Sumitomo Mitsui Financial Group Inc.	5,120,300	212,111,421	Toyoda Gosei Co. Ltd.	250,300	5,128,430
Sumitomo Mitsui Trust Holdings Inc.	13,730,600	60,364,703	Toyota Industries Corp.	686,500	33,846,015
Sumitomo Realty & Development Co. Ltd.	1,470,000	61,503,136	Toyota Motor Corp.	11,174,200	666,855,306
Sumitomo Rubber Industries Inc.	686,500	10,053,668	Toyota Tsusho Corp.	926,300	26,113,130
Suntory Beverage & Food Ltd.	549,200	20,721,505	Trend Micro Inc.	411,900	14,820,149
Suruga Bank Ltd.	1,373,000	27,050,109	Unicharm Corp.	549,200	33,880,729
Suzuken Co. Ltd.	274,640	8,839,971	United Urban Investment Corp.	9,611	15,505,080
Suzuki Motor Corp.	1,407,300	47,404,942	USS Co. Ltd.	926,380	16,359,275
Sysmex Corp.	549,200	21,576,000	West Japan Railway Co.	686,500	31,362,639
T&D Holdings Inc.	2,334,100	29,722,409	Yahoo! Japan Corp.	5,655,822	26,014,526
Taiheiyo Cement Corp.	5,492,000	21,522,594	Yakult Honsha Co. Ltd.	305,300	16,328,585
Taisei Corp.	4,119,000	23,511,966	Yamada Denki Co. Ltd.	3,432,550	12,316,925
Taisho Pharmaceutical Holdings Co. Ltd.	115,100	8,271,396	Yamaguchi Financial Group Inc.	1,373,000	14,179,277
Taiyo Nippon Sanso Corp.	1,151,000	10,218,923	Yamaha Corp.	655,900	10,160,439
Takashimaya Co. Ltd.	1,373,000	12,750,669	Yamaha Motor Co. Ltd.	973,700	16,361,682
Takeda Pharmaceutical Co. Ltd.	3,162,400	145,365,535	Yamato Holdings Co. Ltd.	1,373,000	28,905,966
TDK Corp.	520,700	25,241,304	Yamato Kogyo Co. Ltd.	137,300	4,512,802
Teijin Ltd.	3,855,000	9,634,220	Yamazaki Baking Co. Ltd.	159,000	2,027,024
Terumo Corp.	1,235,700	28,382,588	Yaskawa Electric Corp.	831,000	10,941,547
THK Co. Ltd.	411,900	10,041,652	Yokogawa Electric Corp.	823,800	10,534,322
			Yokohama Rubber Co. Ltd. (The)	1,373,000	12,016,337
					11,407,969,394
			<b>NETHERLANDS — 2.58%</b>		
			AEGON NV	7,452,644	60,707,343
			Akzo Nobel NV	983,068	70,883,956

# Schedule of Investments (Continued)

## iSHARES® MSCI EAFE ETF

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Security	Shares	Value	Security	Shares	Value
Altice SA <sup>a</sup>	317,163	\$ 18,186,127	<b>PORTUGAL — 0.20%</b>		
ASML Holding NV	1,463,618	138,570,815	Banco Comercial Portugues		
Corio NV	271,769	14,445,082	SA Registered <sup>a,c</sup>	142,535,704	\$ 20,444,413
Delta Lloyd NV	819,875	18,939,584	Banco Espirito Santo		
Fugro NV CVA	302,789	11,673,872	SA Registered <sup>a,c</sup>	10,497,738	2,823,241
Gemalto NV <sup>c</sup>	324,028	31,631,775	Energias de Portugal SA	9,492,922	44,493,468
Heineken Holding NV	412,359	26,284,725	Galp Energia SGPS SA		
Heineken NV	940,505	66,141,291	Class B	1,578,950	28,013,547
ING Groep NV CVA <sup>a</sup>	15,683,779	204,497,857	Jeronimo Martins SGPS SA	1,039,361	13,586,800
Koninklijke Ahold NV	3,811,448	66,576,825			109,361,469
Koninklijke DSM NV	705,722	48,799,162	<b>SINGAPORE — 1.53%</b>		
Koninklijke KPN NV <sup>a</sup>	13,087,436	41,746,207	Ascendas REIT	8,238,000	15,382,089
Koninklijke Philips NV	3,958,359	122,238,268	CapitaCommercial Trust	8,238,000	10,991,922
Koninklijke Vopak NV	289,960	13,443,041	CapitaLand Ltd.	10,984,000	30,368,073
OCI NV <sup>a,c</sup>	343,250	13,116,711	CapitaMall Trust		
Randstad Holding NV	502,889	24,943,129	Management Ltd.	8,599,000	13,575,374
Reed Elsevier NV	2,836,618	63,857,532	City Developments Ltd.	2,343,000	19,865,320
Royal Boskalis Westminster			ComfortDelGro Corp. Ltd.	8,790,000	18,244,260
NV CVA	344,410	18,405,178	DBS Group Holdings Ltd.	7,013,000	102,397,612
TNT Express NV	1,731,389	13,969,092	Genting Singapore PLC	26,089,000	27,911,059
Unilever NV CVA	6,653,558	274,329,381	Global Logistic Properties Ltd.	12,357,000	27,628,345
Wolters Kluwer NV	1,226,105	33,950,744	Golden Agri-Resources Ltd.	28,835,194	12,362,727
Ziggo NV	610,985	27,537,423	Hutchison Port Holdings Trust	21,431,000	15,966,095
		1,424,875,120	Jardine Cycle & Carriage Ltd.	298,000	11,104,700
<b>NEW ZEALAND — 0.14%</b>			Keppel Corp. Ltd. <sup>c</sup>	5,860,000	51,469,007
Auckland International			Keppel Land Ltd.	2,746,000	8,010,129
Airport Ltd.	3,791,300	12,292,250	Noble Group Ltd.	16,476,727	18,749,812
Contact Energy Ltd.	1,320,826	6,210,624	Olam International Ltd. <sup>c</sup>	2,050,000	4,057,779
Fletcher Building Ltd.	2,787,916	21,580,147	Oversea-Chinese Banking		
Ryman Healthcare Ltd.	1,525,477	10,487,466	Corp. Ltd.	10,615,200	84,897,781
Telecom Corp. of			SembCorp Industries Ltd.	3,040,000	13,350,323
New Zealand Ltd.	7,406,178	17,852,226	SembCorp Marine Ltd. <sup>c</sup>	2,746,000	9,110,422
Xero Ltd. <sup>a,c</sup>	264,989	5,714,949	Singapore Airlines Ltd.	2,503,200	20,722,087
		74,137,662	Singapore Exchange Ltd.	3,855,000	21,810,554
<b>NORWAY — 0.85%</b>			Singapore Press Holdings Ltd. <sup>c</sup>	6,519,750	21,682,864
Aker Solutions ASA	615,104	9,102,451	Singapore Technologies		
DNB ASA	3,973,462	70,661,196	Engineering Ltd.	6,559,000	19,973,715
Gjensidige Forsikring ASA	810,131	15,641,656	Singapore		
Norsk Hydro ASA	5,432,961	32,262,802	Telecommunications Ltd.	34,327,285	111,962,215
Orkla ASA	3,299,319	29,991,190	StarHub Ltd.	1,625,000	5,547,542
Seadrill Ltd. <sup>c</sup>	1,545,998	55,795,896	United Overseas Bank Ltd. <sup>c</sup>	5,492,000	106,332,267
Statoil ASA	4,535,019	129,684,096	UOL Group Ltd.	2,193,000	11,651,713
Subsea 7 SA	1,146,455	19,113,500	Wilmar International Ltd.	7,911,000	20,730,833
Telenor ASA	3,102,980	71,390,637	Yangzijiang Shipbuilding	6,865,000	5,996,594
Yara International ASA	741,420	33,915,752			841,853,213
		467,559,176			



# Schedule of Investments (Continued)

## iSHARES® MSCI EAFE ETF

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Security	Shares	Value	Security	Shares	Value
<b>SPAIN — 3.58%</b>			Millicom International Cellular		
Abertis Infraestructuras SA	1,655,838	\$ 36,367,625	SA SDR <sup>c</sup>	271,854	\$ 23,146,729
Actividades de Construcciones y Servicios SA	721,772	31,613,209	Nordea Bank AB	12,381,714	166,381,607
Amadeus IT Holding SA			Sandvik AB	4,335,934	54,686,155
Class A	1,563,851	61,726,776	Securitas AB Class B	1,270,604	14,783,344
Banco Bilbao Vizcaya			Skandinaviska Enskilda Banken		
Argentaria SA	24,129,102	297,633,066	AB Class A	6,183,992	83,009,008
Banco de Sabadell SA	13,926,449	45,354,164	Skanska AB Class B	1,515,886	31,542,774
Banco Popular Espanol SA	7,190,005	44,079,889	SKF AB Class B	1,597,278	37,746,547
Banco Santander SA	48,295,275	487,680,283	Svenska Cellulosa AB Class B	2,415,107	59,626,227
Bankia SA <sup>a</sup>	18,829,322	37,059,842	Svenska Handelsbanken AB		
CaixaBank SA	7,272,631	43,778,789	Class A	2,027,921	97,990,463
Distribuidora Internacional de			Swedbank AB Class A	3,705,727	95,139,032
Alimentacion SA	2,549,749	21,178,995	Swedish Match AB	827,919	27,105,972
Enagas SA	661,825	22,040,643	Tele2 AB Class B	1,322,295	16,131,503
Ferrovial SA	1,667,432	34,982,464	Telefonaktiebolaget LM		
Gas Natural SDG SA	1,445,769	44,405,055	Ericsson Class B	12,492,927	154,579,835
Grifols SA	613,204	27,748,198	TeliaSonera AB	9,891,092	74,190,888
Iberdrola SA	21,380,724	159,228,870	Volvo AB Class B	6,229,301	76,310,843
Inditex SA	4,475,980	130,886,590			1,650,089,644
International Consolidated			<b>SWITZERLAND — 8.81%</b>		
Airlines Group SA <sup>a</sup>	4,227,467	23,722,740	ABB Ltd. Registered <sup>a</sup>	8,946,468	206,419,112
Mapfre SA	3,981,700	15,353,900	Actelion Ltd. Registered <sup>a</sup>	416,025	50,281,697
Red Electrica Corporacion SA	383,283	32,923,863	Adecco SA Registered <sup>a</sup>	690,619	51,798,324
Repsol SA	3,642,569	90,749,380	Aryzta AG <sup>a</sup>	355,609	32,264,096
Telefonica SA	16,793,163	274,349,625	Baloise Holding AG Registered	200,458	24,205,750
Zardoya Otis SA	703,016	10,751,465	Barry Callebaut AG Registered <sup>a</sup>	8,238	10,155,942
		1,973,615,431	Compagnie Financiere		
<b>SWEDEN — 3.00%</b>			Richemont SA		
Alfa Laval AB	1,249,430	28,422,658	Class A Bearer	2,130,896	203,059,649
Assa Abloy AB Class B	1,340,980	66,020,345	Credit Suisse Group		
Atlas Copco AB Class A	2,685,612	80,343,391	AG Registered	6,208,706	168,924,872
Atlas Copco AB Class B	1,610,529	43,586,743	EMS-Chemie Holding		
Boliden AB	1,154,693	18,776,855	AG Registered	30,206	13,055,051
Electrolux AB Class B	994,052	24,743,524	Geberit AG Registered	151,030	50,758,570
Elektro AB Class B <sup>c</sup>	1,515,802	18,580,013	Givaudan SA Registered <sup>a</sup>	37,071	60,786,166
Gefinge AB Class B	824,697	20,110,046	Holcim Ltd. Registered <sup>a</sup>	930,894	74,631,225
Hennes & Mauritz AB Class B	3,878,725	158,890,710	Julius Baer Group Ltd. <sup>a</sup>	913,761	38,940,106
Hexagon AB Class B	1,064,075	33,050,353	Kuehne & Nagel International		
Husqvarna AB Class B	1,702,520	13,448,181	AG Registered	216,940	28,963,506
Industrivarden AB Class C	488,798	9,109,290	Lindt & Spruengli AG		
Investment AB Kinnevik Class B	956,981	39,770,567	Participation Certificates	3,855	20,027,516
Investor AB Class B	1,845,312	66,534,320	Lindt & Spruengli		
Lundin Petroleum AB <sup>a,c</sup>	910,299	16,331,721	AG Registered	270	16,815,243
			Lonza Group AG Registered <sup>a</sup>	216,934	24,095,825

# Schedule of Investments (Continued)

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Security	Shares	Value	Security	Shares	Value
Nestle SA Registered	13,161,578	\$ 977,746,172	BG Group PLC	13,868,673	\$ 274,417,617
Novartis AG Registered	9,392,693	821,718,606	BHP Billiton PLC	8,621,067	295,319,780
Pargesa Holding SA Bearer	115,334	9,766,544	BP PLC	75,207,448	614,547,820
Partners Group Holding AG	71,400	17,918,707	British American Tobacco PLC	7,680,562	451,643,685
Roche Holding			British Land Co. PLC	3,781,296	44,879,237
AG Genusschein	2,868,197	834,940,884	British Sky Broadcasting		
Schindler Holding AG			Group PLC	4,183,531	62,084,235
Participation Certificates	210,069	31,442,198	BT Group PLC	32,206,499	211,243,819
Schindler Holding			Bunzl PLC	1,328,455	35,683,422
AG Registered	54,920	8,129,585	Burberry Group PLC	1,812,360	43,265,661
SGS SA Registered	23,341	51,004,693	Capita PLC	2,649,902	53,775,412
Sika AG Bearer	8,238	32,071,396	Carnival PLC	749,658	27,173,445
Sonova Holding AG Registered	216,934	33,758,013	Centrica PLC	20,728,181	108,135,711
Sulzer AG Registered	96,900	12,841,142	Cobham PLC	4,572,090	22,578,241
Swatch Group AG (The) Bearer	126,316	67,638,030	Coca-Cola HBC AG SP ADR	831,791	19,405,601
Swatch Group AG			Compass Group PLC	6,819,122	111,385,563
(The) Registered	211,450	21,219,413	Croda International PLC	557,438	19,772,978
Swiss Life Holding			Diageo PLC	10,223,358	308,265,195
AG Registered <sup>a</sup>	130,437	30,253,121	Direct Line Insurance		
Swiss Prime Site AG Registered	237,529	18,860,215	Group PLC	6,012,367	28,929,426
Swiss Re AG <sup>a</sup>	1,445,769	123,143,967	easyJet PLC	649,771	14,206,254
Swisscom AG Registered	97,483	54,139,354	Experian PLC	4,039,366	69,355,934
Syngenta AG Registered	383,067	136,746,451	Fresnillo PLC	908,926	14,286,560
Transocean Ltd.	1,485,586	59,975,654	Friends Life Group Ltd.	5,867,420	32,917,511
UBS AG Registered <sup>a</sup>	14,921,764	257,147,302	G4S PLC	6,314,427	26,779,536
Zurich Insurance Group AG <sup>a</sup>	612,358	178,259,279	GKN PLC	6,797,884	39,296,781
		4,853,903,376	GlaxoSmithKline PLC	19,823,374	480,764,812
<b>UNITED KINGDOM — 21.42%</b>			Glencore PLC <sup>a</sup>	43,309,912	263,268,916
3i Group PLC	3,971,462	25,311,439	Hammerson PLC	2,788,661	28,295,649
Aberdeen Asset			Hargreaves Lansdown PLC	967,965	16,750,701
Management PLC	3,759,274	26,262,976	HSBC Holdings PLC	76,741,089	824,532,156
Admiral Group PLC	794,967	19,555,014	ICAP PLC	2,277,339	13,372,319
Aggreko PLC	1,040,149	30,204,627	IMI PLC	1,101,487	26,351,097
AMEC PLC	1,215,520	23,353,600	Imperial Tobacco Group PLC	3,921,288	170,208,124
Anglo American PLC	5,697,950	153,821,332	Inmarsat PLC	1,754,694	21,596,252
Antofagasta PLC	1,650,346	22,582,785	InterContinental Hotels		
ARM Holdings PLC	5,780,330	82,658,118	Group PLC	964,475	39,242,574
ASOS PLC <sup>a,c</sup>	223,799	9,468,663	Intertek Group PLC	650,913	28,176,720
Associated British Foods PLC	1,443,405	67,697,077	Intu Properties PLC	3,459,600	19,204,684
AstraZeneca PLC	5,136,393	376,745,016	Investec PLC	2,273,388	19,747,331
Aviva PLC	12,006,989	102,066,461	ITV PLC	15,635,241	55,090,473
Babcock International			J Sainsbury PLC	5,082,846	26,851,094
Group PLC	2,007,077	37,206,245	Johnson Matthey PLC	838,903	41,908,892
BAE Systems PLC	12,943,271	93,483,356	Kingfisher PLC	9,687,888	49,166,303
Barclays PLC	66,681,118	254,087,851	Land Securities Group PLC	3,129,155	55,101,174

# Schedule of Investments (Continued)

## iSHARES® MSCI EAFE ETF

July 31, 2014

Security	Shares	Value	Security	Shares	Value
Legal & General Group PLC	24,121,194	\$ 95,456,582	Tullow Oil PLC	3,722,203	\$ 45,780,347
Lloyds Banking Group PLC <sup>a</sup>	232,260,799	291,153,384	Unilever PLC	5,220,146	226,498,454
London Stock Exchange Group PLC	711,510	23,280,068	United Utilities Group PLC	2,778,221	41,745,173
Marks & Spencer Group PLC	6,692,587	48,608,688	Vodafone Group PLC	108,009,791	361,241,028
Meggitt PLC	3,218,368	27,629,697	Weir Group PLC (The)	861,264	37,326,015
Melrose Industries PLC	4,369,801	19,417,665	Whitbread PLC	733,194	53,264,728
National Grid PLC	15,179,888	219,249,216	William Hill PLC	3,565,040	21,222,482
Next PLC	630,207	72,031,318	Wm Morrison Supermarkets PLC	8,726,788	24,840,565
Old Mutual PLC	20,063,749	66,324,539	Wolseley PLC	1,071,262	55,994,597
Pearson PLC	3,348,747	64,508,575	WPP PLC	5,496,203	109,866,158
Persimmon PLC <sup>a</sup>	1,260,424	26,663,503			<u>11,804,074,017</u>
Petrofac Ltd.	1,058,137	19,597,379	<b>TOTAL COMMON STOCKS</b>		
Prudential PLC	10,419,697	240,564,696	(Cost: \$47,586,052,686)		54,508,131,587
Randgold Resources Ltd.	359,726	31,095,050	<b>PREFERRED STOCKS — 0.59%</b>		
Reckitt Benckiser Group PLC	2,638,906	233,678,568	<b>GERMANY — 0.59%</b>		
Reed Elsevier PLC	4,706,644	75,846,711	Bayerische Motoren Werke AG	218,307	20,744,575
Rexam PLC	2,834,932	23,978,932	Fuchs Petrolub SE	292,453	11,778,196
Rio Tinto PLC	5,189,940	297,212,896	Henkel AG & Co. KGaA	715,333	79,708,600
Rolls-Royce Holdings PLC <sup>a</sup>	7,647,666	134,280,120	Porsche Automobil Holding SE	632,953	59,392,486
Royal Bank of Scotland Group PLC <sup>a</sup>	10,062,717	60,361,488	Volkswagen AG	665,905	155,520,747
Royal Dutch Shell PLC Class A	15,859,523	653,592,965			<u>327,144,604</u>
Royal Dutch Shell PLC Class B	9,967,980	430,063,428	<b>TOTAL PREFERRED STOCKS</b>		
Royal Mail PLC	2,637,533	18,586,594	(Cost: \$214,495,150)		327,144,604
RSA Insurance Group PLC	4,111,286	31,838,742	<b>RIGHTS — 0.02%</b>		
SABMiller PLC	3,919,915	214,290,522	<b>SPAIN — 0.02%</b>		
Sage Group PLC (The)	4,551,495	28,362,701	Banco Santander SA <sup>a</sup>	48,034,584	10,090,435
Schroders PLC	487,415	19,667,369	Zardoya Otis SA <sup>a</sup>	700,456	432,054
SEGRO PLC	2,927,828	17,691,177			<u>10,522,489</u>
Severn Trent PLC	980,980	32,047,237	<b>TOTAL RIGHTS</b>		
Shire PLC	2,390,116	197,363,169	(Cost: \$10,317,943)		10,522,489
Smith & Nephew PLC	3,634,331	62,953,707	<b>SHORT-TERM INVESTMENTS — 0.85%</b>		
Smiths Group PLC	1,600,234	34,446,345	<b>MONEY MARKET FUNDS — 0.85%</b>		
Sports Direct International PLC <sup>a</sup>	1,092,908	12,325,642	BlackRock Cash Funds: Institutional, SL Agency Shares		
SSE PLC	3,941,883	96,964,497	0.14% <sup>e,f,g</sup>	426,695,776	426,695,776
Standard Chartered PLC	9,888,346	205,676,101	BlackRock Cash Funds: Prime, SL Agency Shares		
Standard Life PLC	9,711,385	61,451,179	0.12% <sup>e,f,g</sup>	26,614,759	26,614,759
Tate & Lyle PLC	1,916,898	20,194,498			
Tesco PLC	33,086,554	144,118,825			
Travis Perkins PLC	1,001,554	28,322,961			
TUI Travel PLC	1,945,710	11,914,481			



# Schedule of Investments (Continued)

## iSHARES® MSCI EAFE ETF

July 31, 2014

<i>Security</i>	<i>Shares</i>	<i>Value</i>
BlackRock Cash Funds: Treasury, SL Agency Shares 0.00% <sup>e,f</sup>	13,355,623	\$ 13,355,623
		<u>466,666,158</u>
<b>TOTAL SHORT-TERM INVESTMENTS</b> <b>(Cost: \$466,666,158)</b>		<u>466,666,158</u>
<b>TOTAL INVESTMENTS</b> <b>IN SECURITIES — 100.38%</b> <b>(Cost: \$48,277,531,937)</b>		55,312,464,838
<b>Other Assets, Less Liabilities — (0.38)%</b>		<u>(210,257,144)</u>
<b>NET ASSETS — 100.00%</b>		<u><u>\$55,102,207,694</u></u>

FDR — Fiduciary Depositary Receipts

SDR — Swedish Depositary Receipts

SP ADR — Sponsored American Depositary Receipts

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

<sup>b</sup> Security valued using Level 3 inputs in accordance with management's fair valuation policy. See Note 1.

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

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

<sup>e</sup> Affiliated issuer. See Note 2.

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

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

Financial futures contracts purchased as of July 31, 2014 were as follows:

<i>Number of</i>	<i>Issue</i>		<i>Notional</i>	<i>Unrealized</i>
<i>Contracts</i>	<i>(Expiration)</i>	<i>Exchange</i>	<i>Value</i>	<i>Appreciation</i>
				<i>(Depreciation)</i>
	ASX SPI 200 Index	Sydney		
239	(Sep. 2014)	Futures	\$30,941,107	\$1,160,986
		NYSE		
	Euro STOXX 50	LIFFE –		
1,898	(Sep. 2014)	London	79,207,770	(3,710,875)
	FTSE 100 Index			
734	(Sep. 2014)	Eurex	82,810,326	(395,093)
	TOPIX Index	Tokyo		
460	(Sep. 2014)	Stock	57,815,919	2,315,846
	Net unrealized depreciation			<u>\$ (629,136)</u>

See notes to financial statements.

# Statements of Assets and Liabilities

## iSHARES® TRUST

July 31, 2014

	iShares Currency Hedged MSCI EAFE ETF	iShares MSCI EAFE ETF
<b>ASSETS</b>		
Investments, at cost:		
Unaffiliated	\$ —	\$47,810,865,779
Affiliated (Note 2)	2,365,137	466,666,158
Total cost of investments	<u>\$2,365,137</u>	<u>\$48,277,531,937</u>
Investments in securities, at fair value (including securities on loan <sup>a</sup> ) (Note 1):		
Unaffiliated	\$ —	\$54,845,798,680
Affiliated (Note 2)	2,474,380	466,666,158
Total fair value of investments	2,474,380	55,312,464,838
Foreign currency, at value <sup>b</sup>	—	119,383,440
Foreign currency pledged to broker, at value <sup>b</sup>	—	13,410,628
Receivables:		
Dividends and interest	—	126,542,768
Futures variation margin	—	3,476,832
Unrealized appreciation on forward currency contracts (Note 1)	39,853	—
Total Assets	<u>2,514,233</u>	<u>55,575,278,506</u>
<b>LIABILITIES</b>		
Payables:		
Investment securities purchased	31,967	—
Collateral for securities on loan (Note 1)	—	453,310,535
Futures variation margin	—	4,105,968
Unrealized depreciation on forward currency contracts (Note 1)	4,928	—
Investment advisory fees (Note 2)	125	15,654,309
Total Liabilities	<u>37,020</u>	<u>473,070,812</u>
NET ASSETS	<u>\$2,477,213</u>	<u>\$55,102,207,694</u>
<b>Net assets consist of:</b>		
Paid-in capital	\$2,374,711	\$54,434,386,877
Distributions in excess of net investment income	—	(54,012,033)
Accumulated net realized loss	(41,666)	(6,310,169,827)
Net unrealized appreciation	144,168	7,032,002,677
NET ASSETS	<u>\$2,477,213</u>	<u>\$55,102,207,694</u>
Shares outstanding <sup>c</sup>	<u>100,000</u>	<u>823,800,000</u>
Net asset value per share	<u>\$ 24.77</u>	<u>\$ 66.89</u>

<sup>a</sup> Securities on loan with values of \$ — and \$419,605,450, respectively. See Note 1.

<sup>b</sup> Cost of foreign currency including currency at broker, if any: \$ — and \$134,505,109, respectively.

<sup>c</sup> No par value, unlimited number of shares authorized.

See notes to financial statements.

# Statements of Operations

## iSHARES® TRUST

Year ended July 31, 2014

	iShares Currency Hedged MSCI EAFE ETF <sup>a</sup>	iShares MSCI EAFE ETF
<b>NET INVESTMENT INCOME</b>		
Dividends — unaffiliated <sup>b</sup>	\$ —	\$1,944,593,226
Dividends — affiliated (Note 2)	61,798	—
Interest — unaffiliated	—	22,385
Interest — affiliated (Note 2)	—	5,475
Securities lending income — affiliated (Note 2)	—	5,715,061
Total investment income	61,798	1,950,336,147
<b>EXPENSES</b>		
Investment advisory fees (Note 2)	4,819	170,786,518
Total expenses	4,819	170,786,518
Less investment advisory fees waived (Note 2)	(4,040)	—
Net expenses	779	170,786,518
Net investment income	61,019	1,779,549,629
<b>NET REALIZED AND UNREALIZED GAIN (LOSS)</b>		
Net realized gain (loss) from:		
Investments — unaffiliated	—	(607,987,189)
Investments — affiliated (Note 2)	1,177	—
In-kind redemptions — unaffiliated	—	808,768,329
Futures contracts	—	49,497,640
Foreign currency transactions	(42,843)	6,549,588
Net realized gain (loss)	(41,666)	256,828,368
Net change in unrealized appreciation/depreciation on:		
Investments	109,243	4,608,324,313
Forward currency contracts	34,925	—
Futures contracts	—	(7,645,827)
Translation of assets and liabilities in foreign currencies	—	(1,978,308)
Net change in unrealized appreciation/depreciation	144,168	4,598,700,178
Net realized and unrealized gain	102,502	4,855,528,546
<b>NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<b>\$163,521</b>	<b>\$6,635,078,175</b>

<sup>a</sup> For the period from January 31, 2014 (commencement of operations) to July 31, 2014.

<sup>b</sup> Net of foreign withholding tax of \$ — and \$126,115,420, respectively.

See notes to financial statements.

# Statements of Changes in Net Assets

## iSHARES® TRUST

	<i>iShares</i> <i>Currency Hedged</i> <i>MSCI EAFE ETF</i>	<i>iShares</i> <i>MSCI EAFE ETF</i>	
	Period from January 31, 2014 <sup>a</sup> to July 31, 2014	Year ended July 31, 2014	Year ended July 31, 2013
<b>INCREASE (DECREASE) IN NET ASSETS</b>			
<b>OPERATIONS:</b>			
Net investment income	\$ 61,019	\$ 1,779,549,629	\$ 1,166,554,440
Net realized gain (loss)	(41,666)	256,828,368	315,946,933
Net change in unrealized appreciation/depreciation	144,168	4,598,700,178	6,577,062,749
Net increase in net assets resulting from operations	<u>163,521</u>	<u>6,635,078,175</u>	<u>8,059,564,122</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>			
From net investment income	(61,019)	(1,783,006,729)	(1,215,026,892)
Return of capital	(125)	—	—
Total distributions to shareholders	<u>(61,144)</u>	<u>(1,783,006,729)</u>	<u>(1,215,026,892)</u>
<b>CAPITAL SHARE TRANSACTIONS:</b>			
Proceeds from shares sold	2,374,836	10,330,345,313	3,259,066,766
Cost of shares redeemed	—	(2,139,046,440)	(2,471,486,094)
Net increase in net assets from capital share transactions	<u>2,374,836</u>	<u>8,191,298,873</u>	<u>787,580,672</u>
INCREASE IN NET ASSETS	<u>2,477,213</u>	<u>13,043,370,319</u>	<u>7,632,117,902</u>
<b>NET ASSETS</b>			
Beginning of period	—	42,058,837,375	34,426,719,473
End of period	<u>\$2,477,213</u>	<u>\$55,102,207,694</u>	<u>\$42,058,837,375</u>
Distributions in excess of net investment income included in net assets at end of period	<u>\$ —</u>	<u>\$ (54,012,033)</u>	<u>\$ (68,868,034)</u>
<b>SHARES ISSUED AND REDEEMED</b>			
Shares sold	100,000	157,800,000	56,400,000
Shares redeemed	—	(33,000,000)	(42,000,000)
Net increase in shares outstanding	<u>100,000</u>	<u>124,800,000</u>	<u>14,400,000</u>

<sup>a</sup> Commencement of operations.

See notes to financial statements.

# Financial Highlights

## iSHARES® TRUST

(For a share outstanding throughout the period)

### iShares Currency Hedged MSCI EAFE ETF

	Period from Jan. 31, 2014 <sup>a</sup> to Jul. 31, 2014
<b>Net asset value, beginning of period</b>	<b><u>\$23.74</u></b>
<b>Income from investment operations:</b>	
Net investment income <sup>b</sup>	0.62
Net realized and unrealized gain <sup>c</sup>	<u>1.02</u>
Total from investment operations	<u>1.64</u>
<b>Less distributions from:</b>	
Net investment income	(0.61)
Return of capital	<u>(0.00)<sup>d</sup></u>
Total distributions	<u>(0.61)</u>
<b>Net asset value, end of period</b>	<b><u>\$24.77</u></b>
 <b>Total return</b>	 <b><u>6.86%<sup>e</sup></u></b>
 <b>Ratios/Supplemental data:</b>	
Net assets, end of period (000s)	\$2,477
Ratio of expenses to average net assets <sup>f,g</sup>	0.06%
Ratio of expenses to average net assets prior to waived fees <sup>f,g</sup>	0.39%
Ratio of net investment income to average net assets <sup>g</sup>	4.94%
Portfolio turnover rate <sup>h,i</sup>	4%

<sup>a</sup> Commencement of operations.

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

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

<sup>d</sup> Rounds to less than \$0.01.

<sup>e</sup> Not annualized.

<sup>f</sup> The Fund indirectly bears its proportionate share of fees and expenses incurred by the underlying fund in which the Fund is invested. This ratio does not include these indirect fees and expenses.

<sup>g</sup> Annualized for periods of less than one year.

<sup>h</sup> Portfolio turnover rate excludes portfolio securities received or delivered as a result of processing capital share transactions in Creation Units.

<sup>i</sup> Portfolio turnover rate excludes the portfolio activity of the underlying fund in which the Fund is invested. See page 29 for the portfolio turnover rates of the underlying fund.

See notes to financial statements.

# Financial Highlights (Continued)

## *iSHARES® MSCI EAFE ETF*

(For a share outstanding throughout each period)

	<i>iShares MSCI EAFE ETF</i>				
	Year ended Jul. 31, 2014	Year ended Jul. 31, 2013	Year ended Jul. 31, 2012	Year ended Jul. 31, 2011	Year ended Jul. 31, 2010
<b>Net asset value, beginning of year</b>	\$ 60.17	\$ 50.29	\$ 58.87	\$ 51.76	\$ 50.11
<b>Income from investment operations:</b>					
Net investment income <sup>a</sup>	2.29	1.68	1.70	1.66	1.33
Net realized and unrealized gain (loss) <sup>b</sup>	6.66	9.96	(8.56)	7.13	1.67
Total from investment operations	8.95	11.64	(6.86)	8.79	3.00
<b>Less distributions from:</b>					
Net investment income	(2.23)	(1.76)	(1.72)	(1.68)	(1.35)
Total distributions	(2.23)	(1.76)	(1.72)	(1.68)	(1.35)
<b>Net asset value, end of year</b>	\$ 66.89	\$ 60.17	\$ 50.29	\$ 58.87	\$ 51.76
<b>Total return</b>	14.89%	23.39%	(11.54)%	17.04%	6.05%
<b>Ratios/Supplemental data:</b>					
Net assets, end of year (000s)	\$55,102,208	\$42,058,837	\$34,426,719	\$38,957,382	\$33,386,001
Ratio of expenses to average net assets	0.33%	0.34%	0.34%	0.34%	0.35%
Ratio of net investment income to average net assets	3.47%	2.95%	3.32%	2.86%	2.50%
Portfolio turnover rate <sup>c</sup>	5%	3%	5%	6%	5%

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

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

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

See notes to financial statements.

# Notes to Financial Statements

## iSHARES® TRUST

iShares Trust (the “Trust”) is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company. The Trust was established as a Delaware statutory trust pursuant to an Agreement and Declaration of Trust dated December 16, 1999.

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

<i>iShares ETF</i>	<i>Diversification Classification</i>
Currency Hedged MSCI EAFE <sup>a</sup>	Non-diversified
MSCI EAFE	Diversified

<sup>a</sup> The Fund commenced operations on January 31, 2014.

The investment objective of each Fund is to seek investment results that correspond generally to the price and yield performance, before fees and expenses, of its underlying index. The investment adviser uses a “passive” or index approach to try to achieve each Fund’s investment objective. Currently the iShares Currency Hedged MSCI EAFE ETF seeks to achieve its investment objective by investing a substantial portion of its assets in the iShares MSCI EAFE ETF. The financial statements and schedule of investments for the iShares MSCI EAFE ETF are included in this report and should be read in conjunction with the financial statements of the iShares Currency Hedged MSCI EAFE ETF.

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

## 1. SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies are consistently followed by the Funds in the preparation of their financial statements in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Each Fund is considered an investment company under U.S. GAAP and follows the accounting and reporting guidance applicable to investment companies in the Financial Accounting Standards Board *Accounting Standards Codification* Topic 946 (ASC 946).

## SECURITY VALUATION

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

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

# Notes to Financial Statements (Continued)

## iSHARES® TRUST

- Exchange-traded funds and closed-end funds traded on a recognized securities exchange are valued at that day's last reported trade price or the official closing price, as applicable, on the exchange where the fund is primarily traded. Funds traded on a recognized exchange for which there were no sales on that day are valued at the last traded price.
- Open-end U.S. mutual funds are valued at that day's published net asset value (NAV).
- Financial futures contracts are valued at that day's last reported settlement price on the exchange where the contract is traded.
- Forward currency contracts are valued based on that day's prevailing forward exchange rate for the underlying currencies.

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

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

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

Various inputs are used in determining the fair value of financial instruments. Inputs may be based on independent market data ("observable inputs") or they may be internally developed ("unobservable inputs"). These inputs are categorized into a disclosure hierarchy consisting of three broad levels for financial reporting purposes. The level of a value determined for a financial instrument within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement in its entirety. The categorization of a value determined for a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and is not necessarily an indication of the risk associated with investing in the instrument. The three levels of the fair value hierarchy are as follows:

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



# Notes to Financial Statements (Continued)

## iSHARES® TRUST

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. In accordance with the Trust's policy, transfers between different levels of the fair value hierarchy are deemed to have occurred as of the beginning of the reporting period.

The following table summarizes the value of each of the Funds' investments according to the fair value hierarchy as of July 31, 2014. The breakdown of each Fund's investments into major categories is disclosed in its respective schedule of investments.

<i>iShares ETF and Investment Type</i>	<i>Investments</i>			
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
<b><i>Currency Hedged MSCI EAFE</i></b>				
Assets:				
Exchange-Traded Funds	\$ 2,474,218	\$ —	\$ —	\$ 2,474,218
Money Market Funds	162	—	—	162
Forward Currency Contracts <sup>a</sup>	—	39,853	—	39,853
	<u>\$ 2,474,380</u>	<u>\$ 39,853</u>	<u>\$ —</u>	<u>\$ 2,514,233</u>
Liabilities:				
Forward Currency Contracts <sup>a</sup>	\$ —	\$ (4,928)	\$ —	\$ (4,928)
<b><i>MSCI EAFE</i></b>				
Assets:				
Common Stocks	\$54,508,131,060	\$ —	\$ 527	\$54,508,131,587
Preferred Stocks	327,144,604	—	—	327,144,604
Rights	—	10,522,489	—	10,522,489
Money Market Funds	466,666,158	—	—	466,666,158
Futures Contracts <sup>a</sup>	3,476,832	—	—	3,476,832
	<u>\$55,305,418,654</u>	<u>\$10,522,489</u>	<u>\$ 527</u>	<u>\$55,315,941,670</u>
Liabilities:				
Futures Contracts <sup>a</sup>	\$ (4,105,968)	\$ —	\$ —	\$ (4,105,968)

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

## SECURITY TRANSACTIONS AND INCOME RECOGNITION

Security transactions are accounted for on trade date. Dividend income is recognized on the ex-dividend date, net of any foreign taxes withheld at source. Any taxes withheld that are reclaimable from foreign tax authorities as of July 31, 2014 are reflected in dividends receivable. Dividend income and capital gain distributions from underlying funds, if any, are recognized on the ex-dividend date. Non-cash dividends received in the form of stock in an elective dividend, if any, are recorded as dividend income at fair value. Distributions received by the Funds may include a return of capital that is estimated by management. Such amounts are recorded as a reduction of the cost of investments or reclassified to capital gains. Interest income is accrued daily. Realized gains and losses on investment transactions are determined using the specific identification method.

## FOREIGN CURRENCY TRANSLATION

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

# Notes to Financial Statements (Continued)

## *iSHARES® TRUST*

Each Fund does not isolate the effect of fluctuations in foreign exchange rates from the effect of fluctuations in the market prices of securities. Such fluctuations are reflected by the Funds as a component of realized and unrealized gains and losses from investments for financial reporting purposes. Each Fund reports realized currency gains (losses) on foreign currency related transactions as components of net realized gain (loss) for financial reporting purposes, whereas such components are generally treated as ordinary income for federal income tax purposes. The iShares Currency Hedged MSCI EAFE ETF has elected to treat realized gains (losses) from certain foreign currency contracts as capital gain (loss) for federal income tax purposes.

### **FOREIGN TAXES**

The Funds may be subject to foreign taxes (a portion of which may be reclaimable) on income, stock dividends, capital gains on investments, or certain foreign currency transactions. All foreign taxes are recorded in accordance with the applicable foreign tax regulations and rates that exist in the foreign jurisdictions in which the Funds invest. These foreign taxes, if any, are paid by the Funds and are reflected in their statements of operations as follows: foreign taxes withheld at source are presented as a reduction of income, foreign taxes on securities lending income are presented as a reduction of securities lending income, foreign taxes on stock dividends are presented as "other foreign taxes," and foreign taxes on capital gains from sales of investments and foreign taxes on foreign currency transactions are included in their respective net realized gain (loss) categories. Foreign taxes payable or deferred as of July 31, 2014, if any, are disclosed in the Funds' statements of assets and liabilities.

### **DISTRIBUTIONS TO SHAREHOLDERS**

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

### **LOANS OF PORTFOLIO SECURITIES**

Each Fund may lend its investment securities to approved borrowers, such as brokers, dealers and other financial institutions. The borrower pledges and maintains with the Fund collateral consisting of cash, an irrevocable letter of credit issued by a bank, or securities issued or guaranteed by the U.S. government. The initial collateral received by each Fund is required to have a value of at least 102% of the current value of the loaned securities for securities traded on U.S. exchanges and a value of at least 105% for all other securities. The collateral is maintained thereafter, at a value equal to at least 100% of the current value of the securities on loan. The market value of the loaned securities is determined at the close of each business day of the Funds and any additional required collateral is delivered to the Funds on the next business day. During the term of the loan, each Fund is entitled to all distributions made on or in respect of the loaned securities. Loans of securities are terminable at any time and the borrower, after notice, is required to return borrowed securities within the standard time period for settlement of securities transactions.

Any cash received as collateral for securities on loan may be reinvested in certain short-term instruments either directly on behalf of a fund or through one or more joint accounts or money market funds, including those managed by BlackRock Fund Advisors ("BFA"), the Funds' investment adviser, or its affiliates. As of July 31, 2014, any securities on loan were collateralized by cash. The cash collateral received was invested in money market funds managed by BFA and is disclosed in the schedules of investments. The value of any securities on loan as of July 31, 2014 and the value of the related collateral are disclosed in the statements of assets and liabilities. Income earned by the Funds from securities lending is disclosed in the statements of operations.

The risks of securities lending include the risk that the borrower may not provide additional collateral when required or may not return the securities when due. To mitigate these risks, the Funds benefit from a borrower default indemnity provided by

# Notes to Financial Statements (Continued)

## iSHARES® TRUST

BlackRock, Inc. ("BlackRock"). BlackRock's indemnity allows for full replacement of securities lent. Each Fund could suffer a loss if the value of the investments purchased with cash collateral falls below the value of the cash collateral received.

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

The following table is a summary of each Fund's securities lending agreements which are subject to offset under an MSLA as of July 31, 2014:

<i>iShares ETF</i>	<i>Market Value of Securities on Loan</i>	<i>Cash Collateral Received<sup>a</sup></i>	<i>Net Amount</i>
MSCI EAFE	\$ 419,605,450	\$ 419,605,450	\$ —

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

## RECENT ACCOUNTING STANDARD

In June 2014, the Financial Accounting Standards Board issued guidance to improve the financial reporting of reverse repurchase agreements and other similar transactions. The guidance will require expanded disclosure for entities that enter into reverse repurchase agreements and similar transactions accounted for as secured borrowings, including securities lending. The guidance is effective for financial statements for fiscal years beginning after December 15, 2014, and interim periods within those fiscal years. Management is evaluating the impact, if any, of this guidance on the Funds' financial statements and disclosures.

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

Pursuant to an Investment Advisory Agreement with the Trust, BFA manages the investment of each Fund's assets. BFA is a California corporation indirectly owned by BlackRock. Under the Investment Advisory Agreement, BFA is responsible for substantially all expenses of the Funds, except interest, taxes, brokerage commissions and other expenses connected with the execution of portfolio transactions, distribution fees, litigation expenses and any extraordinary expenses.

# Notes to Financial Statements (Continued)

## iSHARES® TRUST

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

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

<sup>a</sup> Breakpoint level added effective July 1, 2014.

For its investment advisory services to the iShares Currency Hedged MSCI EAFE ETF, BFA is entitled to an annual investment advisory fee of 0.39% based on the average daily net assets of the Fund.

BFA has contractually agreed to waive a portion of its investment advisory fees for the iShares Currency Hedged MSCI EAFE ETF through November 30, 2015 in an amount equal to the Fund's pro rata share of the fees and expenses attributable to the Fund's investments in other iShares funds.

The U.S. Securities and Exchange Commission has issued an exemptive order which permits BlackRock Institutional Trust Company, N.A. ("BTC"), an affiliate of BFA, to serve as securities lending agent for the Funds, subject to applicable conditions. As securities lending agent, BTC bears all operational costs directly related to securities lending. Effective January 1, 2014, each Fund is responsible for fees in connection with the investment of cash collateral received for securities on loan in a money market fund managed by BFA, however, BTC has agreed to reduce the amount of securities lending income it receives in order to effectively limit the collateral investment fees each Fund bears to an annual rate of 0.04% until December 31, 2014 and 0.05% thereafter (the "collateral investment fees"). Securities lending income is equal to the total of income earned from the reinvestment of cash collateral, net of fees and other payments to and from borrowers of securities, and less the collateral investment fees. The Funds retain a portion of securities lending income and remit a remaining portion to BTC as compensation for its services as securities lending agent.

Pursuant to a securities lending agreement effective January 1, 2014, (i) the iShares MSCI EAFE ETF retains 75% of securities lending income (commencing January 1, 2015 the amount the Fund will retain is expected to change to 70% of securities lending income) and (ii) these amounts can never be less than 65% of the total of securities lending income plus the collateral investment fees. Prior to January 1, 2014, the Fund retained 65% of securities lending income and paid no collateral investment fees.

For the year ended July 31, 2014, the iShares MSCI EAFE ETF paid to BTC securities lending agent services and collateral investment fees in the amount of \$2,433,540.

In addition, commencing the business day following a "Hurdle Date" (the date that the aggregate securities lending income plus the collateral investment fees generated across all 1940 Act iShares exchange-traded funds (the "iShares ETF Complex") in a given calendar year exceeds the aggregate securities lending income generated across the iShares ETF Complex in calendar year 2013) and pursuant to a securities lending agreement, (i) the iShares MSCI EAFE ETF will receive for the remainder of that calendar year 80% of securities lending income (for any Hurdle Date after January 1, 2015, the Fund will retain 75% of securities lending income) and (ii) these amounts can never be less than 65% of the total of securities lending income plus the collateral investment fees.

# Notes to Financial Statements (Continued)

## iSHARES® TRUST

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

Cross trades for the year ended July 31, 2014, if any, were executed by the Funds pursuant to Rule 17a-7 under the 1940 Act. Cross trading is the buying or selling of portfolio securities between funds to which BFA (or an affiliate) serves as investment adviser. At its regularly scheduled quarterly meetings, the Board reviews such transactions as of the most recent calendar quarter for compliance with the requirements and restrictions set forth by Rule 17a-7.

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

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

Investments in issuers considered to be affiliates of the Funds (excluding money market funds) during the year ended July 31, 2014, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

<i>iShares ETF and Name of Affiliated Issuer</i>	<i>Shares Held at Beginning of Year</i>	<i>Shares Purchased</i>	<i>Shares Sold</i>	<i>Shares Held at End of Year</i>	<i>Value at End of Year</i>	<i>Dividend Income</i>	<i>Net Realized Gain (Loss)</i>
<i>Currency Hedged MSCI EAFE</i>							
iShares MSCI EAFE ETF	—	38,632	(1,476)	37,156	<u>\$2,474,218</u>	<u>\$ 61,798</u>	<u>\$ 1,177</u>

Certain trustees and officers of the Trust are also officers of BTC and/or BFA.

### 3. INVESTMENT PORTFOLIO TRANSACTIONS

Purchases and sales of investments (excluding in-kind transactions and short-term investments) for the year ended July 31, 2014 were as follows:

<i>iShares ETF</i>	<i>Purchases</i>	<i>Sales</i>
Currency Hedged MSCI EAFE	\$ 94,542	\$ 99,580
MSCI EAFE	2,954,468,266	2,724,057,293

In-kind transactions (see Note 4) for the year ended July 31, 2014 were as follows:

<i>iShares ETF</i>	<i>In-kind Purchases</i>	<i>In-kind Sales</i>
Currency Hedged MSCI EAFE	\$ 2,368,836	\$ —
MSCI EAFE	10,054,891,573	2,082,681,254

### 4. CAPITAL SHARE TRANSACTIONS

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

# Notes to Financial Statements (Continued)

## iSHARES® TRUST

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

### 5. FINANCIAL FUTURES CONTRACTS

Each Fund may purchase or sell financial futures contracts in an effort to help such Fund track its underlying index. A futures contract is a standardized, exchange-traded agreement to buy and sell a financial instrument at a set price on a future date. Upon entering into a futures contract, the Fund is required to pledge to the executing broker which holds segregated from its own assets, an amount of cash, U.S. government securities or other high-quality debt and equity securities equal to the minimum initial margin requirements of the exchange on which the contract is traded. Pursuant to the contract, the Fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as margin variation and are recorded by the Fund as unrealized appreciation or depreciation. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. Losses may arise if the value of a futures contract decreases due to an unfavorable change in the market rates or values of the underlying instrument during the term of the contract or if the counterparty does not perform under the contract. The use of futures contracts also involves the risk of an imperfect correlation in the movements in the price of futures contracts and the assets underlying such contracts.

The following table shows the value of futures contracts held by the iShares MSCI EAFE ETF as of July 31, 2014 and the related locations in the statement of assets and liabilities, presented by risk exposure category:

<i>Assets</i>	
Equity contracts:	
Variation margin / Net assets consist of – net unrealized appreciation <sup>a</sup>	<u>\$3,476,832</u>

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

<i>Liabilities</i>	
Equity contracts:	
Variation margin / Net assets consist of – net unrealized depreciation <sup>b</sup>	<u>\$4,105,968</u>

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

# Notes to Financial Statements (Continued)

## iSHARES® TRUST

The following table shows the realized and unrealized gains (losses) on futures contracts held by the iShares MSCI EAFE ETF during the year ended July 31, 2014 and the related locations in the statement of operations, presented by risk exposure category:

	<i>Net Realized Gain (Loss)</i>	<i>Net Change in Unrealized Appreciation/Depreciation</i>
Equity contracts:		
Futures contracts	<u>\$ 49,497,640</u>	<u>\$ (7,645,827)</u>

For the year ended July 31, 2014, the average quarter-end number of contracts and notional value of open futures contracts for the iShares MSCI EAFE ETF were \$3,640 and \$264,035,495, respectively.

## 6. FORWARD CURRENCY CONTRACTS

The iShares Currency Hedged MSCI EAFE ETF may enter into forward currency contracts for the purpose of hedging against the effects of foreign currencies on the value of the Fund's assets that are denominated in a non-U.S. currency. A forward currency contract is an obligation to purchase or sell a currency against another currency at a specified future date at an agreed upon price and quantity. Forward currency contracts are traded over-the-counter ("OTC") and not on an organized exchange. The contract is marked-to-market daily and the change in market value is recorded as unrealized appreciation or depreciation. When the contract is closed, a realized gain or loss equal to the difference between the value at the time it was opened and the value at the time it was closed is recorded. Losses may arise if there are unfavorable movements in the value of a foreign currency relative to the U.S. dollar or if the counterparties do not meet the terms of the agreement. The Fund's use of forward currency contracts also involves the risks of imperfect correlation between the value of its currency positions and its other investments or the Fund failing to close out its position due to an illiquid market.

The following table shows the value of forward currency contracts held by the iShares Currency Hedged MSCI EAFE ETF as of July 31, 2014 and the related locations in the statement of assets and liabilities, presented by risk exposure category:

<i>Assets</i>	
Forward currency contracts:	
Unrealized appreciation on forward currency contracts/ Net assets consist of – net unrealized appreciation	<u>\$39,853</u>
<i>Liabilities</i>	
Forward currency contracts:	
Unrealized depreciation on forward currency contracts/ Net assets consist of – net unrealized depreciation	<u>\$4,928</u>

# Notes to Financial Statements (Continued)

## iSHARES® TRUST

The following table shows the realized and unrealized gains (losses) on forward currency contracts held by the iShares Currency Hedged MSCI EAFE ETF during the year ended July 31, 2014 and the related locations in the statement of operations, presented by risk exposure category:

	<i>Net Realized Gain (Loss)</i>	<i>Net Change in Unrealized Appreciation/Depreciation</i>
Forward currency contracts:		
Foreign currency transactions/Forward currency contracts	<u>\$ (42,843)</u>	<u>\$ 34,925</u>

The following table shows the average quarter-end balances of open futures contracts for the year ended July 31, 2014:

	<i>iShares Currency Hedged MSCI EAFE ETF</i>
Average number of contracts purchased	16
Average number of contracts sold	33
Average value of contracts purchased	\$ 1,764,491
Average value of contracts sold	\$ 4,155,261

The iShares Currency Hedged MSCI EAFE ETF's risk of loss from counterparty credit risk on OTC derivatives is generally limited to the aggregate unrealized gain netted against any collateral held by the Fund. In order to better define its contractual rights and to secure rights that will help the Fund to mitigate its counterparty risk, the Fund may enter into an International Swaps and Derivatives Association, Inc. master agreement ("ISDA Master Agreement") or similar agreement with its derivative contract counterparties. An ISDA Master Agreement is a bilateral agreement between the Fund and a counterparty that governs OTC derivatives and foreign exchange contracts and typically contains, among other things, collateral posting terms and netting provisions in the event of a default and/or termination event. The provisions of the ISDA Master Agreement typically permit a single net payment in the event of default including the bankruptcy or insolvency of the counterparty. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against the right of offset in bankruptcy or insolvency.

The collateral requirements under an ISDA Master Agreement are typically calculated by netting the mark-to-market amount for each transaction under such agreement, and comparing that amount to the value of any collateral currently pledged by the parties. Forward currency contracts held by the Fund generally do not require collateral. To the extent amounts due to the Fund from the counterparty are not fully collateralized, contractually or otherwise, the Fund bears the risk of loss from counterparty non-performance. The Fund attempts to mitigate counterparty risk by only entering into agreements with counterparties that it believes have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties.

For financial reporting purposes, the Fund does not offset financial assets and financial liabilities that are subject to netting arrangements in the statements of assets and liabilities.



# Notes to Financial Statements (Continued)

## iSHARES® TRUST

The following table presents the exposure of the open forward currency contracts held by the iShares Currency Hedged MSCI EAFE ETF that are subject to potential offset on the statement of assets and liabilities as of July 31, 2014:

	<i>Derivative Assets Subject to Offsetting</i>	<i>Derivatives Available for Offset</i>	<i>Net Amount of Derivative Assets</i>
Forward currency contracts	\$ 39,853	\$ (4,928)	\$ 34,925

	<i>Derivative Liabilities Subject to Offsetting</i>	<i>Derivatives Available for Offset</i>	<i>Net Amount of Derivative Liabilities</i>
Forward currency contracts	\$ 4,928	\$ (4,928)	\$ —

## 7. MARKET AND CREDIT RISK

In the normal course of business, each Fund's investment activities exposes it to various types of risk associated with the financial instruments and markets in which it invests. The significant types of financial risks each Fund is exposed to include market risk and credit risk. Each Fund's prospectus provides details of these and other types of risk.

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

### MARKET RISK

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

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

Each Fund invests a substantial amount of its assets, with the iShares Currency Hedged MSCI EAFE ETF investing indirectly, in securities of non-U.S. issuers that trade in non-U.S. markets. This involves certain considerations and risks not typically associated with securities of U.S. issuers. Such risks include, but are not limited to: generally less liquid and less efficient securities markets; generally greater price volatility; exchange rate fluctuations and exchange controls; imposition of restrictions on the expatriation of funds or other assets of the Funds; less publicly available information about issuers; the imposition of withholding or other taxes; higher transaction and custody costs; settlement delays and risk of loss attendant in settlement procedures; difficulties in enforcing contractual obligations; less regulation of securities markets; different accounting, disclosure

# Notes to Financial Statements (Continued)

## iSHARES® TRUST

and reporting requirements; more substantial governmental involvement in the economy; higher inflation rates; greater social, economic and political uncertainties; the risk of nationalization or expropriation of assets; and the risk of war. These risks are heightened for investments in issuers from countries with less developed markets.

### CREDIT RISK

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

### 8. INCOME TAX INFORMATION

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

U.S. GAAP requires that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. These reclassifications have no effect on net assets or net asset values per share. The following permanent differences as of July 31, 2014, attributable to passive foreign investment companies, foreign currency transactions and realized gains (losses) from in-kind redemptions, were reclassified to the following accounts:

<i>iShares ETF</i>	<i>Paid-in Capital</i>	<i>Undistributed Net Investment Income/Distributions</i>	<i>Undistributed Net Realized Gain/Accumulated Net Realized Loss</i>
		<i>in Excess of Net Investment Income</i>	
MSCI EAFE	\$708,059,402	\$ 18,313,101	\$ (726,372,503)

The tax character of distributions paid during the years ended July 31, 2014 and July 31, 2013 was as follows:

<i>iShares ETF</i>	2014	2013
<i>Currency Hedged MSCI EAFE</i>		
Ordinary income	\$ 61,019	
Return of capital	125	
	<u>\$ 61,144</u>	
<i>MSCI EAFE</i>		
Ordinary income	<u>\$1,783,006,729</u>	<u>\$1,215,026,892</u>

# Notes to Financial Statements (Continued)

## iSHARES® TRUST

As of July 31, 2014, the tax components of accumulated net earnings (losses) were as follows:

<i>iShares ETF</i>	<i>Undistributed Ordinary Income</i>	<i>Capital Loss Carryforwards</i>	<i>Net Unrealized Gains (Losses)<sup>a</sup></i>	<i>Qualified Late-Year Losses<sup>b</sup></i>	<i>Total</i>
Currency Hedged MSCI EAFE	\$ —	\$ (6,428)	\$ 108,930	\$ —	\$ 102,502
MSCI EAFE	95,857,249	(4,543,534,089)	5,313,007,870	(197,510,213)	667,820,817

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

<sup>b</sup> The Funds have elected to defer certain qualified late-year losses and recognize such losses in the next taxable year.

As of July 31, 2014, the Funds had capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates as follows:

<i>iShares ETF</i>	<i>Non- Expiring<sup>a</sup></i>	<i>Expiring 2017</i>	<i>Expiring 2018</i>	<i>Expiring 2019</i>	<i>Total</i>
Currency Hedged MSCI EAFE	\$ 6,428	\$ —	\$ —	\$ —	\$ 6,428
MSCI EAFE	1,461,846,177	587,985,426	1,597,347,728	896,354,758	4,543,534,089

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

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

As of July 31, 2014, gross unrealized appreciation and gross unrealized depreciation based on cost for federal income tax purposes were as follows:

<i>iShares ETF</i>	<i>Tax Cost</i>	<i>Gross Unrealized Appreciation</i>	<i>Gross Unrealized Depreciation</i>	<i>Net Unrealized Appreciation (Depreciation)</i>
Currency Hedged MSCI EAFE	\$ 2,366,048	\$ 108,332	\$ —	\$ 108,332
MSCI EAFE	50,000,613,896	11,105,802,467	(5,793,951,525)	5,311,850,942

Management has analyzed tax laws and regulations and their application to the Funds as of July 31, 2014, inclusive of the open tax return years, and does not believe there are any uncertain tax positions that require recognition of a tax liability in the Funds’ financial statements.

## 9. LEGAL PROCEEDINGS

On January 18, 2013, a lawsuit was filed in the United States District Court for the Middle District of Tennessee by Laborers’ Local 265 Pension Fund and Plumbers and Pipefitters Local No. 572 Pension Fund (the “Plaintiffs”) against BFA, BTC, and the current members of the iShares Trust Board of Trustees and the Board of Directors of iShares, Inc. (collectively, “Defendants”) for alleged violations of, among other things, Sections 36(a) and 36(b) of the 1940 Act. The complaint purports to be brought derivatively on behalf of iShares Trust and iShares, Inc., as well as the following eight funds: iShares Russell Mid-Cap ETF; iShares MSCI EAFE ETF; iShares MSCI Emerging Markets ETF; iShares Russell 2000 Growth ETF; iShares Russell 2000 Value ETF; iShares Core S&P Mid-Cap ETF; iShares Core S&P Small-Cap ETF; and iShares U.S. Real Estate ETF. The complaint

# Notes to Financial Statements (Continued)

## *iSHARES® TRUST*

alleges, among other things, that BFA and BTC breached their fiduciary duties under the 1940 Act by charging allegedly excessive fees in connection with the provision of securities lending services to the above eight funds, that the individual defendants breached their fiduciary duties under the 1940 Act by approving those fee arrangements, and that the securities lending contracts are unenforceable under Section 47(b) of the 1940 Act. Plaintiffs seek injunctive relief, rescission of the securities lending contracts, and monetary damages of an unspecified amount. Defendants believe the claims are without merit and intend to vigorously defend themselves against the allegations in the lawsuit. On March 11, 2013, the Defendants filed a motion to dismiss the lawsuit. On August 28, 2013, the court dismissed the claims without prejudice. The deadline for the Plaintiffs' request to amend the complaint was September 17, 2013. The Plaintiffs submitted a motion to extend the time to file and the court granted the 30-day extension until October 17, 2013. The Plaintiffs did not amend their complaint prior to this deadline. The Court dismissed the complaint with prejudice on October 24, 2013. The Plaintiffs filed a notice of appeal on November 8, 2013. On February 13, 2014, the Plaintiffs filed an appeal brief with the United States Court of Appeals for the Sixth Circuit ("the Sixth Circuit"). The Defendants filed a response on March 17, 2014. The Plaintiffs filed their response on April 3, 2014. Oral argument of the Plaintiff's appeal was heard by the Sixth Circuit on July 30, 2014. The Sixth Circuit will consider the matter and is expected to render a decision later in 2014.

### **10. SUBSEQUENT EVENTS**

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

# Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Trustees of  
iShares Trust:

In our opinion, the accompanying statements of assets and liabilities, including the schedules of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of iShares Currency Hedged MSCI EAFE ETF and iShares MSCI EAFE ETF (the “Funds”) at July 31, 2014, the results of each of their operations, the changes in each of their net assets and their financial highlights for each of the periods presented, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as “financial statements”) are the responsibility of the Funds’ management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at July 31, 2014 by correspondence with the custodian, transfer agent and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP  
San Francisco, California  
September 25, 2014

# Tax Information (Unaudited)

## iSHARES® TRUST

For the fiscal year ended July 31, 2014, the iShares MSCI EAFE ETF earned foreign source income of \$1,825,489,026 and paid foreign taxes of \$126,083,854 which it intends to pass through to its shareholders pursuant to Section 853 of the Internal Revenue Code (the "Code").

For the fiscal year ended July 31, 2014, the iShares Currency Hedged MSCI EAFE ETF intends to pass through to its shareholders foreign source income earned of \$54,016 and foreign taxes paid of \$4,526 by the underlying funds pursuant to Section 852(g)(1) of the Code.

For corporate shareholders, the percentage of the income dividends paid by the iShares MSCI EAFE ETF during the fiscal year ended July 31, 2014 which qualified for the dividends-received deduction is 13.22%.

Under Section 854(b)(2) of the Code, the Funds hereby designate the following maximum amounts as qualified dividend income for purposes of the maximum rate under Section 1(h)(11) of the Code for the fiscal year ended July 31, 2014:

<i>iShares ETF</i>	<i>Qualified Dividend Income</i>
Currency Hedged MSCI EAFE	\$ 65,545
MSCI EAFE	1,909,090,583

In February 2015, shareholders will receive Form 1099-DIV which will include their share of qualified dividend income distributed during the calendar year 2014. Shareholders are advised to check with their tax advisers for information on the treatment of these amounts on their income tax returns.

# Board Review and Approval of Investment Advisory Contract

## *iSHARES® TRUST*

### ***I. iShares Currency Hedged MSCI EAFE ETF***

Under Section 15(c) of the Investment Company Act of 1940 (the “1940 Act”), the Trust’s Board of Trustees (the “Board”), including a majority of Trustees who are not “interested persons” of the Trust (as that term is defined in the 1940 Act) (the “Independent Trustees”), is required annually to consider and approve the Investment Advisory Contract between the Trust and BFA (the “Advisory Contract”) on behalf of the Fund. The Independent Trustees requested, and BFA provided, such information as the Independent Trustees, with advice from independent counsel, deemed reasonably necessary to evaluate the Advisory Contract. A committee of Independent Trustees (the “15(c) Committee”), with independent counsel, met with management on March 12, 2014, May 6, 2014, and May 12, 2014, to discuss the types of information the Independent Trustees required and the manner in which management would organize and present such information. At a meeting held on May 16, 2014, management presented preliminary information to the Board relating to the continuance of the Advisory Contract, and the Board, including the Independent Trustees, reviewed and discussed such information at length. The Independent Trustees requested from management certain additional information, which management agreed to provide. At a meeting held on June 12-13, 2014, the Board, including the Independent Trustees, reviewed the additional information provided by management in response to these requests. After extensive discussions, the Board, including all of the Independent Trustees, approved the continuance of the Advisory Contract for the Fund, based on a review of qualitative and quantitative information provided by BFA, including the additional information management provided at the request of the Independent Trustees. The Board noted its satisfaction with the extent and quality of information provided and its frequent interactions with management, as well as the detailed responses and other information provided by BFA. The Board also noted that the Board and BFA agreed to discuss potential enhancements and adjustments to the 15(c) process for the coming year. The Independent Trustees were advised by their independent counsel throughout the process, including about the legal standards applicable to their review. In approving the Advisory Contract for the Fund, the Board, including the Independent Trustees, considered the following factors, no one of which was controlling, and reached the following conclusions:

***Expenses and Performance of the Fund*** — The Board reviewed statistical information prepared by Lipper Inc. (“Lipper”), an independent provider of investment company data, regarding the expense ratio components, including any advisory fees, waivers/reimbursements, and gross and net total expenses of the Fund in comparison with the same information for other exchange traded funds (including funds sponsored by an “at cost” service provider) and, in the limited instances where no comparable ETFs existed and the comparison group would not otherwise be reasonable in Lipper’s judgment, pure index institutional mutual funds, objectively selected by Lipper as comprising the Fund’s applicable peer group pursuant to Lipper’s proprietary ETF methodology (the “Lipper Group”). The Board noted that, prior to 2014, Lipper had used a different methodology to determine each iShares fund’s Lipper group, which included mutual funds, closed-end funds, exchange traded funds, and/or funds with differing investment objective classifications, investment focuses and other characteristics (e.g. actively managed funds and funds sponsored by “at cost” service providers), as applicable. The Board further noted that, after consideration by the 15(c) Committee, the Board determined to use instead Lipper’s proprietary ETF methodology to determine the Fund’s Lipper Group. This determination was based on, among other considerations, the increased number and types of ETFs available for comparative purposes than was the case in prior years. The Board was provided with a detailed description of Lipper’s proprietary ETF methodology used by Lipper to determine the applicable Lipper Group and to prepare this information. At the Board’s request, Lipper provided, and the Board considered, information on the impact to the iShares funds’ comparative fee rankings that were attributable to the change from a pure index group methodology to Lipper’s proprietary ETF methodology. The Board further noted that due to the limitations in providing comparable funds in the Lipper Group, the statistical information provided in Lipper’s report may or may not provide meaningful direct comparisons to the Fund in all instances.

The Board also noted that the investment advisory fee rate and overall expenses for the Fund were at the median of the investment advisory fee rates and overall expenses of the funds in its Lipper Group.



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

## *iSHARES® TRUST*

Because the Fund had not commenced operations as of December 31, 2013, the Board did not review any performance information for the Fund.

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

***Nature, Extent and Quality of Services to be Provided by BFA*** — The Board noted that the Fund had not commenced operations as of December 31, 2013, and reviewed the scope of services to be provided by BFA under the Advisory Contract. In reviewing the scope of these services, the Board considered BFA's investment philosophy and experience, noting that BFA and its affiliates have committed significant resources over time, including during the past year, to supporting iShares funds and their shareholders. The Board acknowledged that resources to support the iShares funds and their shareholders have been added or enhanced in recent years, including in such areas as investor education, product management, customized portfolio consulting support, capital markets support, and proprietary risk and performance analytics tools. The Board considered representations by BFA, BTC, and BlackRock that the scope and quality of services to be provided to the Fund would be similar to the scope and quality of services provided to other iShares funds. The Board also considered BFA's compliance program and its compliance record with respect to other iShares funds. In that regard, the Board noted that BFA reports to the Board about portfolio management and compliance matters on a periodic basis in connection with regularly scheduled meetings of the Board, and on other occasions as necessary and appropriate, and has provided information and made appropriate officers available as needed to provide further assistance with these matters. The Board also reviewed the background and experience of the persons who will be responsible for the day-to-day management of the Fund, as well as the resources that will be available to them in managing the Fund. In addition to the above considerations, the Board reviewed and considered detailed presentations regarding BFA's investment performance, investment and risk management processes and strategies provided at the June 12-13, 2014 meeting and throughout the previous year, and matters related to BFA's portfolio compliance policies and procedures.

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

***Costs of Services to be Provided to the Fund and Profits to be Realized by BFA and its Affiliates*** — While the Board reviewed information about the profitability of the iShares complex to BlackRock based on fees payable to BFA and its affiliates (including fees under advisory contracts with iShares funds), and all other sources of revenue and expense to BFA and its affiliates from iShares funds' operations for the last calendar year, the Board did not consider the profitability of the Fund to BFA and its affiliates since the Fund had not commenced operations as of December 31, 2013. The Board noted that it expects to receive profitability information from BFA on at least an annual basis following the Fund's launch and thus be in a position to evaluate whether any new or additional breakpoints or other adjustments in Fund fees would be appropriate.

***Economies of Scale*** — The Board reviewed information regarding potential economies of scale or other efficiencies that may result from increases in the Fund's assets, noting that the issue of economies of scale with respect to the iShares funds that are in operation was focused on extensively by the 15(c) Committee during its meetings and addressed by management. The Board and the 15(c) Committee reviewed information provided by BFA regarding scale benefits shared with the iShares funds through relatively low fee rates established at inception, breakpoints, waivers, or other fee reductions, as well as through additional investment in the iShares business and the provision of improved or additional infrastructure and services to the iShares funds and their shareholders. The Board and the 15(c) Committee received information regarding BlackRock's historical profitability, including BFA's and its affiliates' costs in providing services. The cost information distinguished between fixed and variable costs, and explained how the level of fixed and variable costs, as well as the nature of such costs, may impact the existence or size of

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

## iSHARES® TRUST

scale benefits. The Board noted that the Advisory Contract for the Fund did not provide for any breakpoints in the Fund's investment advisory fee rate as the assets of the Fund increase. However, the Board noted that should material economies of scale exist in the future, a breakpoint structure for the Fund may be appropriate, and that it would continue to monitor the sharing of economies of scale to determine the appropriateness of adding breakpoints in the future. Based on this review, as well as the other factors considered at the meeting, the Board, recognizing its responsibility to consider this issue at least annually, concluded that the investment advisory fee rate incorporates potential economies of scale and supported the Board's approval of the continuance of the Advisory Contract for the coming year.

**Fees and Services Provided for Other Comparable Funds/Accounts Managed by BFA and its Affiliates** — The Board received and considered information regarding the investment advisory/management fee rates for other funds/accounts in the U.S. for which BFA (or its affiliates) provides investment advisory/management services, including open-end and closed-end funds registered under the 1940 Act (including sub-advised funds), collective trust funds, separately managed accounts, and institutional separate accounts (together, the "Other Accounts"), and acknowledged BFA's assertion that the iShares funds are fundamentally different investment vehicles from the Other Accounts. The Board further noted that BFA provided the Board with detailed information regarding how the Other Accounts (particularly institutional clients) generally differ from the Fund, including in terms of the different, generally more extensive services to be provided to the Fund, as well as other significant differences in the approach of BFA and its affiliates to the Fund, on one hand, and Other Accounts, on the other. In that regard, the Board considered that the pricing of services to institutional clients is typically based on a number of factors beyond the nature and extent of the specific services to be provided and often depends on the overall relationship between the client and its affiliates and the adviser and its affiliates. In addition, the Board considered the relative complexity and inherent risks and challenges of managing and providing other services to the Fund, as a publicly traded exchange traded fund, as compared to the Other Accounts that are institutional clients in light of differing regulatory requirements and client-imposed mandates. The Board also considered the "all-inclusive" nature of the Fund's advisory fee structure, and the Fund expenses to be borne by BFA under this arrangement. The Board noted that the investment advisory fee rate under the Advisory Contract for the Fund was generally higher than the investment advisory/management fee rates for the Other Accounts that are institutional clients of BFA (or its affiliates) and concluded that the differences appeared to be consistent with the factors discussed. The Board considered the proposed investment advisory fee rate for the Fund in relation to that of iShares MSCI EAFE ETF. The Board noted that the Fund's proposed investment advisory fee rate is higher than that of iShares MSCI EAFE ETF, which invests in similar underlying securities but, unlike the Fund, is not currency rate hedged, and concluded that the Fund's higher relative fee rate is appropriate.

**Other Benefits to BFA and/or its Affiliates** — Except as noted below, the Board did not consider the "fallout" benefits or ancillary revenue to be received by BFA and/or its affiliates in connection with the services to be provided to the Fund by BFA, since the Fund had not commenced operations as of December 31, 2013. However, the Board noted that BFA generally does not use soft dollars or consider the value of research or other services that may be provided to BFA (including its affiliates) in selecting brokers for portfolio transactions for the Fund. The Board considered the potential payment of advisory fees and/or administration fees to BFA and BTC (or their affiliates) in connection with any investments by the Fund in other funds for which BFA (or its affiliates) provides investment advisory services and/or administration services. The Board also considered the potential for revenue to BTC, the Fund's securities lending agent, and its affiliates in the event of any loaning of portfolio securities of the Fund. The Board further noted that any portfolio transactions on behalf of the Fund placed through a BFA affiliate or purchased from an underwriting syndicate in which a BFA affiliate participates, will be reported to the Board pursuant to Rule 17e-1 or Rule 10f-3, as applicable, under the 1940 Act. The Board concluded that any such ancillary benefits would not be disadvantageous to the Fund's shareholders and thus would not alter the Board's conclusion with respect to the appropriateness of approving the continuance of the Advisory Contract for the coming year.

Based on the considerations described above, the Board determined that the Fund's investment advisory fee rate under the Advisory Contract does not constitute a fee that is so disproportionately large as to bear no reasonable relationship to the

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

## *iSHARES® TRUST*

services to be rendered and that could not have been the product of arm's-length bargaining, and concluded that it is in the best interest of the Fund and its shareholders to approve the continuance of the Advisory Contract for the coming year.

### **II. *iShares MSCI EAFE ETF***

Under Section 15(c) of the Investment Company Act of 1940 (the "1940 Act"), the Trust's Board of Trustees (the "Board"), including a majority of Trustees who are not "interested persons" of the Trust (as that term is defined in the 1940 Act) (the "Independent Trustees"), is required annually to consider and approve the Investment Advisory Contract between the Trust and BFA (the "Advisory Contract") on behalf of the Fund. The Independent Trustees requested, and BFA provided, such information as the Independent Trustees, with advice from independent counsel, deemed reasonably necessary to evaluate the Advisory Contract. A committee of Independent Trustees (the "15(c) Committee"), with independent counsel, met with management on March 12, 2014, May 6, 2014, and May 12, 2014, to discuss the types of information the Independent Trustees required and the manner in which management would organize and present such information. At a meeting held on May 16, 2014, management presented preliminary information to the Board relating to the continuance of the Advisory Contract, and the Board, including the Independent Trustees, reviewed and discussed such information at length. The Independent Trustees requested from management certain additional information, which management agreed to provide. At a meeting held on June 12-13, 2014, the Board, including the Independent Trustees, reviewed the additional information provided by management in response to these requests. After extensive discussions, the Board, including all of the Independent Trustees, approved the continuance of the Advisory Contract for the Fund, based on a review of qualitative and quantitative information provided by BFA, including the additional information management provided at the request of the Independent Trustees. The Board noted its satisfaction with the extent and quality of information provided and its frequent interactions with management, as well as the detailed responses and other information provided by BFA. The Board also noted that the Board and BFA agreed to discuss potential enhancements and adjustments to the 15(c) process for the coming year. The Independent Trustees were advised by their independent counsel throughout the process, including about the legal standards applicable to their review. In approving the Advisory Contract for the Fund, the Board, including the Independent Trustees, considered the following factors, no one of which was controlling, and reached the following conclusions:

***Expenses and Performance of the Fund*** — The Board reviewed statistical information prepared by Lipper Inc. ("Lipper"), an independent provider of investment company data, regarding the expense ratio components, including actual advisory fees, waivers/reimbursements, and gross and net total expenses of the Fund in comparison with the same information for other exchange traded funds (including funds sponsored by an "at cost" service provider) and, in the limited instances where no comparable ETFs existed and the comparison group would not otherwise be reasonable in Lipper's judgment, pure index institutional mutual funds, objectively selected by Lipper as comprising the Fund's applicable peer group pursuant to Lipper's proprietary ETF methodology (the "Lipper Group"). The Board noted that, prior to 2014, Lipper had used a different methodology to determine the Fund's Lipper group, which included mutual funds, closed-end funds, exchange traded funds, and/or funds with differing investment objective classifications, investment focuses and other characteristics (e.g. actively managed funds and funds sponsored by "at cost" service providers), as applicable. The Board further noted that, after consideration by the 15(c) Committee, the Board determined to use instead Lipper's proprietary ETF methodology to determine the Fund's Lipper Group. This determination was based on, among other considerations, the increased number and types of ETFs available for comparative purposes than was the case in prior years. The Board was provided with a detailed description of Lipper's proprietary ETF methodology used by Lipper to determine the applicable Lipper Group and to prepare this information. At the Board's request, Lipper provided, and the Board considered, information on the impact to the iShares funds' comparative fee rankings that were attributable to the change from a pure index group methodology to Lipper's proprietary ETF methodology. The Board further noted that due to the limitations in providing comparable funds in the Lipper Group, the statistical information provided in Lipper's report may or may not provide meaningful direct comparisons to the Fund in all instances.

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

## *iSHARES® TRUST*

The Board also noted that the investment advisory fee rate and overall expenses for the Fund were lower than the median of the investment advisory fee rates and overall expenses of the funds in its Lipper Group.

In addition, the Board reviewed statistical information prepared by Lipper regarding the performance of the Fund for the one-, three-, five-, ten-year, and since inception periods, as applicable, and the “last quarter” period ended December 31, 2013, and a comparison of the Fund’s performance to its performance benchmark index for the same periods. To the extent that any of the comparison funds included in the Lipper Group track the same index as the Fund, Lipper also provided, and the Board reviewed, a comparison of the Fund’s performance to that of such relevant comparison funds for the same periods. The Board noted that the Fund generally performed in line with its respective performance benchmark index over the relevant periods. In considering this information, the Board noted that the Lipper Group may include funds that are not exchange traded funds or index funds, and that may have different investment objectives and/or benchmarks from the Fund. In addition, the Board noted that the Fund seeks to track its own benchmark index and that, during the prior year, the Board received periodic reports on the Fund’s performance in comparison with its relevant benchmark index. Such periodic comparative performance information, including detailed information on certain specific iShares funds requested by the Boards, was also considered.

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

***Nature, Extent and Quality of Services Provided by BFA*** — Based on management’s representations, including information about recent and proposed enhancements to the iShares business, including with respect to shareholder servicing and support, the Board expected that there would be no diminution in the scope of services required of or provided by BFA under the Advisory Contract for the coming year as compared to the scope of services provided by BFA during prior years. In reviewing the scope of these services, the Board considered BFA’s investment philosophy and experience, noting that BFA and its affiliates have committed significant resources over time, including during the past year, to supporting the Fund and its shareholders. The Board acknowledged that resources to support the iShares funds and their shareholders have been added or enhanced in recent years, including in such areas as investor education, product management, customized portfolio consulting support, capital markets support, and proprietary risk and performance analytics tools. The Board also considered BFA’s compliance program and its compliance record with respect to the Fund. In that regard, the Board noted that BFA reports to the Board about portfolio management and compliance matters on a periodic basis in connection with regularly scheduled meetings of the Board, and on other occasions as necessary and appropriate, and has provided information and made appropriate officers available as needed to provide further assistance with these matters. The Board also reviewed the background and experience of the persons responsible for the day-to-day management of the Fund, as well as the resources available to them in managing the Fund. In addition to the above considerations, the Board reviewed and considered detailed presentations regarding BFA’s investment performance, investment and risk management processes and strategies provided at the June 12-13, 2014 meeting and throughout the previous year, and matters related to BFA’s portfolio compliance policies and procedures. The Board noted that the Fund had met its investment objective consistently since its inception date.

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

***Costs of Services Provided to the Fund and Profits Realized by BFA and Affiliates*** — The Board reviewed information about the profitability to BlackRock of the Fund based on the fees payable to BFA and its affiliates (including fees under the Advisory Contract), and all other sources of revenue and expense to BFA and its affiliates from the Fund’s operations for the last calendar year. The Board reviewed BlackRock’s profitability methodology for the iShares funds, noting that the 15(c) Committee had

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

## *iSHARES® TRUST*

focused on the methodology and proposed presentation during its meetings. The Board discussed the sources of direct and ancillary revenue with management, including the revenues to BTC from securities lending by the Fund. The Board also discussed BFA's profit margin as reflected in the Fund's profitability analysis and reviewed information regarding potential economies of scale (as discussed below). Based on this review, the Board concluded that the profits realized by BFA and its affiliates under the Advisory Contract and from other relationships between the Fund and BFA and/or its affiliates, if any, were within a reasonable range in light of the factors considered.

***Economies of Scale*** — The Board reviewed information regarding potential economies of scale or other efficiencies that may result from increases in the Fund's assets, noting that the issue of economies of scale had been focused on extensively by the 15(c) Committee during its meetings and addressed by management. The Board and the 15(c) Committee reviewed information provided by BFA regarding scale benefits shared with the iShares funds through relatively low fee rates established at inception, breakpoints, waivers, or other fee reductions, as well as through additional investment in the iShares business and the provision of improved or additional infrastructure and services to the iShares funds and their shareholders. The Board and the 15(c) Committee received information regarding BlackRock's historical profitability, including BFA's and its affiliates' costs in providing services. The cost information distinguished between fixed and variable costs, and explained how the level of fixed and variable costs, as well as the nature of such costs, may impact the existence or size of scale benefits. The Board noted that the Advisory Contract for the Fund already provided for breakpoints in the Fund's investment advisory fee rate, and that, following negotiations, BFA and the Board had agreed to revise the Advisory Contract for the Fund to provide for additional breakpoints, as the assets of the Fund, on an aggregated basis with the assets of certain other iShares funds, increase. The Board noted that the revisions of the Advisory Contract to provide additional breakpoints had been subject to further negotiation after receipt of management's proposal, and that at the request of the Board, management had modified its initial proposal regarding adding additional breakpoints to the Fund. The Board noted that it would continue to monitor the sharing of economies of scale to determine the appropriateness of adding new or revised breakpoints in the future. Based on this review, as well as the other factors considered at the meeting, the Board, recognizing its responsibility to consider this issue at least annually, concluded that the structure of the investment advisory fee rate reflects appropriate sharing of potential economies of scale with the Fund's shareholders and supported the Board's approval of the continuance of the Advisory Contract for the coming year.

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

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

## *iSHARES® TRUST*

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

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



# Supplemental Information (Unaudited)

## iSHARES® TRUST

### Section 19(a) Notices

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

	Total Cumulative Distributions for the Fiscal Year				% Breakdown of the Total Cumulative Distributions for the Fiscal Year			
	Net				Net			
	Net Investment Income	Realized Capital Gains	Return of Capital	Total Per Share	Net Investment Income	Realized Capital Gains	Return of Capital	Total Per Share
iShares ETF								
MSCI EAFE	\$ 2.183390	\$ —	\$ 0.044526	\$ 2.227916	98%	— %	2%	100%

### Premium/Discount Information

The tables that follow present information about the differences between the daily market price on secondary markets for shares of a Fund and that Fund's net asset value. Net asset value, or "NAV," is the price per share at which each Fund issues and redeems shares. It is calculated in accordance with the standard formula for valuing mutual fund shares. The "Market Price" of each Fund generally is determined using the midpoint between the highest bid and the lowest offer on the primary stock exchange on which the shares of such Fund are listed for trading, as of the time that the Fund's NAV is calculated. Each Fund's Market Price may be at, above or below its NAV. The NAV of each Fund will fluctuate with changes in the fair value of its portfolio holdings. The Market Price of each Fund will fluctuate in accordance with changes in its NAV, as well as market supply and demand.

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

The following information shows the frequency distributions of premiums and discounts for each of the Funds included in this report. The information shown for each Fund is for five calendar years (or for each full calendar quarter completed after the inception date of such Fund if less than five years) through the date of the most recent calendar quarter-end. The specific periods covered for each Fund are disclosed in the table for such Fund.



# Supplemental Information (Unaudited) (Continued)

## iSHARES® TRUST

Each line in the table shows the number of trading days in which the Fund traded within the premium/discount range indicated. The number of trading days in each premium/discount range is also shown as a percentage of the total number of trading days in the period covered by each table. All data presented here represents past performance, which cannot be used to predict future results.

### iShares Currency Hedged MSCI EAFE ETF Period Covered: April 1, 2014 through June 30, 2014

<u>Premium/Discount Range</u>	<u>Number of Days</u>	<u>Percentage of Total Days</u>
<b>Between 0.5% and –0.5%</b> .....	<u>63</u>	<u>100.00%</u>
	<u>63</u>	<u>100.00%</u>

### iShares MSCI EAFE ETF Period Covered: January 1, 2009 through June 30, 2014

<u>Premium/Discount Range</u>	<u>Number of Days</u>	<u>Percentage of Total Days</u>
Greater than 3.0% .....	1	0.07%
Greater than 2.5% and Less than 3.0% .....	5	0.36
Greater than 2.0% and Less than 2.5% .....	6	0.43
Greater than 1.5% and Less than 2.0% .....	25	1.81
Greater than 1.0% and Less than 1.5% .....	60	4.34
Greater than 0.5% and Less than 1.0% .....	277	20.05
<b>Between 0.5% and –0.5%</b> .....	810	58.62
Less than –0.5% and Greater than –1.0% .....	105	7.61
Less than –1.0% and Greater than –1.5% .....	63	4.56
Less than –1.5% and Greater than –2.0% .....	18	1.30
Less than –2.0% and Greater than –2.5% .....	6	0.43
Less than –2.5% and Greater than –3.0% .....	4	0.28
Less than –3.0% and Greater than –3.5% .....	<u>2</u>	<u>0.14</u>
	<u>1,382</u>	<u>100.00%</u>

## Regulation under the Alternative Investment Fund Managers Directive

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

BFA has registered the iShares MSCI EAFE ETF (the “Fund”) to be marketed to EU investors in the United Kingdom, the Netherlands, Finland, Sweden, and Luxembourg.

# Supplemental Information (Unaudited) (Continued)

## iSHARES® TRUST

### Report on Remuneration

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

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

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

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

Compensation decisions for employees are made based on full-year financial results and other non-financial goals and objectives. Alongside financial performance, individual compensation is also based on strategic and operating results and other considerations such as management and leadership capabilities. No set formulas are established and no fixed benchmarks are used in determining annual incentive awards. Bonus pools are reviewed by BlackRock's independent compensation committee, taking into account both actual and projected financial information together with information provided by the Operational Risk and Regulatory Compliance departments in relation to any activities, incidents or events that warrant consideration in making compensation decisions.

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

The figures disclosed are a sum of each individual's portion of remuneration attributable to the Fund according to an objective apportionment methodology. Accordingly the figures are not representative of any individual's actual remuneration or their remuneration structure.

The amount of the total remuneration awarded by BFA to its staff which has been attributed to the iShares MSCI EAFE ETF in respect of BFA's financial year ending December 31, 2013 was USD 10,950,919. This figure is comprised of fixed remuneration of USD 4,305,850 and variable remuneration of USD 6,645,069. There were a total of 436 beneficiaries of the remuneration described above.

The amount of the aggregate remuneration awarded by BFA to its senior management and members of its staff whose actions have a material impact on the risk profile of the iShares MSCI EAFE ETF which has been attributed to the Fund in respect of BFA's financial year ending December 31, 2013 was USD 1,759,348.

# Trustee and Officer Information

## iSHARES® TRUST

The Board of Trustees has responsibility for the overall management and operations of the Trust, including general supervision of the duties performed by BFA and other service providers. Each Trustee serves until he or she resigns, is removed, dies, retires or becomes incapacitated. The President, Chief Compliance Officer, Treasurer and Secretary shall each hold office until their successors are chosen and qualify, and all other officers shall hold office until he or she resigns or is removed. Trustees who are not “interested persons” (as defined in the 1940 Act) of the Trust are referred to as independent trustees (“Independent Trustees”).

The registered investment companies advised by BFA or its affiliates are organized into one complex of closed-end funds, two complexes of open-end funds and one complex of exchange-traded funds (“Exchange-Traded Fund Complex”) (each, a “BlackRock Fund Complex”). Each Fund is included in the BlackRock Fund Complex referred to as the Exchange-Traded Fund Complex. Each Trustee also serves as a Director of iShares, Inc., a Director of iShares MSCI Russia Capped ETF, Inc. and a Trustee of iShares U.S. ETF Trust and, as a result, oversees a total of 311 funds (as of July 31, 2014) within the Exchange-Traded Fund Complex. With the exception of Robert S. Kapito and Mark Wiedman the address of each Trustee and officer is c/o BlackRock, Inc., 400 Howard Street, San Francisco, CA 94105. The address of Mr. Kapito and Mr. Wiedman is c/o BlackRock, Inc., Park Avenue Plaza, 55 East 52<sup>nd</sup> Street, New York, NY 10055. The Board has designated Robert H. Silver as its Independent Chairman. Additional information about the Funds’ Trustees and officers may be found in the Funds’ combined Statement of Additional Information, which is available without charge, upon request, by calling toll-free 1-800-iShares (1-800-474-2737).

### Interested Trustees

Name (Age)	Position	Principal Occupation(s) During the Past 5 Years	Other Directorships Held by Trustee
<b>Robert S. Kapito<sup>a</sup> (57)</b>	Trustee (since 2009).	President and Director, BlackRock, Inc. (since 2006); Vice Chairman of BlackRock, Inc. and Head of BlackRock’s Portfolio Management Group (since its formation in 1998) and BlackRock Inc.’s predecessor entities (since 1988); Trustee, University of Pennsylvania (since 2009); President of Board of Directors, Hope & Heroes Children’s Cancer Fund (since 2002); President of the Board of Directors, Periwinkle Theatre for Youth (since 1983).	Director of BlackRock, Inc. (since 2006); Director of iShares, Inc. (since 2009); Director of iShares MSCI Russia Capped ETF, Inc. (since 2010); Trustee of iShares U.S. ETF Trust (since 2011).
<b>Mark Wiedman<sup>b</sup> (43)</b>	Trustee (since 2013)	Managing Director, BlackRock, Inc. (since 2007); Global Head of iShares (since 2011); Head of Corporate Strategy, BlackRock, Inc. (2009-2011).	Director of iShares, Inc. (since 2013); Director of iShares MSCI Russia Capped ETF, Inc. (since 2013); Trustee of iShares U.S. ETF Trust (since 2013); Director of PennyMac Financial Services, Inc. (since 2008).

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

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

# Trustee and Officer Information (Continued)

## iSHARES® TRUST

### Independent Trustees

Name (Age)	Position	Principal Occupation(s) During the Past 5 Years	Other Directorships Held by Trustee
<b>Robert H. Silver (59)</b>	Trustee (since 2007); Independent Chairman (since 2012).	President and Co-Founder of The Bravitas Group, Inc. (since 2006); Director and Vice Chairman of the YMCA of Greater NYC (2001-2011); Broadway Producer (2006-2011); Co-Founder and Vice President of Parentgiving Inc. (since 2008); Director and Member of the Audit and Compensation Committee of EPAM Systems, Inc. (2006-2009); President and Chief Operating Officer of UBS Financial Services Inc. (formerly Paine Webber Inc.) (2003-2005) and various executive positions with UBS and its affiliates (1988-2005); CPA and Audit Manager of KPMG, LLP (formerly Peat Marwick Mitchell) (1977-1983).	Director of iShares, Inc. (since 2007); Director of iShares MSCI Russia Capped ETF, Inc. (since 2010); Trustee of iShares U.S. ETF Trust (since 2011); Independent Chairman of iShares, Inc., iShares MSCI Russia Capped ETF, Inc. and iShares U.S. ETF Trust (since 2012).
<b>Cecilia H. Herbert (65)</b>	Trustee (since 2005); Nominating and Governance Committee Chair and Equity Plus Committee Chair (since 2012).	Director (1998-2013) and President (2007-2011) of the Board of Directors, Catholic Charities CYO; Trustee (2002-2011) and Chair of the Finance and Investment Committee (2006-2010) of the Thacher School; Member (since 1992) and Chair (1994-2005) of the Investment Committee, Archdiocese of San Francisco; Trustee and Member of the Investment Committee, WNET, the New York public broadcasting/ media company (since 2011).	Director of iShares, Inc. (since 2005); Director of iShares MSCI Russia Capped ETF, Inc. (since 2010); Trustee of iShares U.S. ETF Trust (since 2011); Director of Forward Funds (34 portfolios) (since 2009).
<b>Charles A. Hurty (70)</b>	Trustee (since 2005); Audit Committee Chair (since 2006).	Retired; Partner, KPMG LLP (1968-2001).	Director of iShares, Inc. (since 2005); Director of iShares MSCI Russia Capped ETF, Inc. (since 2010); Trustee of iShares U.S. ETF Trust (since 2011); Director of GMAM Absolute Return Strategy Fund (1 portfolio) (since 2002); Director of SkyBridge Alternative Investments Multi-Adviser Hedge Fund Portfolios LLC (2 portfolios) (since 2002).

# Trustee and Officer Information (Continued)

## iSHARES® TRUST

### Independent Trustees (Continued)

Name (Age)	Position	Principal Occupation(s) During the Past 5 Years	Other Directorships Held by Trustee
<b>John E. Kerrigan (59)</b>	Trustee (since 2005); Fixed Income Plus Committee Chair (since 2012).	Chief Investment Officer, Santa Clara University (since 2002).	Director of iShares, Inc. (since 2005); Director of iShares MSCI Russia Capped ETF, Inc. (since 2010); Trustee of iShares U.S. ETF Trust (since 2011).
<b>John E. Martinez (53)</b>	Trustee (since 2003); Securities Lending Committee Chair (since 2012).	Director of FirstREX Agreement Corp. (formerly EquityRock, Inc.) (since 2005).	Director of iShares, Inc. (since 2003); Director of iShares MSCI Russia Capped ETF, Inc. (since 2010); Trustee of iShares U.S. ETF Trust (since 2011).
<b>George G.C. Parker (75)</b>	Trustee (since 2000).	Dean Witter Distinguished Professor of Finance, Emeritus, Stanford University Graduate School of Business (Professor since 1973; Emeritus since 2006).	Director of iShares, Inc. (since 2002); Director of iShares MSCI Russia Capped ETF, Inc. (since 2010); Trustee of iShares U.S. ETF Trust (since 2011); Director of Tejon Ranch Company (since 1999); Director of Threshold Pharmaceuticals (since 2004); Director of Colony Financial, Inc. (since 2009); Director of First Republic Bank (since 2010).
<b>Madhav V. Rajan (49)</b>	Trustee (since 2011); 15(c) Committee Chair (since 2012).	Robert K. Jaedicke Professor of Accounting and Senior Associate Dean for Academic Affairs and Head of MBA Program, Stanford University Graduate School of Business (since 2001); Professor of Law (by courtesy), Stanford Law School (since 2005); Visiting Professor, University of Chicago (2007-2008).	Director of iShares, Inc. (since 2011); Director of iShares MSCI Russia Capped ETF, Inc. (since 2011); Trustee of iShares U.S. ETF Trust (since 2011); Director, Cavium, Inc. (since 2013).

# Trustee and Officer Information (Continued)

## iSHARES® TRUST

### Officers

Name (Age)	Position	Principal Occupation(s) During the Past 5 Years
<b>Manish Mehta (43)</b>	President (since 2013).	Managing Director, BlackRock, Inc. (since 2009); Chief Operating Officer for iShares (since 2009); Head of Strategy and Corporate Development, BGI (2005-2009); Chief of Staff to the CEO, BGI (2005-2009).
<b>Jack Gee (54)</b>	Treasurer and Chief Financial Officer (since 2008).	Managing Director, BlackRock, Inc. (since 2009); Senior Director of Fund Administration of Intermediary Investor Business, BGI (2009); Director of Fund Administration of Intermediary Investor Business, BGI (2004-2009).
<b>Edward B. Baer (45)</b>	Vice President and Chief Legal Officer (since 2012).	Managing Director of Legal & Compliance, BlackRock, Inc. (since 2006); Director of Legal & Compliance, BlackRock, Inc. (2004-2006).
<b>Eileen M. Clavere (62)</b>	Secretary (since 2007).	Director of Global Fund Administration, BlackRock, Inc. (since 2009); Director of Legal Administration of Intermediary Investor Business, BGI (2006-2009); Legal Counsel and Vice President of Atlas Funds, Atlas Advisers, Inc. and Atlas Securities, Inc. (2005-2006); Counsel at Kirkpatrick & Lockhart LLP (2001-2005).
<b>Scott Radell (45)</b>	Executive Vice President (since 2012).	Managing Director, BlackRock, Inc. (since 2009); Head of Portfolio Solutions, BlackRock, Inc. (since 2009); Head of Portfolio Solutions, BGI (2007-2009); Credit Portfolio Manager, BGI (2005-2007); Credit Research Analyst, BGI (2003-2005).
<b>Amy Schioldager (51)</b>	Executive Vice President (since 2007).	Senior Managing Director, BlackRock, Inc. (since 2009); Global Head of Index Equity, BGI (2008-2009); Global Head of U.S. Indexing, BGI (2006-2008); Head of Domestic Equity Portfolio Management, BGI (2001-2006).
<b>Ira P. Shapiro (51)</b>	Vice President (since 2007).	Managing Director, BlackRock, Inc. (since 2009); Head of Strategic Product Initiatives for iShares (since 2012); Chief Legal Officer, Exchange-Traded Fund Complex (2007-2012); Associate General Counsel, BGI (2004-2009).

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

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

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

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

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

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

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

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

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