

4 November 2015

Market Announcements Office
ASX Limited

ANNUAL REPORT TO SHAREHOLDERS

FOR RELEASE UNDER EACH FUND LISTED BELOW

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

Attached is a copy of the Annual Report which has been lodged with the US Securities and Exchange Commission for an iShares fund(s) with a fiscal year end of 31 August 2015.

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

All information included in the attached document relating to funds of iShares, Inc. not detailed in the below table should be disregarded.

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

ASX Code	Issuer	Fund
IJP	iShares, Inc.	iShares MSCI Japan ETF
IKO	iShares, Inc.	iShares MSCI South Korea Capped 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 www.blackrock.com/au/ishares or call (1300 474 273).

*** END ***

2015 ANNUAL REPORT

iShares[®]
by BLACKROCK[®]

iShares, Inc.

- ▶ iShares MSCI Australia ETF | EWA | NYSE Arca
- ▶ iShares MSCI Canada ETF | EWC | NYSE Arca
- ▶ iShares MSCI Japan ETF | EWJ | NYSE Arca
- ▶ iShares MSCI Mexico Capped ETF | EWW | NYSE Arca
- ▶ iShares MSCI South Korea Capped ETF | EWY | NYSE Arca

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Management's Discussion of Fund Performance

iSHARES®, INC.

GLOBAL MARKET OVERVIEW

Global equity markets delivered a negative return for the 12 months ended August 31, 2015 (the "reporting period"). The MSCI ACWI, a broad global equity index that includes both developed and emerging markets, returned -6.29% for the reporting period.

The reporting period was characterized by a continued divergence in economic growth and central bank policy between the U.S. and the rest of the world. Despite a slowdown in early 2015, the U.S. economy remained one of the strongest economies among developed countries, which motivated the U.S. Federal Reserve Bank (the "Fed") to scale back its economic stimulus measures. The Fed ended a two-year quantitative easing program in October 2014 and signaled its intent to raise its short-term interest rate target sometime in 2015. In contrast, weaker economic growth in most other regions of the globe led many of the world's central banks to take more aggressive actions to stimulate economic activity.

This divergence contributed to a notably stronger U.S. dollar. For the reporting period, the euro, Japanese yen, British pound and Australian dollar declined by 15%, 14%, 7%, and 24% against the U.S. dollar, respectively. Weaker foreign currencies decrease the value of foreign investments measured in U.S. dollars, thereby decreasing returns for U.S. investors, while increasing foreign currencies relative to the U.S. dollar have the opposite effect. Currency performance had a meaningful impact on non-U.S. equity returns for U.S. investors. For example, the MSCI ACWI returned 0.59% in local currency terms for the reporting period.

A number of other factors influenced global markets during the reporting period. Energy prices fell sharply amid growing supply — primarily from increased production in the U.S. — and declining global demand. Lower energy prices contributed to historically low and declining inflation rates in most of the world. Consumer prices were nearly unchanged in the U.S., the European Union, and Japan, while prices in China and India rose at a relatively slow rate. Low inflation and tepid demand kept the Fed's zero interest rate policy intact, while central banks throughout the world took aggressive measures to stimulate demand.

Global markets advanced for most of the reporting period, then declined sharply in the last few months of the reporting period. The volatility began in China, as slowing economic growth led to a steep drop in China's equity markets. Plummeting commodity prices amid already subdued inflation also raised concerns about global demand. Currency devaluations in Asia, including China, Vietnam, Pakistan, and Kazakhstan, led to speculation that Asian countries were weakening their currencies to compete for demand. These global events led to further uncertainty about the timing of an expected interest rate hike from the Fed.

On a regional basis, U.S. stocks advanced by less than 1% for the reporting period as declining interest rates, ongoing economic growth, and low inflation provided a favorable environment for U.S. equity market performance. After generating its fastest quarterly growth rate in 11 years in the third quarter of 2014, the U.S. economy slowed over the next two quarters. Economic activity improved over the last several months of the reporting period, boosted by an increase in consumer spending.

European stocks declined by about 8% in U.S. dollar terms for the reporting period, though they advanced more than 3% when measured in local currencies. The European Central Bank initiated quantitative easing measures in early 2015, and signs of economic improvement emerged in the latter half of the reporting period. A tentative agreement on Greece's debt repayment helped alleviate ongoing concerns about Europe's sovereign debt levels.

Stock markets in the Asia/Pacific region (excluding Japan) declined by approximately 19% in U.S. dollar terms, which equated to an 8% decline when measured in local currencies. China's economic slowdown weighed heavily on the region, as China is the largest trading partner of many countries in the region. On the bright side, Japanese stocks performed relatively well, as ongoing economic stimulus and reform measures led to a 4% gain in U.S. dollar terms (22% when measured in Japanese yen).

Emerging markets stocks fell by approximately 23% in U.S. dollar terms for the reporting period, though the decline was about 10% when measured in local currencies. Many of the largest emerging economies — including China, Russia, and Brazil — experienced slowing economic growth during the reporting period. Latin American stocks posted some of the biggest declines, as the region struggled with slow growth and declining commodity prices.

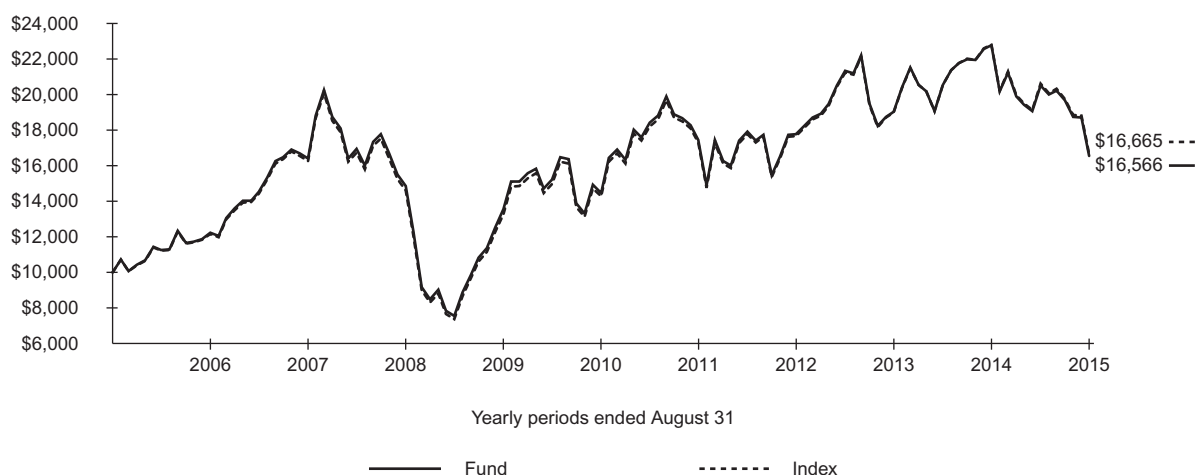
Management's Discussion of Fund Performance

iSHARES® MSCI AUSTRALIA ETF

Performance as of August 31, 2015

	Average Annual Total Returns			Cumulative Total Returns		
	NAV	MARKET	INDEX	NAV	MARKET	INDEX
1 Year	(27.31)%	(27.42)%	(27.01)%	(27.31)%	(27.42)%	(27.01)%
5 Years	2.73%	2.55%	3.14%	14.42%	13.40%	16.71%
10 Years	5.18%	5.04%	5.24%	65.66%	63.47%	66.65%

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



Past performance is no guarantee of future results. Performance results do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares. See "About Fund Performance" on page 16 for more information.

Shareholder Expenses

Actual			Hypothetical 5% Return			
Beginning Account Value (3/1/15)	Ending Account Value (8/31/15)	Expenses Paid During Period ^a	Beginning Account Value (3/1/15)	Ending Account Value (8/31/15)	Expenses Paid During Period ^a	Annualized Expense Ratio
\$ 1,000.00	\$ 807.00	\$ 2.14	\$ 1,000.00	\$ 1,022.80	\$ 2.40	0.47%

^a Expenses are calculated using the Fund's annualized expense ratio (as disclosed in the table), multiplied by the average account value for the period, multiplied by the number of days in the period (184 days) and divided by the number of days in the year (365 days). See "Shareholder Expenses" on page 16 for more information.

Management's Discussion of Fund Performance (Continued)

iSHARES® MSCI AUSTRALIA ETF

The iShares MSCI Australia ETF (the "Fund") seeks to track the investment results of an index composed of Australian equities, as represented by the MSCI Australia Index (the "Index"). The Fund invests in a representative sample of securities included in the Index that collectively has an investment profile similar to the Index. Due to the use of representative sampling, the Fund may or may not hold all of the securities that are included in the Index. For the 12-month reporting period ended August 31, 2015, the total return for the Fund was -27.31%, net of fees, while the total return for the Index was -27.01%.

As represented by the Index, Australian stocks delivered a negative return for the reporting period and significantly underperformed broad international equity indexes. The Australian dollar depreciated by about 24% relative to the U.S. dollar, which meaningfully detracted from the Index's performance. In addition, like most global equity markets, Australia declined near the end of the reporting period, sparked by a sharp correction in China's equity market.

Australia's economy grew more slowly in 2015's second quarter than in the first. The rate was the slowest in more than two years as exports declined amid an economic slowdown in China, a key export market for Australia. The Australian economy, which relies heavily on resources exports, has been hindered by slackening demand from China, which in turn has contributed to lower metals and oil prices, as well as a weaker currency and falling revenues. The country's largest exports are iron ore and coal, and data for the second quarter of 2015 indicated a significant decline in mining production. On the positive side, household spending rose, as did government expenditures.

In U.S. dollar terms, every sector of the Index declined for the reporting period. Financials, which represented more than half of the Index on average during the reporting period, significantly hindered the Index's performance. Within the financials sector, banks were the largest drag on performance. The materials sector was also a significant detractor from the Index's return, largely due to the metals and mining industry. The utilities and information technology sectors detracted the least from the Index's return for the reporting period.

ALLOCATION BY SECTOR As of 8/31/15

<i>Sector</i>	<i>Percentage of Total Investments*</i>
Financials	53.32%
Materials	15.14
Consumer Staples	7.89
Health Care	6.07
Industrials	6.04
Energy	4.35
Telecommunication Services	2.46
Consumer Discretionary	2.21
Utilities	2.10
Information Technology	0.42
TOTAL	<u>100.00%</u>

TEN LARGEST FUND HOLDINGS As of 8/31/15

<i>Security</i>	<i>Percentage of Total Investments*</i>
Commonwealth Bank of Australia	11.45%
Westpac Banking Corp.	8.72
National Australia Bank Ltd.	7.32
BHP Billiton Ltd.	7.26
Australia & New Zealand Banking Group Ltd.	6.94
Wesfarmers Ltd.	4.10
CSL Ltd.	3.86
Woolworths Ltd.	3.00
Telstra Corp. Ltd.	2.22
Woodside Petroleum Ltd.	2.15
TOTAL	<u>57.02%</u>

* Excludes money market funds.

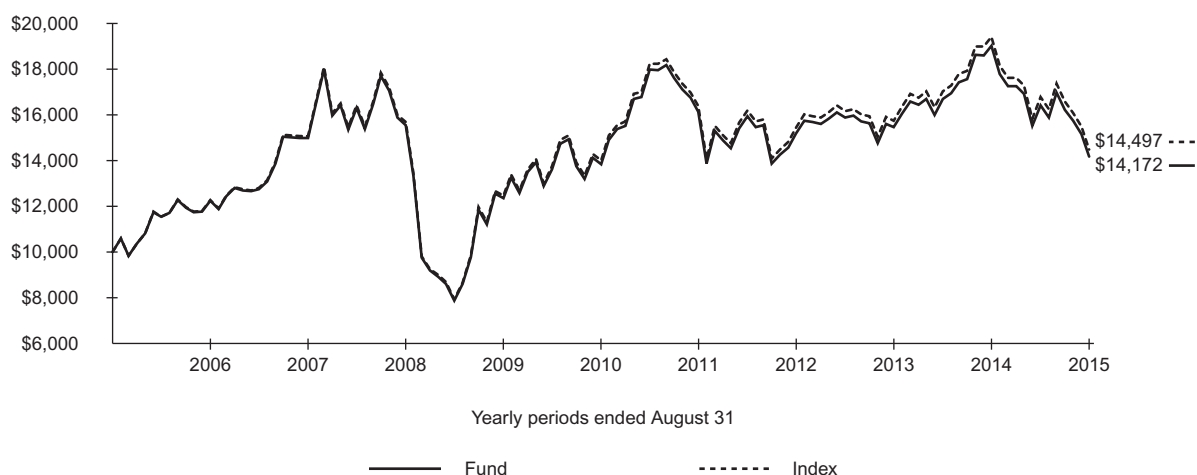
Management's Discussion of Fund Performance

iSHARES® MSCI CANADA ETF

Performance as of August 31, 2015

	Average Annual Total Returns			Cumulative Total Returns		
	NAV	MARKET	INDEX	NAV	MARKET	INDEX
1 Year	(25.48)%	(24.59)%	(25.31)%	(25.48)%	(24.59)%	(25.31)%
5 Years	0.47%	0.69%	0.69%	2.37%	3.48%	3.49%
10 Years	3.55%	3.58%	3.78%	41.72%	42.20%	44.97%

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



Past performance is no guarantee of future results. Performance results do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares. See "About Fund Performance" on page 16 for more information.

Shareholder Expenses

Actual			Hypothetical 5% Return			
Beginning Account Value (3/1/15)	Ending Account Value (8/31/15)	Expenses Paid During Period ^a	Beginning Account Value (3/1/15)	Ending Account Value (8/31/15)	Expenses Paid During Period ^a	Annualized Expense Ratio
\$ 1,000.00	\$ 862.90	\$ 2.21	\$ 1,000.00	\$ 1,022.80	\$ 2.40	0.47%

^a Expenses are calculated using the Fund's annualized expense ratio (as disclosed in the table), multiplied by the average account value for the period, multiplied by the number of days in the period (184 days) and divided by the number of days in the year (365 days). See "Shareholder Expenses" on page 16 for more information.

Management's Discussion of Fund Performance (Continued)

iSHARES® MSCI CANADA ETF

The iShares MSCI Canada ETF (the "Fund") seeks to track the investment results of an index composed of Canadian equities, as represented by the MSCI Canada Index (the "Index"). The Fund invests in a representative sample of securities included in the Index that collectively has an investment profile similar to the Index. Due to the use of representative sampling, the Fund may or may not hold all of the securities that are included in the Index. For the 12-month reporting period ended August 31, 2015, the total return for the Fund was -25.48%, net of fees, while the total return for the Index was -25.31%.

As represented by the Index, Canadian stocks delivered a negative return for the reporting period and significantly underperformed broad international equity indexes. The Canadian dollar depreciated by about 18% relative to the U.S. dollar over the reporting period, which meaningfully detracted from the Index's performance. In addition, like most global equity markets, Canada declined late in the reporting period, sparked by a sharp correction in China's equity market.

In 2015's second quarter, Canada's economy contracted for the second consecutive quarter, putting the country in recession for the first time since the 2008–09 financial crisis. Economic weakness has been concentrated in the energy sector amid a significant decline in oil prices. Oil-exporting provinces have been the hardest hit by reduced demand for energy. The Bank of Canada has twice cut interest rates in 2015 to help support the economy.

In terms of sector performance, energy and financials, which together represented more than 60% of the Index on average during the reporting period, detracted the most from the Index's performance in U.S. dollar terms. While energy stocks declined across the board, banks were the main drag in the financials sector. The materials sector was also a large detractor from the Index's return, due largely to the mining and metals industry. In contrast, the healthcare sector contributed positively to the Index's performance for the reporting period, led by the pharmaceuticals industry. To a lesser extent, the consumer staples sector helped the Index's return, largely due to the food and staples retailing industry.

ALLOCATION BY SECTOR As of 8/31/15

<i>Sector</i>	<i>Percentage of Total Investments*</i>
Financials	39.05%
Energy	20.87
Materials	8.73
Industrials	7.28
Health Care	6.89
Consumer Discretionary	6.49
Consumer Staples	4.72
Information Technology	2.36
Telecommunication Services	2.28
Utilities	1.33
TOTAL	<u>100.00%</u>

TEN LARGEST FUND HOLDINGS As of 8/31/15

<i>Security</i>	<i>Percentage of Total Investments*</i>
Royal Bank of Canada	7.37%
Valeant Pharmaceuticals International Inc.	6.89
Toronto-Dominion Bank (The)	6.75
Bank of Nova Scotia (The)	4.93
Canadian National Railway Co.	4.08
Suncor Energy Inc.	3.74
Enbridge Inc.	3.23
Bank of Montreal	3.21
Manulife Financial Corp.	2.93
Canadian Imperial Bank of Commerce/Canada	2.68
TOTAL	<u>45.81%</u>

* Excludes money market funds.

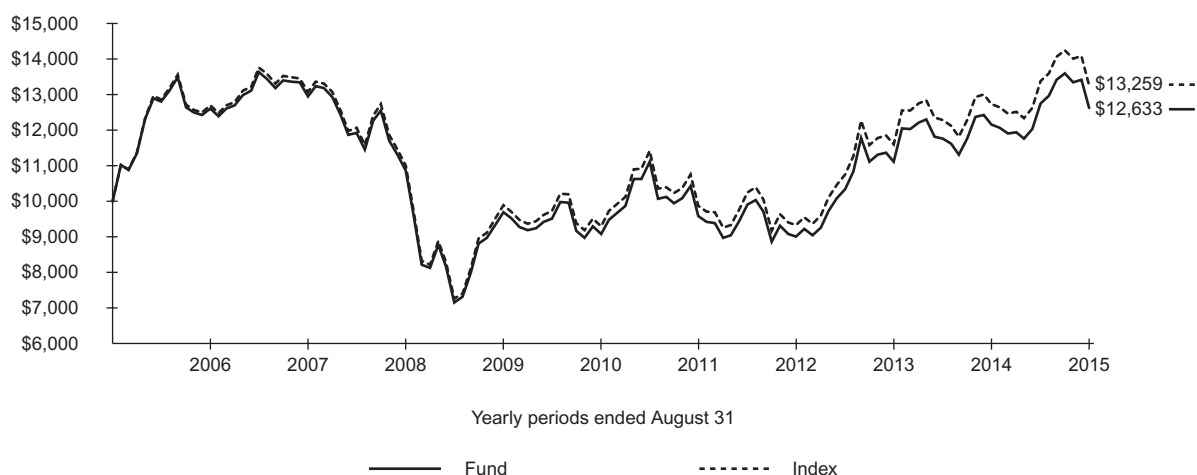
Management's Discussion of Fund Performance

iSHARES® MSCI JAPAN ETF

Performance as of August 31, 2015

	Average Annual Total Returns			Cumulative Total Returns		
	NAV	MARKET	INDEX	NAV	MARKET	INDEX
1 Year	3.84%	3.84%	4.17%	3.84%	3.84%	4.17%
5 Years	6.84%	6.86%	7.35%	39.18%	39.37%	42.60%
10 Years	2.37%	2.18%	2.86%	26.33%	24.05%	32.59%

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



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Shareholder Expenses

Actual			Hypothetical 5% Return			
Beginning Account Value (3/1/15)	Ending Account Value (8/31/15)	Expenses Paid During Period ^a	Beginning Account Value (3/1/15)	Ending Account Value (8/31/15)	Expenses Paid During Period ^a	Annualized Expense Ratio
\$ 1,000.00	\$ 990.40	\$ 2.36	\$ 1,000.00	\$ 1,022.80	\$ 2.40	0.47%

^a Expenses are calculated using the Fund's annualized expense ratio (as disclosed in the table), multiplied by the average account value for the period, multiplied by the number of days in the period (184 days) and divided by the number of days in the year (365 days). See "Shareholder Expenses" on page 16 for more information.

Management's Discussion of Fund Performance (Continued)

iSHARES® MSCI JAPAN ETF

The **iShares MSCI Japan ETF** (the "Fund") seeks to track the investment results of an index composed of Japanese equities, as represented by the MSCI Japan Index (the "Index"). The Fund invests in a representative sample of securities included in the Index that collectively has an investment profile similar to the Index. Due to the use of representative sampling, the Fund may or may not hold all of the securities that are included in the Index. For the 12-month reporting period ended August 31, 2015, the total return for the Fund was 3.84%, net of fees, while the total return for the Index was 4.17%.

As represented by the Index, Japanese stocks posted a positive return for the reporting period and significantly outperformed broader international equity indexes, most of which declined.

However, the Japanese yen depreciated by 14% relative to the U.S. dollar, which meaningfully detracted from the Index's performance. In addition, like most global equity markets, Japan declined late in the reporting period, sparked by a sharp correction in China's equity market. Japan's economy shrank in 2015's second quarter, the first quarterly contraction since the third quarter of 2014. Several areas of the economy have shown signs of weakness, including automobile registrations and industrial production. In addition, slowing growth in China has muted expectations for exports, despite a weaker Japanese yen, which tends to make the country's exports less expensive. Nonetheless, the Japanese economy grew modestly overall for the 12 months ended June 30, 2015, thanks in part to the Bank of Japan's aggressive economic stimulus measures. These efforts provided a favorable environment for equity market performance in Japan.

In U.S. dollar terms, most sectors helped the Index's return for the reporting period. The financials and healthcare sectors were the strongest contributors to the Index's performance. Banks and insurers provided the largest contribution to the financials sector's return, while the pharmaceuticals industry boosted performance in healthcare. Conversely, the industrials sector detracted the most from the Index's performance for the reporting period, particularly the capital goods industry. The energy and materials sectors also hindered the Index's return, largely due to lower commodity prices.

ALLOCATION BY SECTOR As of 8/31/15

<i>Sector</i>	<i>Percentage of Total Investments*</i>
Consumer Discretionary	21.55%
Financials	19.56
Industrials	18.58
Information Technology	10.47
Health Care	7.96
Consumer Staples	7.30
Telecommunication Services	5.57
Materials	5.39
Utilities	2.70
Energy	0.92
TOTAL	<u>100.00%</u>

TEN LARGEST FUND HOLDINGS As of 8/31/15

<i>Security</i>	<i>Percentage of Total Investments*</i>
Toyota Motor Corp.	5.71%
Mitsubishi UFJ Financial Group Inc.	2.97
SoftBank Group Corp.	1.97
Sumitomo Mitsui Financial Group Inc.	1.86
Honda Motor Co. Ltd.	1.82
Mizuho Financial Group Inc.	1.67
KDDI Corp.	1.54
Japan Tobacco Inc.	1.38
Takeda Pharmaceutical Co. Ltd.	1.35
Sony Corp.	1.15
TOTAL	<u>21.42%</u>

* Excludes money market funds.

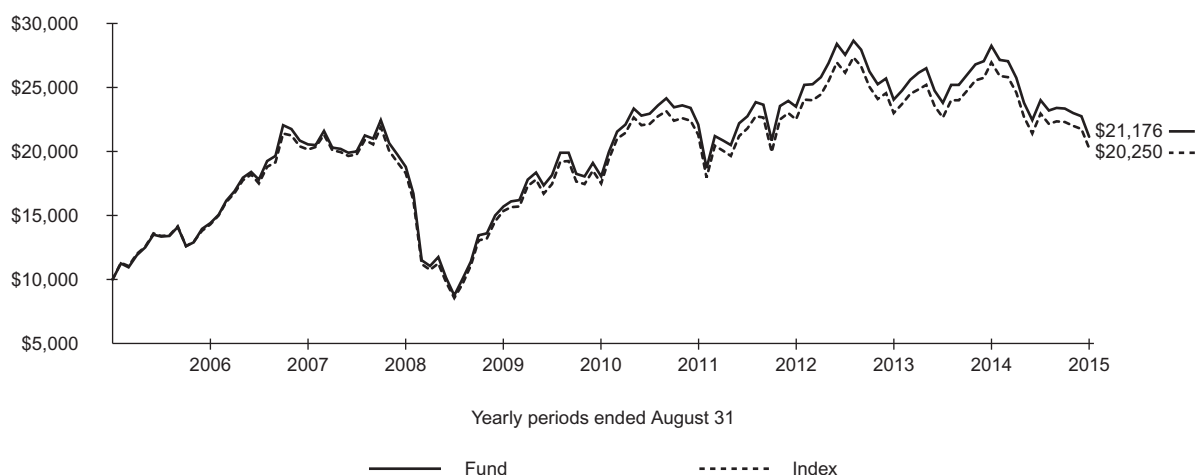
Management's Discussion of Fund Performance

iSHARES® MSCI MEXICO CAPPED ETF

Performance as of August 31, 2015

	Average Annual Total Returns			Cumulative Total Returns		
	NAV	MARKET	INDEX	NAV	MARKET	INDEX
1 Year	(25.10)%	(25.17)%	(24.87)%	(25.10)%	(25.17)%	(24.87)%
5 Years	3.26%	3.35%	2.94%	17.39%	17.93%	15.60%
10 Years	7.79%	7.75%	7.31%	111.76%	110.91%	102.50%

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



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

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 16 for more information.

Shareholder Expenses

Actual			Hypothetical 5% Return			
Beginning Account Value (3/1/15)	Ending Account Value (8/31/15)	Expenses Paid During Period ^a	Beginning Account Value (3/1/15)	Ending Account Value (8/31/15)	Expenses Paid During Period ^a	Annualized Expense Ratio
\$ 1,000.00	\$ 881.70	\$ 2.23	\$ 1,000.00	\$ 1,022.80	\$ 2.40	0.47%

^a Expenses are calculated using the Fund's annualized expense ratio (as disclosed in the table), multiplied by the average account value for the period, multiplied by the number of days in the period (184 days) and divided by the number of days in the year (365 days). See "Shareholder Expenses" on page 16 for more information.

Management's Discussion of Fund Performance (Continued)

iSHARES® MSCI MEXICO CAPPED ETF

The iShares MSCI Mexico Capped ETF (the "Fund") seeks to track the investment results of a broad-based index composed of Mexican equities, as represented by the MSCI Mexico Investable Market Index 25/50 (the "Index"). The Fund invests in a representative sample of securities included in the Index that collectively has an investment profile similar to the Index. Due to the use of representative sampling, the Fund may or may not hold all of the securities that are included in the Index. For the 12-month reporting period ended August 31, 2015, the total return for the Fund was -25.10%, net of fees, while the total return for the Index was -24.87%.

As represented by the Index, Mexican stocks delivered a negative return for the reporting period and significantly underperformed broad international equity indexes. The Mexican peso fell about 22% relative to the U.S. dollar over the reporting period, which meaningfully detracted from the Index's performance. In addition, like most global equity markets, Mexico declined near the end of the reporting period, sparked by a sharp correction in China's equity market.

Mexico has benefited from reforms instituted by the government to help make major industries such as oil and telecommunication services more competitive. The reforms have led to lower electricity and telecommunications prices, which has helped keep inflation low, but they have yet to contribute much to economic growth. The country's economic growth rate was steady but modest during the reporting period, while the Mexican peso fell to record lows against the U.S. dollar late in the reporting period, sparking worries of a peso crisis similar to the one in 1994.

In U.S. dollar terms, every sector of the Index declined for the reporting period, with the financials sector having the most significant negative impact on the Index's performance. Within the sector, banks detracted the most as they have been pressured by the peso's depreciation against the U.S. dollar and the prospects of higher interest rates, which can make financing more difficult. The materials sector was also a large detractor from the Index's return, weighed down by declines in the construction materials and metals and mining industries. The healthcare and consumer discretionary sectors detracted the least from the Index's return.

ALLOCATION BY SECTOR As of 8/31/15

<i>Sector</i>	<i>Percentage of Total Investments*</i>
Consumer Staples	26.89%
Financials	19.91
Telecommunication Services	15.84
Materials	13.31
Industrials	12.69
Consumer Discretionary	10.88
Health Care	0.48
TOTAL	<u>100.00%</u>

TEN LARGEST FUND HOLDINGS As of 8/31/15

<i>Security</i>	<i>Percentage of Total Investments*</i>
America Movil SAB de CV	15.56%
Fomento Economico Mexicano SAB de CV	8.31
Grupo Televisa SAB	7.53
Wal-Mart de Mexico SAB de CV	6.17
Grupo Financiero Banorte SAB de CV	5.88
Cemex SAB de CV CPO	4.77
Grupo Mexico SAB de CV Series B	4.68
Alfa SAB de CV	3.27
Fibra Uno Administracion SA de CV	2.93
Grupo Financiero Inbursa SAB de CV Series O	2.87
TOTAL	<u>61.97%</u>

* Excludes money market funds.

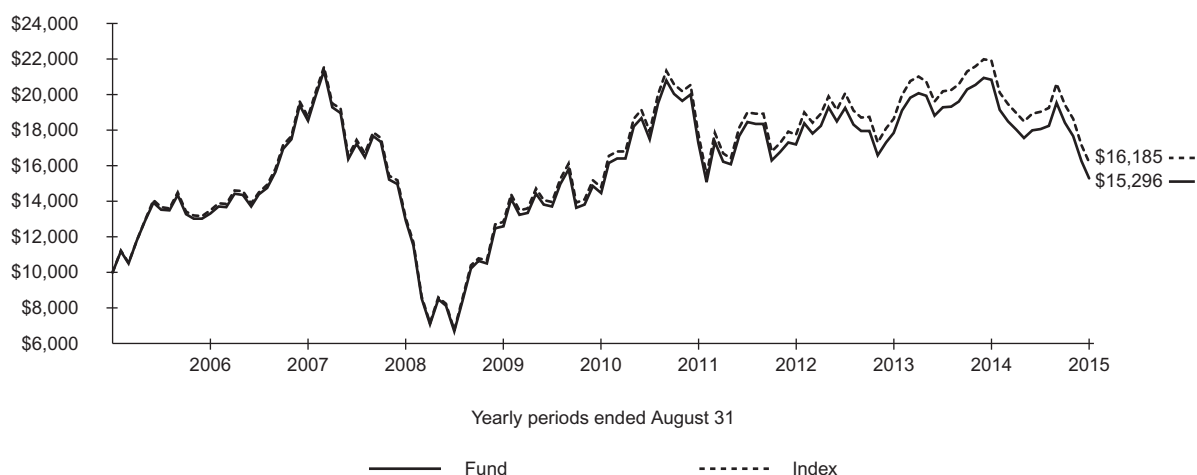
Management's Discussion of Fund Performance

iSHARES® MSCI SOUTH KOREA CAPPED ETF

Performance as of August 31, 2015

	Average Annual Total Returns			Cumulative Total Returns		
	NAV	MARKET	INDEX	NAV	MARKET	INDEX
1 Year	(26.58)%	(27.07)%	(26.13)%	(26.58)%	(27.07)%	(26.13)%
5 Years	1.14%	0.98%	1.83%	5.81%	5.01%	9.47%
10 Years	4.34%	4.37%	4.93%	52.96%	53.43%	61.85%

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



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

Past performance is no guarantee of future results. Performance results do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares. See "About Fund Performance" on page 16 for more information.

Shareholder Expenses

Actual			Hypothetical 5% Return			
Beginning Account Value (3/1/15)	Ending Account Value (8/31/15)	Expenses Paid During Period ^a	Beginning Account Value (3/1/15)	Ending Account Value (8/31/15)	Expenses Paid During Period ^a	Annualized Expense Ratio
\$ 1,000.00	\$ 846.20	\$ 2.89	\$ 1,000.00	\$ 1,022.10	\$ 3.16	0.62%

^a Expenses are calculated using the Fund's annualized expense ratio (as disclosed in the table), multiplied by the average account value for the period, multiplied by the number of days in the period (184 days) and divided by the number of days in the year (365 days). See "Shareholder Expenses" on page 16 for more information.

Management's Discussion of Fund Performance (Continued)

iSHARES® MSCI SOUTH KOREA CAPPED ETF

The iShares MSCI South Korea Capped ETF (the "Fund") seeks to track the investment results of an index composed of South Korean equities, as represented by the MSCI Korea 25/50 Index (the "Index"). The Fund invests in a representative sample of securities included in the Index that collectively has an investment profile similar to the Index. Due to the use of representative sampling, the Fund may or may not hold all of the securities that are included in the Index. For the 12-month reporting period ended August 31, 2015, the total return for the Fund was -26.58%, net of fees, while the total return for the Index was -26.13%.

As represented by the Index, South Korean stocks delivered a negative return for the reporting period and significantly underperformed broad international equity indexes. The South Korean won depreciated by about 14% relative to the U.S. dollar, which meaningfully detracted from the Index's performance. In addition, like most global equity markets, South Korea declined near the end of the reporting period, sparked by a sharp correction in China's equity market.

South Korea's economic growth slowed during the reporting period, driven primarily by a decline in exports, which account for about half the country's economy. Exports have dropped in each of the first seven months of 2015, partly due to the South Korean won's strength compared to the Japanese yen and the euro. Other challenges for the South Korean economy included the recent devaluation of the Chinese yuan, which reduced Chinese tourist visits, and an outbreak of Middle East Respiratory Syndrome that restrained domestic consumption.

In terms of sector performance, information technology, which represented more than one-third of the Index on average during the reporting period, significantly hindered the Index's return in U.S. dollar terms. Within the sector, the technology hardware and equipment industry struggled amid the decline in exports. The consumer discretionary sector was also a large detractor from the Index's return, due largely to the autos and components industry. Conversely, the consumer staples and healthcare sectors modestly helped the Index's performance for the reporting period. Within consumer staples, the household and personal products industry supported the Index's return, while the pharmaceuticals industry boosted performance in healthcare.

ALLOCATION BY SECTOR As of 8/31/15

<i>Sector</i>	<i>Percentage of Total Investments*</i>
Information Technology	32.91%
Consumer Discretionary	17.27
Financials	14.77
Industrials	11.08
Consumer Staples	8.94
Materials	8.22
Utilities	2.34
Energy	2.02
Health Care	1.40
Telecommunication Services	1.05
TOTAL	<u>100.00%</u>

TEN LARGEST FUND HOLDINGS As of 8/31/15

<i>Security</i>	<i>Percentage of Total Investments*</i>
Samsung Electronics Co. Ltd.	19.59%
Hyundai Motor Co.	3.92
SK Hynix Inc.	3.56
Shinhan Financial Group Co. Ltd.	2.89
Hyundai Mobis Co. Ltd.	2.42
NAVER Corp.	2.38
KB Financial Group Inc.	2.37
Samsung Electronics Co. Ltd. (Preferred)	2.25
POSCO	2.22
Kia Motors Corp.	2.21
TOTAL	<u>43.81%</u>

* 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. Performance results assume reinvestment of all dividends and capital gain distributions and do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares. The investment return and principal value of shares will vary with changes in market conditions. Shares may be worth more or less than their original cost when they are redeemed or sold in the market. Performance for certain funds may reflect a waiver of a portion of investment advisory fees. Without such a waiver, performance would have been lower.

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

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

Shareholder Expenses

As a shareholder of a Fund, you incur two types of costs: (1) transaction costs, including brokerage commissions on purchases and sales of fund shares and (2) ongoing costs, including management fees and other fund expenses. The expense example, which is based on an investment of \$1,000 invested on March 1, 2015 and held through August 31, 2015, is intended to help you understand your ongoing costs (in dollars and cents) of investing in a Fund and to compare these costs with the ongoing costs of investing in other funds.

Actual Expenses — The table provides information about actual account values and actual expenses. Annualized expense ratios reflect contractual and voluntary fee waivers, if any. To estimate the expenses that you paid on your account over the period, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number corresponding to 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® MSCI AUSTRALIA ETF

August 31, 2015

Security	Shares	Value
COMMON STOCKS — 98.79%		
AIRLINES — 0.16%		
Qantas Airways Ltd. ^a	843,882	\$ 2,010,187
		2,010,187
BANKS — 34.87%		
Australia & New Zealand Banking Group Ltd.	4,251,119	84,176,277
Bank of Queensland Ltd.	569,774	5,117,935
Bendigo & Adelaide Bank Ltd.	697,102	5,421,488
Commonwealth Bank of Australia	2,610,182	138,934,650
National Australia Bank Ltd.	4,019,267	88,817,629
Westpac Banking Corp.	4,795,496	105,732,729
		428,200,708
BEVERAGES — 0.77%		
Coca-Cola Amatil Ltd.	880,188	5,241,677
Treasury Wine Estates Ltd.	1,000,938	4,229,304
		9,470,981
BIOTECHNOLOGY — 3.81%		
CSL Ltd.	718,977	46,827,851
		46,827,851
CAPITAL MARKETS — 2.16%		
Macquarie Group Ltd.	461,115	24,822,080
Platinum Asset Management Ltd.	360,373	1,729,643
		26,551,723
CHEMICALS — 1.04%		
Incitec Pivot Ltd.	2,575,315	6,408,450
Orica Ltd.	569,611	6,404,674
		12,813,124
COMMERCIAL SERVICES & SUPPLIES — 1.37%		
Brambles Ltd.	2,408,296	16,800,433
		16,800,433
CONSTRUCTION & ENGINEERING — 0.21%		
CIMIC Group Ltd.	156,071	2,590,235
		2,590,235
CONSTRUCTION MATERIALS — 1.09%		
Boral Ltd.	1,180,888	4,721,754
James Hardie Industries PLC	691,310	8,611,129
		13,332,883
CONTAINERS & PACKAGING — 1.45%		
Amcor Ltd./Australia	1,832,663	17,825,932
		17,825,932

Security	Shares	Value
DIVERSIFIED FINANCIAL SERVICES — 0.68%		
ASX Ltd.	297,541	\$ 8,319,539
		8,319,539
DIVERSIFIED TELECOMMUNICATION SERVICES — 2.43%		
Telstra Corp. Ltd.	6,576,498	26,902,090
TPG Telecom Ltd.	441,793	2,941,033
		29,843,123
ELECTRIC UTILITIES — 0.20%		
AusNet Services	2,664,211	2,464,874
		2,464,874
ENERGY EQUIPMENT & SERVICES — 0.14%		
WorleyParsons Ltd.	319,312	1,700,085
		1,700,085
FOOD & STAPLES RETAILING — 7.02%		
Wesfarmers Ltd.	1,727,127	49,785,992
Woolworths Ltd.	1,946,636	36,433,777
		86,219,769
GAS UTILITIES — 0.87%		
APA Group	1,712,615	10,648,167
		10,648,167
HEALTH CARE EQUIPMENT & SUPPLIES — 0.43%		
Cochlear Ltd.	87,728	5,313,298
		5,313,298
HEALTH CARE PROVIDERS & SERVICES — 1.75%		
Healthscope Ltd.	1,730,342	3,263,090
Ramsay Health Care Ltd.	217,406	9,626,957
Sonic Healthcare Ltd.	586,929	8,621,659
		21,511,706
HOTELS, RESTAURANTS & LEISURE — 1.77%		
Aristocrat Leisure Ltd.	828,021	4,954,494
Crown Resorts Ltd.	559,744	4,539,740
Flight Centre Travel Group Ltd. ^b	85,216	2,235,917
Tabcorp Holdings Ltd.	1,274,732	4,184,229
Tatts Group Ltd.	2,244,879	5,856,744
		21,771,124
INSURANCE — 6.25%		
AMP Ltd.	4,545,838	19,175,489
Insurance Australia Group Ltd.	3,598,905	12,935,817
Medibank Pvt Ltd. ^a	4,232,719	6,991,830
QBE Insurance Group Ltd.	2,104,278	19,692,124
Suncorp Group Ltd.	1,977,415	17,986,224
		76,781,484

Schedule of Investments (Continued)

iSHARES® MSCI AUSTRALIA ETF

August 31, 2015

Security	Shares	Value
IT SERVICES — 0.42%		
Computershare Ltd.	726,617	\$ 5,099,837
		5,099,837
MEDIA — 0.19%		
REA Group Ltd.	80,970	2,371,346
		2,371,346
METALS & MINING — 11.38%		
Alumina Ltd.	3,881,652	3,604,985
BHP Billiton Ltd.	4,936,145	88,116,888
Fortescue Metals Group Ltd. ^b	2,392,798	3,240,074
Iluka Resources Ltd.	643,507	3,389,671
Newcrest Mining Ltd. ^a	1,178,075	9,354,196
Rio Tinto Ltd.	652,168	23,251,803
South32 Ltd. ^a	8,182,263	8,817,238
		139,774,855
MULTI-UTILITIES — 1.01%		
AGL Energy Ltd.	1,036,959	12,416,716
		12,416,716
MULTILINE RETAIL — 0.22%		
Harvey Norman Holdings Ltd.	853,436	2,625,888
		2,625,888
OIL, GAS & CONSUMABLE FUELS — 4.16%		
Caltex Australia Ltd.	414,970	9,378,870
Origin Energy Ltd.	1,705,325	9,986,257
Santos Ltd.	1,542,045	5,608,283
Woodside Petroleum Ltd.	1,139,664	26,064,939
		51,038,349
PROFESSIONAL SERVICES — 0.36%		
Seek Ltd.	502,353	4,394,806
		4,394,806
REAL ESTATE INVESTMENT TRUSTS (REITS) — 8.03%		
Dexus Property Group	1,475,727	7,710,615
Federation Centres	5,171,550	10,375,826
Goodman Group	2,694,298	11,651,745
GPT Group (The)	2,731,772	8,695,735
Mirvac Group	5,683,007	7,050,692
Scentre Group	8,183,077	22,103,301
Stockland	3,629,798	10,061,778
Westfield Corp.	3,034,184	20,973,072
		98,622,764
REAL ESTATE MANAGEMENT & DEVELOPMENT — 0.68%		
Lend Lease Group	847,517	8,375,808
		8,375,808

Security	Shares	Value
ROAD & RAIL — 1.67%		
Asciano Ltd.	1,499,098	\$ 9,023,047
Aurizon Holdings Ltd.	3,261,419	11,468,426
		20,491,473
TRANSPORTATION INFRASTRUCTURE — 2.20%		
Sydney Airport	1,669,024	6,803,712
Transurban Group	2,942,394	20,192,575
		26,996,287
TOTAL COMMON STOCKS		
(Cost: \$1,644,489,387)		1,213,205,355
SHORT-TERM INVESTMENTS — 0.48%		
MONEY MARKET FUNDS — 0.48%		
BlackRock Cash Funds: Institutional,		
SL Agency Shares		
0.18% ^{c,d,e}	5,512,337	5,512,337
BlackRock Cash Funds: Prime,		
SL Agency Shares		
0.18% ^{c,d,e}	316,546	316,546
BlackRock Cash Funds: Treasury,		
SL Agency Shares		
0.03% ^{c,d}	111,757	111,757
		5,940,640
TOTAL SHORT-TERM INVESTMENTS		
(Cost: \$5,940,640)		5,940,640
TOTAL INVESTMENTS		
IN SECURITIES — 99.27%		
(Cost: \$1,650,430,027)		1,219,145,995
Other Assets, Less Liabilities — 0.73%		8,917,185
NET ASSETS — 100.00%		<u>\$1,228,063,180</u>

^a Non-income earning security.

^b All or a portion of this security represents a security on loan. See Note 1.

^c Affiliated issuer. See Note 2.

^d The rate quoted is the annualized seven-day yield of the fund at period end.

^e All or a portion of this security represents an investment of securities lending collateral. See Note 1.

Schedule of Investments (Continued)

iSHARES® MSCI AUSTRALIA ETF

August 31, 2015

Open futures contracts as of August 31, 2015 were as follows:

<i>Issue</i>	<i>Number of Contracts Purchased (Sold)</i>	<i>Expiration</i>	<i>Exchange</i>	<i>Notional Value</i>	<i>Unrealized Appreciation (Depreciation)</i>
ASX SPI 200 Index	161	Sep. 2015	Sydney Futures	\$14,744,154	\$(307,229)

See notes to financial statements.

Schedule of Investments

iSHARES® MSCI CANADA ETF

August 31, 2015

Security	Shares	Value
COMMON STOCKS — 99.71%		
AEROSPACE & DEFENSE — 0.44%		
Bombardier Inc. Class B ^a	3,438,232	\$ 3,333,574
CAE Inc.	474,082	5,148,805
		8,482,379
AUTO COMPONENTS — 1.85%		
Magna International Inc. Class A	730,847	35,660,719
		35,660,719
BANKS — 25.86%		
Bank of Montreal	1,158,140	61,802,285
Bank of Nova Scotia (The)	2,095,885	94,862,228
Canadian Imperial Bank of Commerce/Canada	710,167	51,609,205
National Bank of Canada	591,176	19,239,324
Royal Bank of Canada	2,573,026	141,830,685
Toronto-Dominion Bank (The)	3,297,744	130,075,615
		499,419,342
CAPITAL MARKETS — 0.79%		
CI Financial Corp.	428,358	10,125,411
IGM Financial Inc.	180,608	5,110,779
		15,236,190
CHEMICALS — 3.61%		
Agrium Inc.	241,948	24,842,177
Methanex Corp.	163,014	6,596,523
Potash Corp. of Saskatchewan Inc.	1,484,383	38,222,444
		69,661,144
CONSTRUCTION & ENGINEERING — 0.42%		
SNC-Lavalin Group Inc.	271,529	8,061,177
		8,061,177
DIVERSIFIED FINANCIAL SERVICES — 0.48%		
Onex Corp.	154,217	9,284,315
		9,284,315
DIVERSIFIED TELECOMMUNICATION SERVICES — 1.14%		
BCE Inc.	257,621	10,300,967
TELUS Corp.	365,271	11,816,057
		22,117,024
ELECTRIC UTILITIES — 0.68%		
Fortis Inc./Canada	492,940	13,222,870
		13,222,870
FOOD & STAPLES RETAILING — 4.17%		
Alimentation Couche-Tard Inc. Class B	745,333	31,230,601

Security	Shares	Value
Empire Co. Ltd. Class A	99,945	\$ 6,622,436
George Weston Ltd.	91,337	7,484,073
Jean Coutu Group PJC Inc. (The) Class A	147,593	2,244,124
Loblaw Companies Ltd.	404,223	21,333,739
Metro Inc.	444,387	11,603,160
		80,518,133
FOOD PRODUCTS — 0.53%		
Saputo Inc.	454,249	10,344,791
		10,344,791
HOTELS, RESTAURANTS & LEISURE — 0.71%		
Restaurant Brands International Inc.	360,055	13,660,711
		13,660,711
INDEPENDENT POWER AND RENEWABLE ELECTRICITY PRODUCERS — 0.13%		
TransAlta Corp.	493,281	2,439,526
		2,439,526
INSURANCE — 8.74%		
Fairfax Financial Holdings Ltd.	38,312	17,615,745
Great-West Lifeco Inc.	535,086	13,524,947
Industrial Alliance Insurance & Financial Services Inc.	180,639	5,704,961
Intact Financial Corp.	234,794	16,067,639
Manulife Financial Corp.	3,508,797	56,383,375
Power Corp. of Canada	665,208	14,399,091
Power Financial Corp.	447,707	10,882,258
Sun Life Financial Inc.	1,090,196	34,266,815
		168,844,831
IT SERVICES — 0.76%		
CGI Group Inc. Class A ^{a,b}	400,635	14,634,243
		14,634,243
MEDIA — 1.98%		
Shaw Communications Inc. Class B	711,450	14,132,750
Thomson Reuters Corp.	628,712	24,184,502
		38,317,252
METALS & MINING — 4.85%		
Agnico Eagle Mines Ltd.	383,934	9,297,522
Barrick Gold Corp.	2,074,271	14,264,998
Eldorado Gold Corp.	1,275,302	3,766,957
First Quantum Minerals Ltd.	1,227,308	6,327,947
Franco-Nevada Corp.	278,194	11,918,120
Goldcorp Inc.	1,475,446	20,238,173

Schedule of Investments (Continued)

iSHARES® MSCI CANADA ETF

August 31, 2015

Security	Shares	Value
Kinross Gold Corp. ^b	2,037,015	\$ 3,597,884
Silver Wheaton Corp.	719,131	8,718,213
Teck Resources Ltd. Class B	1,010,903	7,180,033
Turquoise Hill Resources Ltd. ^b	1,790,425	5,301,973
Yamana Gold Inc.	1,674,713	3,109,012
		<u>93,720,832</u>
MULTI-UTILITIES — 0.52%		
Atco Ltd./Canada Class I	136,282	4,066,438
Canadian Utilities Ltd. Class A	219,474	5,999,451
		<u>10,065,889</u>
MULTILINE RETAIL — 1.27%		
Canadian Tire Corp. Ltd. Class A	131,460	12,271,576
Dollarama Inc.	219,018	12,365,751
		<u>24,637,327</u>
OIL, GAS & CONSUMABLE FUELS — 20.81%		
AltaGas Ltd.	239,180	6,502,173
ARC Resources Ltd.	603,409	8,970,635
Baytex Energy Corp.	365,360	2,089,733
Cameco Corp.	705,110	9,809,535
Canadian Natural Resources Ltd.	1,947,204	43,393,159
Canadian Oil Sands Ltd.	862,402	4,990,977
Cenovus Energy Inc.	1,474,636	21,135,895
Crescent Point Energy Corp.	884,558	11,222,352
Enbridge Inc.	1,523,815	62,269,689
Encana Corp.	1,495,777	11,051,100
Enerplus Corp.	368,312	2,319,770
Husky Energy Inc.	614,593	10,822,934
Imperial Oil Ltd.	529,487	18,485,285
Inter Pipeline Ltd.	594,831	12,607,467
Keyera Corp.	300,721	9,126,730
MEG Energy Corp. ^b	278,916	2,477,856
Paramount Resources Ltd.		
Class A ^{a,b}	113,228	1,198,234
Pembina Pipeline Corp.	605,291	16,605,127
Peyto Exploration & Development Corp.	267,880	6,277,714
PrairieSky Royalty Ltd.	252,456	5,229,378
Suncor Energy Inc.	2,572,100	72,030,399
Tourmaline Oil Corp. ^{a,b}	318,374	7,968,323
TransCanada Corp.	1,261,482	43,518,996
Veresen Inc.	512,205	5,231,767
Vermilion Energy Inc.	193,902	6,642,655
		<u>401,977,883</u>

Security	Shares	Value
PAPER & FOREST PRODUCTS — 0.24%		
West Fraser Timber Co. Ltd.	123,143	\$ 4,741,538
		<u>4,741,538</u>
PHARMACEUTICALS — 6.87%		
Valeant Pharmaceuticals International Inc. ^b	578,667	132,647,612
		<u>132,647,612</u>
REAL ESTATE INVESTMENT TRUSTS (REITS) — 0.46%		
H&R REIT	241,601	3,749,764
RioCan REIT	276,837	5,058,179
		<u>8,807,943</u>
REAL ESTATE MANAGEMENT & DEVELOPMENT — 2.61%		
Brookfield Asset Management Inc.		
Class A	1,536,771	47,829,904
First Capital Realty Inc.	197,550	2,582,033
		<u>50,411,937</u>
ROAD & RAIL — 6.13%		
Canadian National Railway Co.	1,429,069	78,633,703
Canadian Pacific Railway Ltd.	277,422	39,844,096
		<u>118,477,799</u>
SOFTWARE — 1.25%		
Constellation Software Inc./Canada	33,932	14,338,151
Open Text Corp.	217,804	9,768,030
		<u>24,106,181</u>
TECHNOLOGY HARDWARE, STORAGE & PERIPHERALS — 0.35%		
BlackBerry Ltd. ^{a,b}	893,905	6,705,127
		<u>6,705,127</u>
TEXTILES, APPAREL & LUXURY GOODS — 0.66%		
Gildan Activewear Inc.	409,410	12,708,480
		<u>12,708,480</u>
TRADING COMPANIES & DISTRIBUTORS — 0.27%		
Finning International Inc.	307,414	5,154,759
		<u>5,154,759</u>
WIRELESS TELECOMMUNICATION SERVICES — 1.13%		
Rogers Communications Inc.		
Class B	644,387	21,750,786
		<u>21,750,786</u>
TOTAL COMMON STOCKS		
(Cost: \$2,704,084,804)		<u>1,925,818,740</u>

Schedule of Investments (Continued)

iSHARES® MSCI CANADA ETF

August 31, 2015

<i>Security</i>	<i>Shares</i>	<i>Value</i>
SHORT-TERM INVESTMENTS — 1.12%		
MONEY MARKET FUNDS — 1.12%		
BlackRock Cash Funds: Institutional,		
SL Agency Shares		
0.18% ^{c,d,e}	20,353,731	\$ 20,353,731
BlackRock Cash Funds: Prime,		
SL Agency Shares		
0.18% ^{c,d,e}	1,168,811	1,168,811
BlackRock Cash Funds: Treasury,		
SL Agency Shares		
0.03% ^{c,d}	163,293	163,293
		<u>21,685,835</u>
TOTAL SHORT-TERM INVESTMENTS		
(Cost: \$21,685,835)		<u>21,685,835</u>
TOTAL INVESTMENTS		
IN SECURITIES — 100.83%		
(Cost: \$2,725,770,639)	1,947,504,575	
Other Assets, Less Liabilities — (0.83)%		<u>(16,050,483)</u>
NET ASSETS — 100.00%		<u>\$1,931,454,092</u>

^a All or a portion of this security represents a security on loan. See Note 1.

^b Non-income earning security.

^c Affiliated issuer. See Note 2.

^d The rate quoted is the annualized seven-day yield of the fund at period end.

^e All or a portion of this security represents an investment of securities lending collateral. See Note 1.

Open futures contracts as of August 31, 2015 were as follows:

<i>Issue</i>	<i>Number of Contracts Purchased (Sold)</i>	<i>Expiration</i>	<i>Exchange</i>	<i>Notional Value</i>	<i>Unrealized Appreciation (Depreciation)</i>
S&P/TSX 60 Index	43	Sep. 2015	Montreal	\$5,262,127	\$(140,053)

See notes to financial statements.

Schedule of Investments

iSHARES® MSCI JAPAN ETF

August 31, 2015

Security	Shares	Value
COMMON STOCKS — 99.72%		
AIR FREIGHT & LOGISTICS — 0.27%		
Yamato Holdings Co. Ltd.	2,626,000	\$ 51,280,513
		51,280,513
AIRLINES — 0.27%		
ANA Holdings Inc.	7,878,000	23,136,363
Japan Airlines Co. Ltd.	787,800	28,050,972
		51,187,335
AUTO COMPONENTS — 3.16%		
Aisin Seiki Co. Ltd.	1,313,200	47,463,102
Bridgestone Corp.	4,464,200	149,838,128
Denso Corp.	3,413,800	152,935,761
Koito Manufacturing Co. Ltd.	787,800	27,043,347
NGK Spark Plug Co. Ltd.	1,050,400	25,847,199
NHK Spring Co. Ltd.	1,050,400	10,175,926
NOK Corp.	787,800	19,502,414
Stanley Electric Co. Ltd.	852,600	16,624,944
Sumitomo Electric Industries Ltd.	5,252,000	72,245,608
Sumitomo Rubber Industries Ltd.	1,313,000	18,613,970
Toyoda Gosei Co. Ltd.	525,200	10,301,608
Toyota Industries Corp.	1,050,400	52,266,468
Yokohama Rubber Co. Ltd. (The)	77,000	1,513,504
		604,371,979
AUTOMOBILES — 10.50%		
Daihatsu Motor Co. Ltd.	1,050,400	12,854,258
Fuji Heavy Industries Ltd.	3,939,000	138,808,429
Honda Motor Co. Ltd.	11,029,200	348,027,073
Isuzu Motors Ltd.	3,939,000	44,904,307
Mazda Motor Corp.	3,676,400	63,419,682
Mitsubishi Motors Corp.	4,464,200	34,296,078
Nissan Motor Co. Ltd.	16,806,400	152,136,162
Suzuki Motor Corp.	2,626,000	89,483,575
Toyota Motor Corp.	18,382,000	1,090,921,682
Yamaha Motor Co. Ltd.	1,838,200	35,539,898
		2,010,391,144
BANKS — 9.50%		
Aozora Bank Ltd.	7,878,000	28,863,572
Bank of Kyoto Ltd. (The)	2,626,000	28,538,532
Bank of Yokohama Ltd. (The)	7,878,000	48,261,973
Chiba Bank Ltd. (The)	5,252,000	38,354,747

Security	Shares	Value
Chugoku Bank Ltd. (The)	525,200	\$ 7,796,632
Fukuoka Financial Group Inc.	5,258,000	26,163,090
Gunma Bank Ltd. (The)	2,626,000	17,573,842
Hachijuni Bank Ltd. (The)	2,626,000	18,158,914
Hiroshima Bank Ltd. (The)	2,626,000	14,865,173
Hokuhoku Financial Group Inc.	7,878,000	17,812,204
Iyo Bank Ltd. (The)	2,100,800	23,576,251
Joyo Bank Ltd. (The)	5,252,000	28,126,814
Mitsubishi UFJ Financial Group Inc.	85,870,280	566,941,544
Mizuho Financial Group Inc.	155,459,280	319,038,849
Resona Holdings Inc.	14,705,600	74,483,618
Seven Bank Ltd.	4,201,600	17,959,556
Shinsei Bank Ltd.	10,504,000	22,709,477
Shizuoka Bank Ltd. (The)	3,382,000	35,721,913
Sumitomo Mitsui Financial Group Inc.	8,665,800	354,969,932
Sumitomo Mitsui Trust Holdings Inc.	23,634,320	97,747,421
Suruga Bank Ltd.	1,575,600	30,241,743
Yamaguchi Financial Group Inc.	138,000	1,705,855
		1,819,611,652
BEVERAGES — 1.05%		
Asahi Group Holdings Ltd.	2,626,000	86,731,568
Kirin Holdings Co. Ltd.	5,514,600	81,091,036
Suntory Beverage & Food Ltd.	787,800	33,349,127
		201,171,731
BUILDING PRODUCTS — 1.14%		
Asahi Glass Co. Ltd.	7,878,000	46,870,801
Daikin Industries Ltd.	1,575,600	94,105,647
LIXIL Group Corp.	1,838,200	37,951,697
TOTO Ltd.	2,626,000	38,744,795
		217,672,940
CAPITAL MARKETS — 1.28%		
Daiwa Securities Group Inc.	10,504,000	72,999,701
Nomura Holdings Inc.	24,159,200	152,728,169
SBI Holdings Inc./Japan	1,575,610	19,190,497
		244,918,367
CHEMICALS — 3.62%		
Air Water Inc.	143,000	2,288,047
Asahi Kasei Corp.	7,878,000	62,953,791
Daicel Corp.	2,626,000	34,714,296
Hitachi Chemical Co. Ltd.	787,800	12,130,501

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Security	Shares	Value
JSR Corp.	1,313,000	\$ 20,672,559
Kaneka Corp.	2,626,000	21,300,970
Kansai Paint Co. Ltd.	398,000	6,220,341
Kuraray Co. Ltd.	2,363,400	27,985,964
Mitsubishi Chemical Holdings Corp.	9,191,000	52,384,567
Mitsubishi Gas Chemical Co. Inc.	2,626,000	12,828,254
Mitsui Chemicals Inc.	5,252,000	17,812,205
Nippon Paint Holdings Co. Ltd.	961,400	19,801,579
Nitto Denko Corp.	1,050,400	70,832,766
Shin-Etsu Chemical Co. Ltd.	2,888,600	159,059,519
Sumitomo Chemical Co. Ltd.	10,504,000	52,353,146
Taiyo Nippon Sanso Corp.	876,800	10,751,535
Teijin Ltd.	5,252,000	16,728,737
Toray Industries Inc.	10,504,000	92,918,166
		693,736,943

COMMERCIAL SERVICES & SUPPLIES — 0.89%

Dai Nippon Printing Co. Ltd.	2,626,000	27,054,182
Park24 Co. Ltd.	787,800	15,471,915
Secom Co. Ltd.	1,313,000	84,109,576
Toppan Printing Co. Ltd.	5,252,000	43,642,068
		170,277,741

CONSTRUCTION & ENGINEERING — 1.01%

JGC Corp.	860,000	12,582,250
Kajima Corp.	5,252,000	29,556,991
Obayashi Corp.	5,252,000	45,505,632
Shimizu Corp.	5,252,000	51,443,033
Taisei Corp.	7,878,000	53,436,614
		192,524,520

CONSTRUCTION MATERIALS — 0.14%

Taiheiyo Cement Corp.	7,878,000	26,718,307
		26,718,307

CONSUMER FINANCE — 0.27%

Acom Co. Ltd. ^a	2,626,000	11,896,472
AEON Financial Service Co. Ltd.	787,870	17,917,809
Credit Saison Co. Ltd.	1,050,400	21,062,607
		50,876,888

CONTAINERS & PACKAGING — 0.09%

Toyo Seikan Group Holdings Ltd.	1,050,400	17,257,469
		17,257,469

Security	Shares	Value
DIVERSIFIED CONSUMER SERVICES — 0.07%		
Benesse Holdings Inc.	525,200	\$ 13,955,060
		13,955,060

DIVERSIFIED FINANCIAL SERVICES — 1.03%

Japan Exchange Group Inc.	1,838,200	57,337,096
Mitsubishi UFJ Lease & Finance Co. Ltd.	3,939,000	19,047,357
ORIX Corp.	8,928,400	120,386,233
		196,770,686

DIVERSIFIED TELECOMMUNICATION SERVICES — 0.99%

Nippon Telegraph & Telephone Corp.	4,989,400	190,604,673
		190,604,673

ELECTRIC UTILITIES — 1.75%

Chubu Electric Power Co. Inc.	4,464,200	69,199,981
Chugoku Electric Power Co. Inc. (The)	2,100,800	30,753,139
Hokuriku Electric Power Co.	1,050,400	15,185,880
Kansai Electric Power Co. Inc. (The) ^a	4,726,800	59,033,806
Kyushu Electric Power Co. Inc. ^a	2,888,600	34,467,266
Shikoku Electric Power Co. Inc.	1,050,400	16,442,702
Tohoku Electric Power Co. Inc.	3,151,200	43,295,358
Tokyo Electric Power Co. Inc. ^{a,b}	9,716,200	66,546,569
		334,924,701

ELECTRICAL EQUIPMENT — 1.41%

Fuji Electric Co. Ltd.	2,626,000	10,444,626
Mabuchi Motor Co. Ltd.	525,200	24,573,041
Mitsubishi Electric Corp.	13,130,000	131,207,905
Nidec Corp.	1,313,000	102,994,414
		269,219,986

ELECTRONIC EQUIPMENT, INSTRUMENTS & COMPONENTS — 4.71%

Alps Electric Co. Ltd.	1,050,400	32,980,749
Citizen Holdings Co. Ltd.	1,838,200	13,894,386
Hamamatsu Photonics KK	1,050,400	26,046,557
Hirose Electric Co. Ltd.	262,660	30,040,579
Hitachi High-Technologies Corp.	525,200	11,827,130
Hitachi Ltd.	34,138,000	192,064,104
IBIDEN Co. Ltd.	787,800	11,148,880
Keyence Corp.	287,626	133,838,595
Kyocera Corp.	2,100,800	103,232,776
Murata Manufacturing Co. Ltd.	1,313,000	190,148,533
Nippon Electric Glass Co. Ltd.	2,626,500	11,616,982

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Security	Shares	Value
Omron Corp.	1,313,000	\$ 49,406,115
Shimadzu Corp.	430,000	6,333,705
TDK Corp.	787,800	49,081,074
Yaskawa Electric Corp.	1,838,200	21,084,276
Yokogawa Electric Corp.	1,575,600	18,540,295
		901,284,736

FOOD & STAPLES RETAILING — 1.79%

Aeon Co. Ltd.	4,201,600	63,135,814
FamilyMart Co. Ltd.	525,200	24,356,348
Lawson Inc.	525,200	37,531,311
Seven & I Holdings Co. Ltd.	4,989,480	217,802,114
		342,825,587

FOOD PRODUCTS — 1.61%

Ajinomoto Co. Inc.	3,508,000	77,333,185
Calbee Inc.	525,200	20,130,825
Kikkoman Corp.	736,000	23,716,467
MEIJI Holdings Co. Ltd.	525,228	85,598,490
NH Foods Ltd.	467,000	10,790,114
Nisshin Seifun Group Inc.	1,413,875	19,344,017
Nissin Foods Holdings Co. Ltd.	525,200	24,963,089
Toyo Suisan Kaisha Ltd.	415,000	15,581,549
Yakult Honsha Co. Ltd.	525,200	29,383,637
Yamazaki Baking Co. Ltd.	82,000	1,383,752
		308,225,125

GAS UTILITIES — 0.81%

Osaka Gas Co. Ltd.	13,130,000	53,371,605
Toho Gas Co. Ltd.	2,626,000	15,840,294
Tokyo Gas Co. Ltd.	15,756,000	86,239,673
		155,451,572

HEALTH CARE EQUIPMENT & SUPPLIES — 1.52%

Hoya Corp.	2,888,600	113,210,428
Olympus Corp.	1,575,900	57,608,095
Sysmex Corp.	1,050,400	63,794,562
Terumo Corp.	2,101,800	57,494,467
		292,107,552

HEALTH CARE PROVIDERS & SERVICES — 0.41%

Alfresa Holdings Corp.	1,050,400	19,190,375
Medipal Holdings Corp.	1,050,400	18,210,921
Miraca Holdings Inc.	525,200	22,579,461
Suzuken Co. Ltd./Aichi Japan	525,240	18,073,613
		78,054,370

HEALTH CARE TECHNOLOGY — 0.16%

M3 Inc.	1,313,000	30,467,104
		30,467,104

Security	Shares	Value
HOTELS, RESTAURANTS & LEISURE — 0.44%		
McDonald's Holdings Co.		
Japan Ltd. ^b	525,200	\$ 11,571,432
Oriental Land Co. Ltd./Japan	1,313,000	72,494,806
		84,066,238

HOUSEHOLD DURABLES — 3.04%

Casio Computer Co. Ltd. ^b	1,575,600	30,345,756
Iida Group Holdings Co. Ltd.	1,050,480	18,619,722
Nikon Corp.	2,363,400	30,326,253
Panasonic Corp.	14,968,215	165,201,861
Rinnai Corp.	262,600	19,697,438
Sekisui Chemical Co. Ltd.	2,633,000	29,092,602
Sekisui House Ltd.	3,676,400	54,985,972
Sharp Corp./Japan ^{a,b}	10,504,000	15,341,899
Sony Corp. ^a	8,403,200	219,259,136
		582,870,639

HOUSEHOLD PRODUCTS — 0.25%

Unicharm Corp.	2,363,400	47,800,416
		47,800,416

INDEPENDENT POWER AND RENEWABLE ELECTRICITY PRODUCERS — 0.13%

Electric Power Development Co. Ltd.	787,800	24,703,057
		24,703,057

INDUSTRIAL CONGLOMERATES — 0.61%

Keihan Electric Railway Co. Ltd.	2,626,000	16,945,431
Seibu Holdings Inc.	787,800	17,305,142
Toshiba Corp.	26,260,000	83,210,298
		117,460,871

INSURANCE — 3.05%

Dai-ichi Life Insurance Co.		
Ltd. (The)	7,352,800	134,211,277
MS&AD Insurance Group Holdings Inc.	3,442,440	108,683,215
Sompo Japan Nipponkoa Holdings Inc.	2,228,050	73,964,972
Sony Financial Holdings Inc.	1,313,000	24,638,050
T&D Holdings Inc.	3,939,000	53,127,825
Tokio Marine Holdings Inc.	4,726,800	190,187,538
		584,812,877

INTERNET & CATALOG RETAIL — 0.47%

Rakuten Inc.	6,302,400	90,179,161
		90,179,161

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Security	Shares	Value
INTERNET SOFTWARE & SERVICES — 0.34%		
Kakaku.com Inc.	1,050,400	\$ 16,711,402
Mixi Inc. ^b	262,600	9,036,118
Yahoo Japan Corp.	9,716,200	39,366,705
		65,114,225
IT SERVICES — 0.81%		
Fujitsu Ltd.	13,130,000	65,235,574
ITOCHU Techno- Solutions Corp.	525,200	11,571,432
Nomura Research Institute Ltd.	787,800	32,016,462
NTT Data Corp.	787,800	37,964,699
Otsuka Corp.	176,900	9,342,410
		156,130,577
LEISURE PRODUCTS — 0.78%		
Bandai Namco Holdings Inc.	1,313,098	30,426,036
Sankyo Co. Ltd.	262,600	10,108,751
Sega Sammy Holdings Inc.	1,313,000	13,857,549
Shimano Inc.	525,200	70,772,092
Yamaha Corp.	1,050,400	24,078,980
		149,243,408
MACHINERY — 5.04%		
Amada Holdings Co. Ltd.	2,626,000	23,034,518
FANUC Corp.	1,313,000	213,605,603
Hino Motors Ltd.	2,100,800	23,160,200
Hitachi Construction Machinery Co. Ltd.	787,800	11,441,416
IHI Corp.	7,878,000	24,443,025
JTEKT Corp.	1,575,600	22,219,750
Kawasaki Heavy Industries Ltd.	10,504,000	39,784,924
Komatsu Ltd.	6,302,400	104,766,966
Kubota Corp.	7,878,000	123,417,775
Kurita Water Industries Ltd.	787,800	16,421,032
Makita Corp.	787,800	44,660,527
Minebea Co. Ltd.	2,626,000	31,485,563
Mitsubishi Heavy Industries Ltd.	21,008,000	100,441,764
Nabtesco Corp.	787,800	15,738,448
NGK Insulators Ltd.	1,310,000	29,543,508
NSK Ltd.	3,151,200	38,848,808
SMC Corp./Japan	315,900	76,808,132
Sumitomo Heavy Industries Ltd.	2,626,000	11,441,416
THK Co. Ltd.	788,400	13,720,639
		964,984,014
MARINE — 0.26%		
Mitsui OSK Lines Ltd.	7,878,000	22,232,751

Security	Shares	Value
Nippon Yusen KK	10,504,000	\$ 27,650,089
		49,882,840
MEDIA — 0.54%		
Dentsu Inc.	1,313,000	67,391,674
Hakuhodo DY Holdings Inc.	1,838,200	18,414,612
Toho Co. Ltd./Tokyo	787,800	17,786,201
		103,592,487
METALS & MINING — 1.40%		
Hitachi Metals Ltd.	471,000	5,977,621
JFE Holdings Inc.	3,413,850	53,031,090
Kobe Steel Ltd.	23,634,000	31,788,934
Maruichi Steel Tube Ltd.	262,600	6,695,829
Mitsubishi Materials Corp.	7,878,000	25,353,138
Nippon Steel & Sumitomo Metal Corp.	52,520,705	108,218,179
Sumitomo Metal Mining Co. Ltd.	2,914,000	37,054,701
		268,119,492
MULTILINE RETAIL — 0.90%		
Don Quijote Holdings Co. Ltd.	787,800	30,618,790
Isetan Mitsukoshi Holdings Ltd.	2,363,460	37,874,649
J Front Retailing Co. Ltd.	1,575,600	25,600,168
Marui Group Co. Ltd.	1,575,600	19,086,362
Ryohin Keikaku Co. Ltd.	161,000	35,817,634
Takashimaya Co. Ltd.	2,626,000	22,752,816
		171,750,419
OIL, GAS & CONSUMABLE FUELS — 0.91%		
Idemitsu Kosan Co. Ltd.	787,800	13,508,672
INPEX Corp.	6,565,000	66,199,860
JX Holdings Inc.	14,968,295	57,916,685
Showa Shell Sekiyu KK	1,313,000	11,235,557
TonenGeneral Sekiyu KK	2,626,000	26,219,912
		175,080,686
PAPER & FOREST PRODUCTS — 0.13%		
Oji Holdings Corp.	5,252,000	24,356,348
		24,356,348
PERSONAL PRODUCTS — 1.21%		
Kao Corp.	3,413,800	156,400,690
Kose Corp.	262,600	26,024,888
Shiseido Co. Ltd.	2,363,400	49,623,891
		232,049,469
PHARMACEUTICALS — 5.85%		
Astellas Pharma Inc.	14,180,450	210,626,810
Chugai Pharmaceutical Co. Ltd.	1,575,600	58,962,297
Daiichi Sankyo Co. Ltd.	4,201,669	81,044,694

Schedule of Investments (Continued)

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Security	Shares	Value
Eisai Co. Ltd.	1,838,200	\$ 125,504,533
Hisamitsu Pharmaceutical Co. Inc.	262,600	9,111,961
Kyowa Hakko Kirin Co. Ltd.	2,626,000	44,183,802
Mitsubishi Tanabe Pharma Corp.	1,313,000	23,532,913
Ono Pharmaceutical Co. Ltd.	525,200	67,088,303
Otsuka Holdings Co. Ltd.	2,626,000	89,613,591
Santen Pharmaceutical Co. Ltd.	2,626,000	41,063,415
Shionogi & Co. Ltd.	2,100,800	82,516,879
Sumitomo Dainippon Pharma Co. Ltd.	1,050,400	11,233,390
Taisho Pharmaceutical Holdings Co. Ltd.	262,600	17,032,108
Takeda Pharmaceutical Co. Ltd.	5,252,000	258,385,312
		1,119,900,008
PROFESSIONAL SERVICES — 0.13%		
Recruit Holdings Co. Ltd.	787,800	24,248,001
		24,248,001

REAL ESTATE INVESTMENT TRUSTS (REITS) — 0.83%

Japan Prime Realty Investment Corp.	5,252	17,053,777
Japan Real Estate Investment Corp.	7,878	33,154,103
Japan Retail Fund Investment Corp.	15,766	29,090,049
Nippon Building Fund Inc.	10,504	44,205,471
Nippon Prologis REIT Inc.	7,902	14,377,943
United Urban Investment Corp.	15,756	20,776,572
		158,657,915

REAL ESTATE MANAGEMENT & DEVELOPMENT — 3.55%

Aeon Mall Co. Ltd.	787,800	13,294,145
Daito Trust Construction Co. Ltd.	525,200	57,510,451
Daiwa House Industry Co. Ltd.	3,939,000	96,894,492
Hulic Co. Ltd.	2,100,800	19,346,394
Mitsubishi Estate Co. Ltd.	8,184,000	176,193,885
Mitsui Fudosan Co. Ltd.	5,958,000	165,192,722
Nomura Real Estate Holdings Inc.	787,800	14,808,833
NTT Urban Development Corp.	787,800	7,365,412
Sumitomo Realty & Development Co. Ltd.	2,626,000	88,865,998
Tokyo Tatemono Co. Ltd.	1,270,500	15,977,572

Tokyu Fudosan Holdings Corp.	3,413,800	\$ 23,493,908
		678,943,812
ROAD & RAIL — 4.07%		
Central Japan Railway Co.	1,050,400	172,357,998
East Japan Railway Co.	2,363,400	218,524,545
Hankyu Hanshin Holdings Inc.	7,878,000	47,325,857
Keikyu Corp.	2,630,000	21,159,797
Keio Corp.	5,252,000	39,438,215
Keisei Electric Railway Co. Ltd.	656,000	7,004,695
Kintetsu Group Holdings Co. Ltd.	10,771,000	38,485,316
Nagoya Railroad Co. Ltd.	5,252,000	20,932,591
Nippon Express Co. Ltd.	5,252,000	25,483,154
Odakyu Electric Railway Co. Ltd.	2,866,000	26,203,969
Tobu Railway Co. Ltd.	7,878,000	35,169,353
Tokyu Corp.	7,878,000	55,971,927
West Japan Railway Co.	1,050,400	70,971,450
		779,028,867

SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT — 0.51%

Rohm Co. Ltd.	787,800	42,840,302
Tokyo Electron Ltd.	1,050,452	55,285,579
		98,125,881

SOFTWARE — 1.27%

COLOPL Inc. ^b	262,600	4,743,420
GungHo Online Entertainment Inc. ^b	2,888,600	8,700,243
Konami Corp.	787,800	17,318,143
Nexon Co. Ltd.	787,800	10,986,360
Nintendo Co. Ltd.	787,800	162,585,122
Oracle Corp. Japan	262,600	10,986,360
Trend Micro Inc./Japan	787,800	28,050,972
		243,370,620

SPECIALTY RETAIL — 1.42%

ABC-Mart Inc.	262,600	15,948,640
Fast Retailing Co. Ltd.	334,500	135,983,352
Nitori Holdings Co. Ltd.	525,200	41,821,842
Sanrio Co. Ltd. ^b	263,400	8,705,013
Shimamura Co. Ltd.	262,600	24,291,340
USS Co. Ltd.	1,575,600	28,005,466
Yamada Denki Co. Ltd. ^b	4,698,100	18,104,656
		272,860,309

Schedule of Investments (Continued)

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Security	Shares	Value
TECHNOLOGY HARDWARE, STORAGE & PERIPHERALS — 2.80%		
Brother Industries Ltd.	1,575,600	\$ 21,543,666
Canon Inc.	7,090,250	216,887,872
FUJIFILM Holdings Corp.	3,151,200	129,730,056
Konica Minolta Inc.	3,413,800	37,522,644
NEC Corp.	17,087,000	54,002,731
Ricoh Co. Ltd.	4,726,800	46,240,223
Seiko Epson Corp.	1,838,200	29,836,526
		535,763,718
TEXTILES, APPAREL & LUXURY GOODS — 0.16%		
ASICS Corp.	1,050,400	30,770,475
		30,770,475
TOBACCO — 1.37%		
Japan Tobacco Inc.	7,352,800	262,688,844
		262,688,844
TRADING COMPANIES & DISTRIBUTORS — 3.25%		
ITOCHU Corp.	10,504,000	126,158,947
Marubeni Corp.	10,766,600	59,099,248
Mitsubishi Corp.	9,453,600	175,911,771
Mitsui & Co. Ltd.	11,554,400	150,502,293
Sumitomo Corp.	7,615,400	80,907,930
Toyota Tsusho Corp.	1,313,000	30,272,080
		622,852,269
TRANSPORTATION INFRASTRUCTURE — 0.19%		
Japan Airport Terminal Co. Ltd. ^b	262,600	11,766,457
Kamigumi Co. Ltd.	2,626,000	22,016,058
Mitsubishi Logistics Corp.	242,000	2,921,533
		36,704,048
WIRELESS TELECOMMUNICATION SERVICES — 4.56%		
KDDI Corp.	11,817,000	294,291,422
NTT DOCOMO Inc.	9,716,200	203,528,273

Security	Shares	Value
SoftBank Group Corp.	6,435,500	\$ 375,078,900
		872,898,595
TOTAL COMMON STOCKS		
(Cost: \$20,030,843,197)		19,094,899,267
SHORT-TERM INVESTMENTS — 0.45%		
MONEY MARKET FUNDS — 0.45%		
BlackRock Cash Funds: Institutional, SL Agency Shares		
0.18% ^{c,d,e}	81,008,864	81,008,864
BlackRock Cash Funds: Prime, SL Agency Shares		
0.18% ^{c,d,e}	4,651,927	4,651,927
BlackRock Cash Funds: Treasury, SL Agency Shares		
0.03% ^{c,d}	380,471	380,471
		86,041,262
TOTAL SHORT-TERM INVESTMENTS		
(Cost: \$86,041,262)		86,041,262
TOTAL INVESTMENTS		
IN SECURITIES — 100.17%		
(Cost: \$20,116,884,459)		19,180,940,529
Other Assets, Less Liabilities — (0.17%)		(33,138,156)
NET ASSETS — 100.00%		<u>\$19,147,802,373</u>

^a Non-income earning security.

^b All or a portion of this security represents a security on loan. See Note 1.

^c Affiliated issuer. See Note 2.

^d The rate quoted is the annualized seven-day yield of the fund at period end.

^e All or a portion of this security represents an investment of securities lending collateral. See Note 1.

Open futures contracts as of August 31, 2015 were as follows:

Issue	Number of Contracts Purchased (Sold)	Expiration	Exchange	Notional Value	Unrealized Appreciation (Depreciation)
TOPIX Index	377	Sep. 2015	Tokyo Stock	\$47,706,358	\$(2,857,797)

See notes to financial statements.

Schedule of Investments

iSHARES® MSCI MEXICO CAPPED ETF

August 31, 2015

Security	Shares	Value
COMMON STOCKS — 99.62%		
AIRLINES — 0.89%		
Controladora Vuela Cia. de		
Aviacion SAB de CV Class A ^{a,b}	4,054,000	\$ 5,353,792
Grupo Aeromexico SAB de CV ^{a,b}	3,632,336	5,422,528
		10,776,320
BANKS — 11.22%		
Banregio Grupo Financiero SAB		
de CV ^b	1,828,200	9,572,447
Grupo Financiero Banorte SAB		
de CV	14,749,278	70,678,751
Grupo Financiero Inbursa SAB		
de CV Series O	16,386,592	34,521,217
Grupo Financiero Santander		
Mexico SAB de CV Series B	13,232,550	20,597,986
		135,370,401
BEVERAGES — 11.13%		
Arca Continental SAB de CV	2,980,929	16,974,241
Coca-Cola Femsa SAB de CV		
Series L	1,972,958	14,168,143
Fomento Economico Mexicano		
SAB de CV	11,231,010	99,961,343
Organizacion Cultiva SAB		
de CV ^b	2,714,100	3,207,426
		134,311,153
BUILDING PRODUCTS — 0.00%		
Corp GEO SAB de CV ^{a,b}	15,588,128	9
Urbi Desarrollos Urbanos SAB		
de CV ^{a,b}	29,674,089	18
		27
CAPITAL MARKETS — 0.38%		
Grupo Financiero Interacciones		
SA de CV Series O ^b	815,200	4,627,402
		4,627,402
CHEMICALS — 1.62%		
Mexichem SAB de CV	7,651,374	19,570,737
		19,570,737
CONSTRUCTION & ENGINEERING — 1.81%		
Empresas ICA SAB de CV ^{a,b}	7,419,688	2,927,195
Promotora y Operadora de		
Infraestructura SAB de CV ^a	1,797,500	18,870,537
		21,797,732

Security	Shares	Value
CONSTRUCTION MATERIALS — 4.75%		
Cemex SAB de CV CPO ^a	73,234,704	\$ 57,304,628
		57,304,628
CONSUMER FINANCE — 1.41%		
Credito Real SAB de CV		
SOFOM ER	2,078,274	4,050,033
Genera SAB de CV ^b	8,134,306	12,972,231
		17,022,264
DIVERSIFIED FINANCIAL SERVICES — 0.45%		
Bolsa Mexicana de Valores SAB		
de CV ^b	3,578,587	5,402,003
		5,402,003
DIVERSIFIED TELECOMMUNICATION SERVICES — 0.28%		
Axtel SAB de CV CPO ^{a,b}	8,302,777	3,359,705
		3,359,705
FOOD & STAPLES RETAILING — 7.59%		
Controladora Comercial		
Mexicana SAB de CV BC Units	3,608,055	10,284,462
Grupo Comercial Chedraui SA		
de CV ^b	2,883,000	7,171,420
Wal-Mart de Mexico SAB de CV	31,033,433	74,217,620
		91,673,502
FOOD PRODUCTS — 6.03%		
Gruma SAB de CV Series B	1,422,800	19,088,244
Grupo Bimbo SAB de CV ^a	11,673,704	29,970,392
Grupo Herdez SAB de CV ^b	2,220,444	5,422,753
Grupo Lala SAB de CV	4,852,400	10,945,372
Industrias Bachoco SAB de CV		
Series B	1,553,400	7,341,157
		72,767,918
HOTELS, RESTAURANTS & LEISURE — 1.30%		
Alsea SAB de CV ^b	3,888,466	11,962,015
Hoteles City Express SAB		
de CV ^a	2,947,800	3,775,222
		15,737,237
HOUSEHOLD DURABLES — 0.26%		
Consorcio ARA SAB de CV ^a	9,019,319	3,117,524
		3,117,524
HOUSEHOLD PRODUCTS — 2.03%		
Kimberly-Clark de Mexico SAB		
de CV Series A	10,950,554	24,504,964
		24,504,964

Schedule of Investments (Continued)

iSHARES® MSCI MEXICO CAPPED ETF

August 31, 2015

Security	Shares	Value
INDUSTRIAL CONGLOMERATES — 4.83%		
Alfa SAB de CV	19,744,851	\$ 39,289,665
Grupo Carso SAB de CV		
Series A1	4,200,433	19,049,639
		58,339,304
INSURANCE — 0.29%		
Qualitas Controladora SAB de CV ^{a,b}	2,431,100	3,448,163
		3,448,163
MACHINERY — 0.27%		
Grupo Rotoplas SAB de CV ^a	2,106,900	3,206,807
		3,206,807
MEDIA — 7.70%		
Grupo Televisa SAB	14,830,897	90,549,785
TV Azteca SAB de CV CPO ^b	17,035,139	2,446,644
		92,996,429
METALS & MINING — 6.89%		
Grupo Mexico SAB de CV		
Series B	22,222,386	56,218,134
Grupo Simec SAB de CV		
Series B ^{a,b}	1,234,154	3,387,672
Industrias CH SAB de CV		
Series B ^{a,b}	1,451,483	4,925,354
Industrias Penoles SAB de CV	1,039,993	14,776,825
Minera Frisco SAB de CV		
Series A1 ^{a,b}	6,907,903	3,845,043
		83,153,028
MULTILINE RETAIL — 1.57%		
El Puerto de Liverpool SAB de CV Series C1	1,391,795	16,578,784
Grupo Famsa SAB de CV		
Series A ^{a,b}	3,897,021	2,322,420
		18,901,204
PHARMACEUTICALS — 0.48%		
Genomma Lab Internacional SAB de CV Series B ^a	7,168,693	5,797,328
		5,797,328
REAL ESTATE INVESTMENT TRUSTS (REITS) — 5.49%		
Concentradora Fibra Hotelera		
Mexicana SA de CV ^b	4,391,100	4,179,134
Fibra Shop Portafolios		
Inmobiliarios SAPI de CV ^b	3,928,495	3,743,542

Security	Shares	Value
Fibra Uno Administracion SA de CV	16,477,900	\$ 35,243,852
Mexico Real Estate Management SA de CV	6,518,300	8,841,270
PLA Administradora Industrial S. de RL de CV	4,900,000	9,145,888
Prologis Property Mexico SA de CV	3,282,400	5,093,784
		66,247,470
REAL ESTATE MANAGEMENT & DEVELOPMENT — 0.60%		
Corp Inmobiliaria Vesta SAB de CV ^b	4,686,849	7,250,930
		7,250,930
TRANSPORTATION INFRASTRUCTURE — 4.85%		
Grupo Aeroportuario del Centro Norte SAB de CV	1,765,592	9,234,109
Grupo Aeroportuario del Pacifico SAB de CV Series B	2,275,049	19,032,859
Grupo Aeroportuario del Sureste SAB de CV Series B	1,497,765	21,761,330
OHL Mexico SAB de CV ^a	6,382,600	8,474,632
		58,502,930
WIRELESS TELECOMMUNICATION SERVICES — 15.50%		
America Movil SAB de CV	205,588,018	187,087,547
		187,087,547
TOTAL COMMON STOCKS		
(Cost: \$1,654,526,830)		1,202,274,657
SHORT-TERM INVESTMENTS — 3.71%		
MONEY MARKET FUNDS — 3.71%		
BlackRock Cash Funds: Institutional, SL Agency Shares 0.18% ^{c,d,e}	41,442,142	41,442,142
BlackRock Cash Funds: Prime, SL Agency Shares 0.18% ^{c,d,e}	2,379,811	2,379,811
BlackRock Cash Funds: Treasury, SL Agency Shares 0.03% ^{c,d}	982,115	982,115
		44,804,068
TOTAL SHORT-TERM INVESTMENTS		
(Cost: \$44,804,068)		44,804,068

Schedule of Investments (Continued)

iSHARES® MSCI MEXICO CAPPED ETF

August 31, 2015

	<i>Value</i>
TOTAL INVESTMENTS	
IN SECURITIES — 103.33%	
(Cost: \$1,699,330,898)	\$1,247,078,725
Other Assets, Less Liabilities — (3.33)%	<u>(40,136,422)</u>
NET ASSETS — 100.00%	<u><u>\$1,206,942,303</u></u>

CPO — Certificates of Participation (Ordinary)

^a Non-income earning security.

^b All or a portion of this security represents a security on loan. See Note 1.

^c Affiliated issuer. See Note 2.

^d The rate quoted is the annualized seven-day yield of the fund at period end.

^e All or a portion of this security represents an investment of securities lending collateral. See Note 1.

See notes to financial statements.

Schedule of Investments

iSHARES® MSCI SOUTH KOREA CAPPED ETF

August 31, 2015

Security	Shares	Value
COMMON STOCKS — 96.12%		
AEROSPACE & DEFENSE — 0.72%		
Korea Aerospace Industries Ltd.	290,877	\$ 22,699,595
		22,699,595
AIR FREIGHT & LOGISTICS — 0.51%		
Hyundai Glovis Co. Ltd.	110,034	16,001,562
		16,001,562
AIRLINES — 0.23%		
Korean Air Lines Co. Ltd. ^a	260,628	7,337,909
		7,337,909
AUTO COMPONENTS — 3.49%		
Hankook Tire Co. Ltd.	504,596	15,763,959
Hanon Systems ^b	270,078	8,300,431
Hyundai Mobis Co. Ltd.	436,580	76,223,860
Hyundai Wia Corp.	112,941	9,978,723
		110,266,973
AUTOMOBILES — 6.12%		
Hyundai Motor Co.	982,065	123,718,187
Kia Motors Corp.	1,690,041	69,587,822
		193,306,009
BANKS — 8.62%		
BNK Financial Group Inc.	1,466,121	17,230,253
DGB Financial Group Inc.	1,169,267	10,281,443
Hana Financial Group Inc.	1,903,657	43,778,880
Industrial Bank of Korea ^b	1,698,780	18,959,117
KB Financial Group Inc.	2,475,421	74,927,138
Shinhan Financial Group Co. Ltd.	2,725,854	91,149,885
Woori Bank	2,098,661	16,182,446
		272,509,162
BUILDING PRODUCTS — 0.42%		
KCC Corp.	39,936	13,252,911
		13,252,911
CAPITAL MARKETS — 1.83%		
Daewoo Securities Co. Ltd.	1,233,655	12,933,690
Korea Investment Holdings Co. Ltd.	265,665	15,678,222
Mirae Asset Securities Co. Ltd.	183,568	6,060,732
NH Investment & Securities Co. Ltd.	1,017,291	8,351,634
Samsung Securities Co. Ltd.	390,406	14,919,764
		57,944,042

Security	Shares	Value
CHEMICALS — 4.21%		
Hanwha Chemical Corp. ^b	738,898	\$ 11,338,828
Hanwha Corp.	315,029	11,226,779
Hyosung Corp.	154,238	16,692,001
Kumho Petrochemical Co. Ltd. ^b	106,152	4,918,309
LG Chem Ltd.	298,642	59,084,530
Lotte Chemical Corp.	103,085	21,527,791
OCI Co. Ltd. ^b	121,331	8,381,097
		133,169,335
COMMERCIAL SERVICES & SUPPLIES — 0.84%		
KEPCO Plant Service & Engineering Co. Ltd.	148,302	15,798,818
S-1 Corp.	134,994	10,717,342
		26,516,160
CONSTRUCTION & ENGINEERING — 1.79%		
Daelim Industrial Co. Ltd. ^b	195,992	11,152,198
Daewoo Engineering & Construction Co. Ltd. ^{a,b}	857,568	4,618,650
GS Engineering & Construction Corp. ^{a,b}	369,158	7,600,082
Hyundai Development Co. Engineering & Construction ^b	379,658	19,227,659
Hyundai Engineering & Construction Co. Ltd.	499,104	14,009,938
		56,608,527
CONSUMER FINANCE — 0.25%		
Samsung Card Co. Ltd.	256,135	7,850,259
		7,850,259
DISTRIBUTORS — 1.09%		
Samsung C&T Corp.	849,106	34,531,387
		34,531,387
DIVERSIFIED TELECOMMUNICATION SERVICES — 0.62%		
KT Corp. ^a	242,029	5,903,645
LG Uplus Corp.	1,466,302	13,637,136
		19,540,781
ELECTRIC UTILITIES — 2.12%		
Korea Electric Power Corp.	1,647,771	66,872,127
		66,872,127
ELECTRICAL EQUIPMENT — 0.32%		
Doosan Heavy Industries & Construction Co. Ltd.	368,959	5,739,882
LS Industrial Systems Co. Ltd.	120,758	4,410,692
		10,150,574

Schedule of Investments (Continued)

iSHARES® MSCI SOUTH KOREA CAPPED ETF

August 31, 2015

Security	Shares	Value	Security	Shares	Value
ELECTRONIC EQUIPMENT, INSTRUMENTS & COMPONENTS — 2.65%					
LG Display Co. Ltd.	1,527,147	\$ 29,761,774	Hanwha Life Insurance Co. Ltd.	1,530,346	\$ 10,286,409
LG Innotek Co. Ltd. ^b	96,547	7,501,729	Hyundai Marine & Fire Insurance Co. Ltd.	441,764	10,458,163
Samsung Electro-Mechanics Co. Ltd. ^b	400,597	20,559,068	Samsung Fire & Marine Insurance Co. Ltd.	222,429	50,682,406
Samsung SDI Co. Ltd.	363,668	25,981,776	Samsung Life Insurance Co. Ltd.	518,383	43,083,533
		83,804,347			127,670,466
FOOD & STAPLES RETAILING — 1.05%			INTERNET SOFTWARE & SERVICES — 3.01%		
BGF retail Co. Ltd.	19,910	3,391,981	Daum Kakao Corp. ^b	175,131	19,974,781
Dongsuh Cos. Inc.	86,751	3,285,939	NAVER Corp.	179,465	75,184,872
E-Mart Co. Ltd.	137,628	26,588,880			95,159,653
		33,266,800	IT SERVICES — 1.23%		
FOOD PRODUCTS — 1.43%			Samsung SDS Co. Ltd.	178,702	38,754,651
CJ CheilJedang Corp. ^b	53,160	17,663,817			38,754,651
Lotte Confectionery Co. Ltd.	5,176	8,524,919	MACHINERY — 1.32%		
Orion Corp./Republic of Korea	24,062	18,981,058	Daewoo Shipbuilding & Marine Engineering Co. Ltd. ^b	754,991	4,295,996
		45,169,794	Doosan Infracore Co. Ltd. ^{a,b}	1,015,878	5,737,531
GAS UTILITIES — 0.22%			Hyundai Heavy Industries Co. Ltd. ^{a,b}	278,421	21,539,228
Korea Gas Corp.	207,250	7,052,896	Samsung Heavy Industries Co. Ltd. ^b	1,053,672	10,022,245
		7,052,896			41,595,000
HOTELS, RESTAURANTS & LEISURE — 1.09%			MARINE — 0.15%		
Kangwon Land Inc.	773,744	27,835,813	Hyundai Merchant Marine Co. Ltd. ^{a,b}	670,299	4,817,198
Paradise Co. Ltd. ^{a,b}	348,995	6,727,614			4,817,198
		34,563,427	MEDIA — 0.27%		
HOUSEHOLD DURABLES — 2.09%			Cheil Worldwide Inc. ^{a,b}	580,409	8,538,674
Coway Co. Ltd.	355,717	25,383,652			8,538,674
Hanssem Co. Ltd.	52,963	14,262,283	METALS & MINING — 3.74%		
LG Electronics Inc.	702,429	26,428,316	Hyundai Steel Co.	530,027	23,706,133
		66,074,251	Korea Zinc Co. Ltd.	56,248	24,396,723
HOUSEHOLD PRODUCTS — 1.30%			POSCO	435,673	69,987,630
LG Household & Health Care Ltd. ^b	60,832	41,249,008			118,090,486
		41,249,008	MULTILINE RETAIL — 1.29%		
INDUSTRIAL CONGLOMERATES — 4.17%			Hyundai Department Store Co. Ltd.	104,981	13,358,394
Cheil Industries Inc. ^{a,b}	135,857	20,446,033	Lotte Shopping Co. Ltd.	75,042	16,972,086
CJ Corp.	96,574	23,474,974	Shinsegae Co. Ltd.	49,039	10,386,193
Doosan Corp.	60,431	5,262,645			40,716,673
LG Corp.	621,659	30,590,195	OIL, GAS & CONSUMABLE FUELS — 2.01%		
SK Holdings Co. Ltd.	227,499	51,933,824	GS Holdings Corp.	351,345	13,798,330
		131,707,671			
INSURANCE — 4.04%					
Dongbu Insurance Co. Ltd.	292,574	13,159,955			

Schedule of Investments (Continued)

iSHARES® MSCI SOUTH KOREA CAPPED ETF

August 31, 2015

Security	Shares	Value
S-Oil Corp.	306,902	\$ 15,568,903
SK Innovation Co. Ltd. ^a	406,256	34,314,077
		63,681,310
PERSONAL PRODUCTS — 2.94%		
AmorePacific Corp.	206,699	66,147,175
AmorePacific Group	184,178	26,783,865
		92,931,040
PHARMACEUTICALS — 1.40%		
Celltrion Inc. ^{a,b}	419,105	25,158,702
Hanmi Pharm Co. Ltd. ^{a,b}	10,659	3,920,241
Hanmi Science Co. Ltd. ^a	26,403	3,571,744
Yuhan Corp.	54,666	11,485,522
		44,136,209
ROAD & RAIL — 0.24%		
CJ Korea Express Co. Ltd. ^{a,b}	50,757	7,638,762
		7,638,762
SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT — 3.56%		
SK Hynix Inc.	3,714,660	112,436,971
		112,436,971
SOFTWARE — 0.60%		
NCsoft Corp.	103,020	19,031,807
		19,031,807
SPECIALTY RETAIL — 0.71%		
Hotel Shilla Co. Ltd. ^b	221,587	22,575,551
		22,575,551
TECHNOLOGY HARDWARE, STORAGE & PERIPHERALS — 19.56%		
Samsung Electronics Co. Ltd.	671,430	618,209,486
		618,209,486
TOBACCO — 2.09%		
KT&G Corp.	705,564	65,918,260
		65,918,260
TRADING COMPANIES & DISTRIBUTORS — 0.35%		
Daewoo International Corp.	338,820	6,245,002
SK Networks Co. Ltd.	880,497	4,891,030
		11,136,032
WIRELESS TELECOMMUNICATION SERVICES — 0.43%		
SK Telecom Co. Ltd.	66,462	13,711,036
		13,711,036
TOTAL COMMON STOCKS		
(Cost: \$2,011,298,868)		3,038,194,772

Security	Shares	Value
PREFERRED STOCKS — 3.71%		
AUTOMOBILES — 1.09%		
Hyundai Motor Co. ^b	163,466	\$ 13,406,216
Hyundai Motor Co. Series 2	249,771	21,117,819
		34,524,035
CHEMICALS — 0.26%		
LG Chem Ltd.	56,196	8,219,749
		8,219,749
PERSONAL PRODUCTS — 0.12%		
AmorePacific Corp.	23,896	3,687,186
		3,687,186
TECHNOLOGY HARDWARE, STORAGE & PERIPHERALS — 2.24%		
Samsung Electronics Co. Ltd.	96,425	70,927,711
		70,927,711
TOTAL PREFERRED STOCKS		
(Cost: \$106,470,398)		117,358,681
SHORT-TERM INVESTMENTS — 6.41%		
MONEY MARKET FUNDS — 6.41%		
BlackRock Cash Funds: Institutional,		
SL Agency Shares		
0.18% ^{c,d,e}	189,155,862	189,155,862
BlackRock Cash Funds: Prime,		
SL Agency Shares		
0.18% ^{c,d,e}	10,862,260	10,862,260
BlackRock Cash Funds: Treasury,		
SL Agency Shares		
0.03% ^{c,d}	2,602,779	2,602,779
		202,620,901
TOTAL SHORT-TERM INVESTMENTS		
(Cost: \$202,620,901)		202,620,901
TOTAL INVESTMENTS		
IN SECURITIES — 106.24%		
(Cost: \$2,320,390,167)		3,358,174,354
Other Assets, Less Liabilities — (6.24)%		
		(197,220,045)
NET ASSETS — 100.00%		
		\$3,160,954,309

^a Non-income earning security.

^b All or a portion of this security represents a security on loan. See Note 1.

^c Affiliated issuer. See Note 2.

^d The rate quoted is the annualized seven-day yield of the fund at period end.

^e All or a portion of this security represents an investment of securities lending collateral. See Note 1.

See notes to financial statements.

Statements of Assets and Liabilities

iSHARES®, INC.

August 31, 2015

	iShares MSCI Australia ETF	iShares MSCI Canada ETF	iShares MSCI Japan ETF
ASSETS			
Investments, at cost:			
Unaffiliated	\$1,644,489,387	\$2,704,084,804	\$20,030,843,197
Affiliated (Note 2)	5,940,640	21,685,835	86,041,262
Total cost of investments	<u>\$1,650,430,027</u>	<u>\$2,725,770,639</u>	<u>\$20,116,884,459</u>
Investments in securities, at fair value (including securities on loan ^a)			
(Note 1):			
Unaffiliated	\$1,213,205,355	\$1,925,818,740	\$19,094,899,267
Affiliated (Note 2)	5,940,640	21,685,835	86,041,262
Total fair value of investments	1,219,145,995	1,947,504,575	19,180,940,529
Foreign currency, at value ^b	3,659,533	6,320,941	33,851,587
Foreign currency pledged to broker, at value ^b	956,683	553,141	6,058,853
Receivables:			
Investment securities sold	1,675,488	4,035,069	95,369,867
Due from custodian (Note 4)	1,829,619	—	—
Dividends and interest	10,774,466	2,920,029	18,774,384
Capital shares sold	180,153	—	9,146,132
Total Assets	<u>1,238,221,937</u>	<u>1,961,333,755</u>	<u>19,344,141,352</u>
LIABILITIES			
Payables:			
Investment securities purchased	3,441,924	6,933,510	95,225,618
Collateral for securities on loan (Note 1)	5,828,883	21,522,542	85,660,791
Capital shares redeemed	—	467,090	4,608,607
Futures variation margin	307,229	140,053	2,857,797
Securities related to in-kind transactions (Note 4)	37,250	—	—
Investment advisory fees (Note 2)	543,471	816,468	7,986,166
Total Liabilities	<u>10,158,757</u>	<u>29,879,663</u>	<u>196,338,979</u>
NET ASSETS	<u>\$1,228,063,180</u>	<u>\$1,931,454,092</u>	<u>\$19,147,802,373</u>
Net assets consist of:			
Paid-in capital	\$1,895,793,902	\$3,125,812,051	\$21,136,782,806
Undistributed (distributions in excess of) net investment income	6,449,210	415,638	(21,895,543)
Accumulated net realized loss	(242,251,289)	(416,223,279)	(1,029,172,144)
Net unrealized depreciation	(431,928,643)	(778,550,318)	(937,912,746)
NET ASSETS	<u>\$1,228,063,180</u>	<u>\$1,931,454,092</u>	<u>\$19,147,802,373</u>
Shares outstanding ^c	<u>65,800,000</u>	<u>80,400,000</u>	<u>1,575,600,000</u>
Net asset value per share	<u>\$ 18.66</u>	<u>\$ 24.02</u>	<u>\$ 12.15</u>

^a Securities on loan with values of \$5,481,119, \$20,765,824 and \$81,205,932, respectively. See Note 1.

^b Cost of foreign currency including currency pledged to broker, if any: \$4,696,624, \$6,985,879 and \$39,258,033, respectively.

^c \$0.001 par value, number of shares authorized: 627.8 million, 340.2 million and 2.5246 billion, respectively.

See notes to financial statements.

Statements of Assets and Liabilities (Continued)

iSHARES®, INC.

August 31, 2015

	iShares MSCI Mexico Capped ETF	iShares MSCI South Korea Capped ETF
ASSETS		
Investments, at cost:		
Unaffiliated	\$1,654,526,830	\$ 2,117,769,266
Affiliated (Note 2)	44,804,068	202,620,901
Total cost of investments	<u>\$1,699,330,898</u>	<u>\$ 2,320,390,167</u>
Investments in securities, at fair value (including securities on loan ^a) (Note 1):		
Unaffiliated	\$1,202,274,657	\$ 3,155,553,453
Affiliated (Note 2)	44,804,068	202,620,901
Total fair value of investments	1,247,078,725	3,358,174,354
Foreign currency, at value ^b	2,577,864	—
Receivables:		
Investment securities sold	67,751,418	64,224,549
Due from custodian (Note 4)	45,713,557	—
Dividends and interest	504,704	1,285,619
Capital shares sold	94,727	—
Total Assets	<u>1,363,720,995</u>	<u>3,423,684,522</u>
LIABILITIES		
Payables:		
Investment securities purchased	112,424,996	40,484,182
Collateral for securities on loan (Note 1)	43,821,953	200,018,122
Capital shares redeemed	22,760	20,377,635
Investment advisory fees (Note 2)	508,983	1,850,274
Total Liabilities	<u>156,778,692</u>	<u>262,730,213</u>
NET ASSETS	<u>\$1,206,942,303</u>	<u>\$ 3,160,954,309</u>
Net assets consist of:		
Paid-in capital	\$1,889,595,830	\$ 3,393,474,644
Undistributed (distributions in excess of) net investment income	597,098	(78,505,763)
Accumulated net realized loss	(230,829,837)	(1,191,742,880)
Net unrealized appreciation (depreciation)	(452,420,788)	1,037,728,308
NET ASSETS	<u>\$1,206,942,303</u>	<u>\$ 3,160,954,309</u>
Shares outstanding ^c	<u>22,900,000</u>	<u>65,650,000</u>
Net asset value per share	<u>\$ 52.70</u>	<u>\$ 48.15</u>

^a Securities on loan with values of \$40,305,767 and \$188,300,983, respectively. See Note 1.

^b Cost of foreign currency: \$2,610,353 and \$ —, respectively.

^c \$0.001 par value, number of shares authorized: 255 million and 200 million, respectively.

See notes to financial statements.

Statements of Operations

iSHARES®, INC.

Year ended August 31, 2015

	iShares MSCI Australia ETF	iShares MSCI Canada ETF	iShares MSCI Japan ETF
NET INVESTMENT INCOME			
Dividends — unaffiliated ^a	\$ 97,219,669	\$ 63,881,721	\$ 274,161,987
Interest — unaffiliated	4,087	—	—
Interest — affiliated (Note 2)	70	77	862
Securities lending income — affiliated — net (Note 2)	89,427	61,410	2,880,407
Total investment income	<u>97,313,253</u>	<u>63,943,208</u>	<u>277,043,256</u>
EXPENSES			
Investment advisory fees (Note 2)	<u>7,960,415</u>	<u>12,771,622</u>	<u>78,965,332</u>
Total expenses	<u>7,960,415</u>	<u>12,771,622</u>	<u>78,965,332</u>
Net investment income	<u>89,352,838</u>	<u>51,171,586</u>	<u>198,077,924</u>
NET REALIZED AND UNREALIZED GAIN (LOSS)			
Net realized gain (loss) from:			
Investments — unaffiliated	(58,424,950)	(113,825,352)	(132,736,642)
In-kind redemptions — unaffiliated	22,599,887	113,934,459	562,342,727
Futures contracts	(1,608,460)	395,420	23,318,919
Foreign currency transactions	<u>(4,969,706)</u>	<u>(690,125)</u>	<u>(18,933,104)</u>
Net realized gain (loss)	<u>(42,403,229)</u>	<u>(185,598)</u>	<u>433,991,900</u>
Net change in unrealized appreciation/depreciation on:			
Investments	(585,753,661)	(887,129,770)	(334,714,877)
Futures contracts	(760,041)	(1,033,143)	(3,764,376)
Translation of assets and liabilities in foreign currencies	<u>(354,000)</u>	<u>(14,788)</u>	<u>1,557,609</u>
Net change in unrealized appreciation/depreciation	<u>(586,867,702)</u>	<u>(888,177,701)</u>	<u>(336,921,644)</u>
Net realized and unrealized gain (loss)	<u>(629,270,931)</u>	<u>(888,363,299)</u>	<u>97,070,256</u>
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	<u><u>\$(539,918,093)</u></u>	<u><u>\$(837,191,713)</u></u>	<u><u>\$ 295,148,180</u></u>

^a Net of foreign withholding tax of \$1,393,004, \$11,416,573 and \$30,373,104, respectively.

See notes to financial statements.

Statements of Operations (Continued)

iSHARES®, INC.

Year ended August 31, 2015

	iShares MSCI Mexico Capped ETF	iShares MSCI South Korea Capped ETF
NET INVESTMENT INCOME		
Dividends — unaffiliated ^a	\$ 32,463,169	\$ 53,016,785
Interest — unaffiliated	—	970
Interest — affiliated (Note 2)	51	755
Securities lending income — affiliated — net (Note 2)	785,455	6,746,452
	33,248,675	59,764,962
Less: Other foreign taxes (Note 1)	—	(4,442)
Total investment income	33,248,675	59,760,520
EXPENSES		
Investment advisory fees (Note 2)	10,089,636	25,858,763
Total expenses	10,089,636	25,858,763
Net investment income	23,159,039	33,901,757
NET REALIZED AND UNREALIZED GAIN (LOSS)		
Net realized gain (loss) from:		
Investments — unaffiliated	(78,777,968)	(284,081,583)
In-kind redemptions — unaffiliated	(138,503,730)	—
Foreign currency transactions	(757,154)	(390,021)
Net realized loss	(218,038,852)	(284,471,604)
Net change in unrealized appreciation/depreciation on:		
Investments	(502,057,890)	(1,094,073,908)
Translation of assets and liabilities in foreign currencies	(170,639)	(47,207)
Net change in unrealized appreciation/depreciation	(502,228,529)	(1,094,121,115)
Net realized and unrealized loss	(720,267,381)	(1,378,592,719)
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$(697,108,342)</u>	<u>\$(1,344,690,962)</u>

^a Net of foreign withholding tax of \$512,052 and \$10,159,915, respectively.

See notes to financial statements.

Statements of Changes in Net Assets

iSHARES®, INC.

	<i>iShares MSCI Australia ETF</i>		<i>iShares MSCI Canada ETF</i>	
	Year ended August 31, 2015	Year ended August 31, 2014	Year ended August 31, 2015	Year ended August 31, 2014
INCREASE (DECREASE) IN NET ASSETS				
OPERATIONS:				
Net investment income	\$ 89,352,838	\$ 82,908,446	\$ 51,171,586	\$ 66,432,321
Net realized gain (loss)	(42,403,229)	35,472,872	(185,598)	6,264,667
Net change in unrealized appreciation/depreciation	(586,867,702)	210,426,381	(888,177,701)	621,918,423
Net increase (decrease) in net assets resulting from operations	(539,918,093)	328,807,699	(837,191,713)	694,615,411
DISTRIBUTIONS TO SHAREHOLDERS:				
From net investment income	(88,722,742)	(76,457,082)	(56,091,045)	(71,105,660)
Total distributions to shareholders	(88,722,742)	(76,457,082)	(56,091,045)	(71,105,660)
CAPITAL SHARE TRANSACTIONS:				
Proceeds from shares sold	286,641,003	364,472,393	422,191,995	537,013,459
Cost of shares redeemed	(477,049,572)	(486,559,346)	(1,384,361,375)	(801,840,234)
Net decrease in net assets from capital share transactions	(190,408,569)	(122,086,953)	(962,169,380)	(264,826,775)
INCREASE (DECREASE) IN NET ASSETS	(819,049,404)	130,263,664	(1,855,452,138)	358,682,976
NET ASSETS				
Beginning of year	2,047,112,584	1,916,848,920	3,786,906,230	3,428,223,254
End of year	<u>\$1,228,063,180</u>	<u>\$2,047,112,584</u>	<u>\$ 1,931,454,092</u>	<u>\$3,786,906,230</u>
Undistributed net investment income included in net assets at end of year	<u>\$ 6,449,210</u>	<u>\$ 4,863,922</u>	<u>\$ 415,638</u>	<u>\$ 3,649,118</u>
SHARES ISSUED AND REDEEMED				
Shares sold	12,800,000	13,800,000	14,300,000	17,400,000
Shares redeemed	(22,400,000)	(19,600,000)	(48,900,000)	(27,800,000)
Net decrease in shares outstanding	<u>(9,600,000)</u>	<u>(5,800,000)</u>	<u>(34,600,000)</u>	<u>(10,400,000)</u>

See notes to financial statements.

Statements of Changes in Net Assets (Continued)

iSHARES®, INC.

	<i>iShares MSCI Japan ETF</i>		<i>iShares MSCI Mexico Capped ETF</i>	
	Year ended August 31, 2015	Year ended August 31, 2014	Year ended August 31, 2015	Year ended August 31, 2014
INCREASE (DECREASE) IN NET ASSETS				
OPERATIONS:				
Net investment income	\$ 198,077,924	\$ 177,693,682	\$ 23,159,039	\$ 43,179,073
Net realized gain (loss)	433,991,900	136,968,307	(218,038,852)	(49,805,879)
Net change in unrealized appreciation/depreciation	(336,921,644)	665,594,417	(502,228,529)	416,649,115
Net increase (decrease) in net assets resulting from operations	295,148,180	980,256,406	(697,108,342)	410,022,309
DISTRIBUTIONS TO SHAREHOLDERS:				
From net investment income	(187,336,932)	(199,951,249)	(30,297,965)	(41,504,491)
Total distributions to shareholders	(187,336,932)	(199,951,249)	(30,297,965)	(41,504,491)
CAPITAL SHARE TRANSACTIONS:				
Proceeds from shares sold	8,592,356,336	5,400,567,672	862,520,515	2,034,431,562
Cost of shares redeemed	(4,281,553,914)	(1,913,626,119)	(2,203,323,997)	(1,344,849,484)
Net increase (decrease) in net assets from capital share transactions	4,310,802,422	3,486,941,553	(1,340,803,482)	689,582,078
INCREASE (DECREASE) IN NET ASSETS	4,418,613,670	4,267,246,710	(2,068,209,789)	1,058,099,896
NET ASSETS				
Beginning of year	14,729,188,703	10,461,941,993	3,275,152,092	2,217,052,196
End of year	<u>\$19,147,802,373</u>	<u>\$14,729,188,703</u>	<u>\$ 1,206,942,303</u>	<u>\$ 3,275,152,092</u>
Undistributed (distributions in excess of) net investment income included in net assets at end of year	<u>\$ (21,895,543)</u>	<u>\$ (28,649,511)</u>	<u>\$ 597,098</u>	<u>\$ 5,791,200</u>
SHARES ISSUED AND REDEEMED				
Shares sold	697,200,000	457,800,000	14,400,000	31,000,000
Shares redeemed	(366,600,000)	(166,800,000)	(37,300,000)	(21,000,000)
Net increase (decrease) in shares outstanding	<u>330,600,000</u>	<u>291,000,000</u>	<u>(22,900,000)</u>	<u>10,000,000</u>

See notes to financial statements.

Statements of Changes in Net Assets (Continued)

iSHARES®, INC.

	<i>iShares MSCI South Korea Capped ETF</i>	
	Year ended August 31, 2015	Year ended August 31, 2014
INCREASE (DECREASE) IN NET ASSETS		
OPERATIONS:		
Net investment income	\$ 33,901,757	\$ 16,661,091
Net realized loss	(284,471,604)	(39,478,146)
Net change in unrealized appreciation/depreciation	(1,094,121,115)	623,922,673
Net increase (decrease) in net assets resulting from operations	(1,344,690,962)	601,105,618
DISTRIBUTIONS TO SHAREHOLDERS:		
From net investment income	(50,182,957)	(61,830,398)
Total distributions to shareholders	(50,182,957)	(61,830,398)
CAPITAL SHARE TRANSACTIONS:		
Proceeds from shares sold	649,650,453	1,151,119,199
Cost of shares redeemed	(985,441,132)	(175,291,957)
Net increase (decrease) in net assets from capital share transactions	(335,790,679)	975,827,242
INCREASE (DECREASE) IN NET ASSETS	(1,730,664,598)	1,515,102,462
NET ASSETS		
Beginning of year	4,891,618,907	3,376,516,445
End of year	\$ 3,160,954,309	\$4,891,618,907
Distributions in excess of net investment income included in net assets at end of year	\$ (78,505,763)	\$ (61,970,456)
SHARES ISSUED AND REDEEMED		
Shares sold	10,650,000	18,000,000
Shares redeemed	(18,650,000)	(2,900,000)
Net increase (decrease) in shares outstanding	(8,000,000)	15,100,000

See notes to financial statements.

Financial Highlights

iSHARES®, INC.

(For a share outstanding throughout each period)

iShares MSCI Australia ETF

	Year ended Aug. 31, 2015	Year ended Aug. 31, 2014	Year ended Aug. 31, 2013	Year ended Aug. 31, 2012	Year ended Aug. 31, 2011
Net asset value, beginning of year	\$ 27.15	\$ 23.61	\$ 23.39	\$ 24.18	\$ 20.92
Income from investment operations:					
Net investment income ^a	1.23	1.10	1.02	1.04	0.99
Net realized and unrealized gain (loss) ^b	(8.49)	3.43	0.64	(0.72)	3.33
Total from investment operations	(7.26)	4.53	1.66	0.32	4.32
Less distributions from:					
Net investment income	(1.23)	(0.99)	(1.44)	(1.11)	(1.06)
Total distributions	(1.23)	(0.99)	(1.44)	(1.11)	(1.06)
Net asset value, end of year	\$ 18.66	\$ 27.15	\$ 23.61	\$ 23.39	\$ 24.18
Total return	(27.31)%	19.76%	7.06%	1.84%	20.54%
Ratios/Supplemental data:					
Net assets, end of year (000s)	\$1,228,063	\$2,047,113	\$1,916,849	\$2,493,699	\$3,090,425
Ratio of expenses to average net assets	0.48%	0.48%	0.51%	0.53%	0.52%
Ratio of net investment income to average net assets	5.37%	4.28%	4.05%	4.61%	3.95%
Portfolio turnover rate ^c	9%	6%	6%	9%	9%

^a Based on average shares outstanding throughout each period.

^b 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.

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

See notes to financial statements.

Financial Highlights (Continued)

iSHARES®, INC.

(For a share outstanding throughout each period)

iShares MSCI Canada ETF

	Year ended Aug. 31, 2015	Year ended Aug. 31, 2014	Year ended Aug. 31, 2013	Year ended Aug. 31, 2012	Year ended Aug. 31, 2011
Net asset value, beginning of year	\$ 32.93	\$ 27.34	\$ 27.52	\$ 29.89	\$ 26.10
Income from investment operations:					
Net investment income ^a	0.54	0.59	0.60	0.53	0.53
Net realized and unrealized gain (loss) ^b	(8.85)	5.62	(0.10)	(2.33)	3.78
Total from investment operations	(8.31)	6.21	0.50	(1.80)	4.31
Less distributions from:					
Net investment income	(0.60)	(0.62)	(0.68)	(0.57)	(0.52)
Total distributions	(0.60)	(0.62)	(0.68)	(0.57)	(0.52)
Net asset value, end of year	\$ 24.02	\$ 32.93	\$ 27.34	\$ 27.52	\$ 29.89
Total return	(25.48)%	23.00%	1.84%	(5.87)%	16.50%
Ratios/Supplemental data:					
Net assets, end of year (000s)	\$1,931,454	\$3,786,906	\$3,428,223	\$4,254,544	\$5,092,547
Ratio of expenses to average net assets	0.48%	0.48%	0.51%	0.53%	0.52%
Ratio of net investment income to average net assets	1.92%	1.97%	2.12%	1.94%	1.70%
Portfolio turnover rate ^c	5%	6%	7%	5%	8%

^a Based on average shares outstanding throughout each period.

^b 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.

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

See notes to financial statements.

Financial Highlights (Continued)

iSHARES®, INC.

(For a share outstanding throughout each period)

iShares MSCI Japan ETF

	Year ended Aug. 31, 2015	Year ended Aug. 31, 2014	Year ended Aug. 31, 2013	Year ended Aug. 31, 2012	Year ended Aug. 31, 2011
Net asset value, beginning of year	\$ 11.83	\$ 10.97	\$ 9.02	\$ 9.80	\$ 9.43
Income from investment operations:					
Net investment income ^a	0.15	0.15	0.13	0.18	0.16
Net realized and unrealized gain (loss) ^b	0.30	0.88	1.97	(0.77)	0.37
Total from investment operations	0.45	1.03	2.10	(0.59)	0.53
Less distributions from:					
Net investment income	(0.13)	(0.17)	(0.15)	(0.19)	(0.16)
Total distributions	(0.13)	(0.17)	(0.15)	(0.19)	(0.16)
Net asset value, end of year	\$ 12.15	\$ 11.83	\$ 10.97	\$ 9.02	\$ 9.80
Total return	3.84%	9.39%	23.46%	(5.96)%	5.54%
Ratios/Supplemental data:					
Net assets, end of year (000s)	\$19,147,802	\$14,729,189	\$10,461,942	\$4,629,034	\$7,194,509
Ratio of expenses to average net assets	0.48%	0.48%	0.50%	0.53%	0.51%
Ratio of net investment income to average net assets	1.20%	1.31%	1.18%	1.95%	1.53%
Portfolio turnover rate ^c	2%	2%	4%	3%	4%

^a Based on average shares outstanding throughout each period.

^b 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.

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

See notes to financial statements.

Financial Highlights (Continued)

iSHARES®, INC.

(For a share outstanding throughout each period)

iShares MSCI Mexico Capped ETF

	Year ended Aug. 31, 2015	Year ended Aug. 31, 2014	Year ended Aug. 31, 2013	Year ended Aug. 31, 2012	Year ended Aug. 31, 2011
Net asset value, beginning of year	\$ 71.51	\$ 61.93	\$ 60.96	\$ 58.39	\$ 48.17
Income from investment operations:					
Net investment income ^a	0.68	1.06	0.75	0.73	0.80
Net realized and unrealized gain (loss) ^b	(18.56)	9.61	0.85	2.76	10.15
Total from investment operations	(17.88)	10.67	1.60	3.49	10.95
Less distributions from:					
Net investment income	(0.93)	(1.09)	(0.63)	(0.92)	(0.73)
Total distributions	(0.93)	(1.09)	(0.63)	(0.92)	(0.73)
Net asset value, end of year	\$ 52.70	\$ 71.51	\$ 61.93	\$ 60.96	\$ 58.39
Total return	(25.10)%	17.42%	2.53%	6.13%	22.67%
Ratios/Supplemental data:					
Net assets, end of year (000s)	\$1,206,942	\$3,275,152	\$2,217,052	\$1,182,700	\$1,243,731
Ratio of expenses to average net assets	0.48%	0.48%	0.50%	0.53%	0.52%
Ratio of net investment income to average net assets	1.10%	1.61%	1.09%	1.26%	1.35%
Portfolio turnover rate ^c	13%	19%	32%	10%	5%

^a Based on average shares outstanding throughout each period.

^b 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.

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

See notes to financial statements.

Financial Highlights (Continued)

iSHARES®, INC.

(For a share outstanding throughout each period)

iShares MSCI South Korea Capped ETF

	Year ended Aug. 31, 2015	Year ended Aug. 31, 2014	Year ended Aug. 31, 2013	Year ended Aug. 31, 2012	Year ended Aug. 31, 2011
Net asset value, beginning of year	\$ 66.42	\$ 57.67	\$ 55.97	\$ 56.74	\$ 47.76
Income from investment operations:					
Net investment income ^a	0.46	0.25	0.23	0.23	0.29
Net realized and unrealized gain (loss) ^b	(18.07)	9.40	1.83	(0.63)	9.19
Total from investment operations	(17.61)	9.65	2.06	(0.40)	9.48
Less distributions from:					
Net investment income	(0.66)	(0.90)	(0.36)	(0.37)	(0.43)
Return of capital	—	—	—	—	(0.07)
Total distributions	(0.66)	(0.90)	(0.36)	(0.37)	(0.50)
Net asset value, end of year	\$ 48.15	\$ 66.42	\$ 57.67	\$ 55.97	\$ 56.74
Total return	(26.58)%	16.83%	3.65%	(0.62)%	19.76%
Ratios/Supplemental data:					
Net assets, end of year (000s)	\$3,160,954	\$4,891,619	\$3,376,516	\$2,669,551	\$4,071,225
Ratio of expenses to average net assets	0.62%	0.62%	0.61%	0.61%	0.59%
Ratio of net investment income to average net assets	0.81%	0.39%	0.40%	0.42%	0.49%
Portfolio turnover rate ^c	24%	13%	13%	12%	18%

^a Based on average shares outstanding throughout each period.

^b 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.

^c Portfolio turnover rates include portfolio transactions that are executed as a result of the Fund processing capital share transactions in Creation Units solely for cash in U.S. dollars. Excluding such cash transactions, the portfolio turnover rates for the years ended August 31, 2015, August 31, 2014, August 31, 2013, August 31, 2012, and August 31, 2011 were 10%, 10%, 11%, 8%, and 6%, respectively. See Note 4.

See notes to financial statements.

Notes to Financial Statements

iSHARES®, INC.

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

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies are consistently followed by 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.

SECURITY VALUATION

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

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

Notes to Financial Statements (Continued)

iSHARES®, INC.

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

In the event that application of these methods of valuation results in a price for an investment which is deemed not to be representative of the fair value of such investment or if a price is not available, the investment will be valued 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 Company's pricing vendors, a regular review of key inputs and assumptions, transactional back-testing or disposition analysis to compare unrealized gains and losses to realized gains and losses, reviews of missing or stale prices, reviews of large movements in market values, and reviews of market related activity.

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

Various inputs are used in determining the fair value of financial instruments. Inputs may be based on independent market data ("observable inputs") or they may be internally developed ("unobservable inputs"). These inputs 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.

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

Notes to Financial Statements (Continued)

iSHARES®, INC.

The following table summarizes the value of each of the Funds' investments according to the fair value hierarchy as of August 31, 2015. The breakdown of each Fund's investments into major categories is disclosed in its respective schedule of investments.

<i>iShares ETF</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
<i>MSCI Australia</i>				
Investments:				
Assets:				
Common Stocks	\$ 1,213,205,355	\$ —	\$ —	\$ 1,213,205,355
Money Market Funds	5,940,640	—	—	5,940,640
Total	<u>\$ 1,219,145,995</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,219,145,995</u>
Derivative Financial Instruments: ^a				
Liabilities:				
Futures Contracts	\$ (307,229)	\$ —	\$ —	\$ (307,229)
Total	<u>\$ (307,229)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (307,229)</u>
<i>MSCI Canada</i>				
Investments:				
Assets:				
Common Stocks	\$ 1,925,818,740	\$ —	\$ —	\$ 1,925,818,740
Money Market Funds	21,685,835	—	—	21,685,835
Total	<u>\$ 1,947,504,575</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,947,504,575</u>
Derivative Financial Instruments: ^a				
Liabilities:				
Futures Contracts	\$ (140,053)	\$ —	\$ —	\$ (140,053)
Total	<u>\$ (140,053)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (140,053)</u>
<i>MSCI Japan</i>				
Investments:				
Assets:				
Common Stocks	\$19,094,899,267	\$ —	\$ —	\$19,094,899,267
Money Market Funds	86,041,262	—	—	86,041,262
Total	<u>\$19,180,940,529</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$19,180,940,529</u>
Derivative Financial Instruments: ^a				
Liabilities:				
Futures Contracts	\$ (2,857,797)	\$ —	\$ —	\$ (2,857,797)
Total	<u>\$ (2,857,797)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (2,857,797)</u>
<i>MSCI Mexico Capped</i>				
Investments:				
Assets:				
Common Stocks	\$ 1,202,274,630	\$ —	\$ 27	\$ 1,202,274,657
Money Market Funds	44,804,068	—	—	44,804,068
Total	<u>\$ 1,247,078,698</u>	<u>\$ —</u>	<u>\$ 27</u>	<u>\$ 1,247,078,725</u>

Notes to Financial Statements (Continued)

iSHARES®, INC.

<i>iShares ETF</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
<i>MSCI South Korea Capped</i>				
Investments:				
Assets:				
Common Stocks	\$ 3,003,663,385	\$34,531,387	\$ —	\$ 3,038,194,772
Preferred Stocks	117,358,681	—	—	117,358,681
Money Market Funds	202,620,901	—	—	202,620,901
Total	<u>\$ 3,323,642,967</u>	<u>\$34,531,387</u>	<u>\$ —</u>	<u>\$ 3,358,174,354</u>

^a Shown at the unrealized appreciation (depreciation) on the contracts.

The iShares MSCI South Korea Capped ETF had transfers from Level 1 to Level 2 during the year ended August 31, 2015 in the amount of \$70,385,702, resulting from a temporary suspension of trading.

SECURITY TRANSACTIONS AND INCOME RECOGNITION

Security transactions are accounted for on trade date. Dividend income and capital gain distributions, if any, are recognized on the ex-dividend date, net of any foreign taxes withheld at source. Any taxes withheld that are reclaimable from foreign tax authorities as of August 31, 2015 are reflected in dividends receivable. 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.

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.

FOREIGN TAXES

The Funds may be subject to foreign taxes (a portion of which may be reclaimable) on income, stock dividends, capital gains on investments, or certain foreign currency transactions. All foreign taxes are recorded in accordance with the applicable foreign tax regulations and rates that exist in the foreign jurisdictions in which the Funds invest. These foreign taxes, if any, are paid by the Funds and are reflected in their statements of operations as follows: foreign taxes withheld at source are presented as a reduction of income, foreign taxes on securities lending income are presented as a reduction of securities lending income, foreign taxes on stock dividends are presented as "other foreign taxes," and foreign taxes on capital gains from sales of investments and foreign taxes on foreign currency transactions are included in their respective net realized gain (loss) categories. Foreign taxes payable or deferred as of August 31, 2015, if any, are disclosed in the Funds' statements of assets and liabilities.

Notes to Financial Statements (Continued)

iSHARES®, INC.

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. Any additional required collateral is delivered to the Funds and any excess collateral is returned by the Funds on the next business day. During the term of the loan, each Fund is entitled to all distributions made on or in respect of the loaned securities. 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 August 31, 2015, 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 securities on loan for each Fund are also disclosed in its schedule of investments. The total value of any securities on loan as of August 31, 2015 and the total 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 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.

Notes to Financial Statements (Continued)

iSHARES®, INC.

The following table is a summary of securities lending agreements which are subject to offset under an MSLA as of August 31, 2015:

<i>iShares ETF</i>	<i>Market Value of Securities on Loan</i>	<i>Cash Collateral Received^a</i>	<i>Net Amount</i>
MSCI Australia	\$ 5,481,119	\$ 5,481,119	\$ —
MSCI Canada	20,765,824	20,765,824	—
MSCI Japan	81,205,932	81,205,932	—
MSCI Mexico Capped	40,305,767	40,305,767	—
MSCI South Korea Capped	188,300,983	188,300,983	—

^a 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.

2. INVESTMENT ADVISORY AGREEMENT AND OTHER TRANSACTIONS WITH AFFILIATES

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

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

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

For its investment advisory services to the iShares MSCI South Korea Capped 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>
0.74%	First \$2 billion
0.69	Over \$2 billion, up to and including \$4 billion
0.64	Over \$4 billion, up to and including \$8 billion
0.57	Over \$8 billion, up to and including \$16 billion
0.51	Over \$16 billion, up to and including \$32 billion
0.45	Over \$32 billion

The U.S. Securities and Exchange Commission has issued an exemptive order which permits BlackRock Institutional Trust Company, N.A. ("BTC"), an affiliate of BFA, to serve as securities lending agent for the Funds, subject to applicable conditions. As

Notes to Financial Statements (Continued)

iSHARES®, INC.

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

Pursuant to a securities lending agreement, each Fund retains 80% of securities lending income and the amount retained can never be less than 70% of the total of securities lending income plus the collateral investment fees. In addition, commencing the business day following the date that the aggregate securities lending income plus the collateral investment fees generated across all 1940 Act iShares exchange-traded funds (the “iShares ETF Complex”) in a given calendar year exceeds the aggregate securities lending income generated across the iShares ETF Complex in the calendar year 2013, each Fund, pursuant to a securities lending agreement, will retain for the remainder of that calendar year 85% of securities lending income and the amount retained can never be less than 70% of the total of securities lending income plus the collateral investment fees.

Prior to January 1, 2015, each Fund retained 75% of securities lending income and the amount retained was never less than 65% of the total of securities lending income plus the collateral investment fees. In addition, commencing the business day following the date that the aggregate securities lending income plus the collateral investment fees generated across the iShares ETF Complex in the calendar year 2014 exceeded the aggregate securities lending income generated across the iShares ETF Complex in the calendar year 2013 and pursuant to a securities lending agreement, each Fund retained for the remainder of the calendar year 2014, 80% of securities lending income and the amount retained was never less than 65% of the total of securities lending income plus the collateral investment fees.

For the year ended August 31, 2015, the total of securities lending agent services and collateral investment fees paid were as follows:

<i>iShares ETF</i>	<i>Fees Paid to BTC</i>
MSCI Australia	\$ 23,418
MSCI Canada	27,587
MSCI Japan	817,744
MSCI Mexico Capped	258,986
MSCI South Korea Capped	1,852,064

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 August 31, 2015, 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.

Notes to Financial Statements (Continued)

iSHARES®, INC.

Certain directors and officers of the Company 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 August 31, 2015 were as follows:

<i>iShares ETF</i>	<i>Purchases</i>	<i>Sales</i>
MSCI Australia	\$ 144,805,225	\$ 157,690,225
MSCI Canada	171,095,220	144,978,881
MSCI Japan	485,566,867	352,915,955
MSCI Mexico Capped	281,880,821	276,258,621
MSCI South Korea Capped	1,017,176,031	1,365,896,360

In-kind transactions (see Note 4) for the year ended August 31, 2015 were as follows:

<i>iShares ETF</i>	<i>In-kind Purchases</i>	<i>In-kind Sales</i>
MSCI Australia	\$ 280,664,374	\$ 467,324,355
MSCI Canada	418,445,991	1,370,826,562
MSCI Japan	8,348,092,364	4,174,371,529
MSCI Mexico Capped	842,247,513	2,195,287,492

4. CAPITAL SHARE TRANSACTIONS

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

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

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

5. FUTURES CONTRACTS

Each Fund may purchase or sell 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

Notes to Financial Statements (Continued)

iSHARES®, INC.

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 as of August 31, 2015 and the related locations in the statements of assets and liabilities, presented by risk exposure category:

	<i>Liabilities</i>		
	<i>iShares MSCI Australia ETF</i>	<i>iShares MSCI Canada ETF</i>	<i>iShares MSCI Japan ETF</i>
Equity contracts:			
Variation margin/Net assets consist of –			
net unrealized depreciation ^a	<u>\$ 307,229</u>	<u>\$ 140,053</u>	<u>\$ 2,857,797</u>

^a Represents cumulative depreciation of futures contracts as reported in the schedules of investments.

The following table shows the realized and unrealized gains (losses) on futures contracts held during the year ended August 31, 2015 and the related locations in the statements of operations, presented by risk exposure category:

	<i>Net Realized Gain (Loss)</i>		
	<i>iShares MSCI Australia ETF</i>	<i>iShares MSCI Canada ETF</i>	<i>iShares MSCI Japan ETF</i>
Equity contracts:			
Futures contracts	<u>\$ (1,608,460)</u>	<u>\$ 395,420</u>	<u>\$ 23,318,919</u>

	<i>Net Change in Unrealized Appreciation/Depreciation</i>		
	<i>iShares MSCI Australia ETF</i>	<i>iShares MSCI Canada ETF</i>	<i>iShares MSCI Japan ETF</i>
Equity contracts:			
Futures contracts	<u>\$ (760,041)</u>	<u>\$ (1,033,143)</u>	<u>\$ (3,764,376)</u>

The following table shows the average quarter-end balances of open futures contracts for the year ended August 31, 2015:

	<i>iShares MSCI Australia ETF</i>	<i>iShares MSCI Canada ETF</i>	<i>iShares MSCI Japan ETF</i>
Average value of contracts purchased	<u>\$ 18,315,106</u>	<u>\$ 9,794,047</u>	<u>\$ 82,790,244</u>

Notes to Financial Statements (Continued)

iSHARES®, INC.

6. PRINCIPAL RISKS

In the normal course of business, each Fund's investment activities expose 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 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 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 Fund; 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 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.

Each Fund invests all or substantially all of its assets in issuers located in a single country. When a fund concentrates its investments in this manner, it assumes the risk that economic, political and social conditions in that country may have a significant impact on its investment performance.

CREDIT RISK

Credit risk is the risk that an issuer or guarantor of debt instruments or the counterparty to a financial transaction, including derivatives contracts, repurchase agreements or loans of portfolio securities, is unable or unwilling to make timely interest and/or principal payments or to otherwise honor its obligations. BFA and its affiliates manage counterparty credit risk by entering into transactions only with counterparties that they believe have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose 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 its statement of assets and liabilities.

Notes to Financial Statements (Continued)

iSHARES®, INC.

7. INCOME TAX INFORMATION

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

U.S. GAAP requires that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. These reclassifications have no effect on net assets or NAV per share. The following permanent differences as of August 31, 2015, attributable to passive foreign investment companies, the expiration of capital loss carryforwards, foreign currency transactions and realized gains (losses) from in-kind redemptions, were reclassified to the following accounts:

<i>iShares ETF</i>	<i>Paid-in Capital</i>	<i>Undistributed Net Investment Income/Distributions in Excess of Net Investment Income</i>	<i>Undistributed Net Realized Gain/Accumulated Net Realized Loss</i>
MSCI Australia	\$ (21,778,637)	\$ 955,192	\$ 20,823,445
MSCI Canada	67,534,983	1,685,979	(69,220,962)
MSCI Japan	449,885,441	(3,987,024)	(445,898,417)
MSCI Mexico Capped	(211,195,280)	1,944,824	209,250,456
MSCI South Korea Capped	—	(254,107)	254,107

The tax character of distributions paid during the years ended August 31, 2015 and August 31, 2014 was as follows:

<i>iShares ETF</i>	<i>2015</i>	<i>2014</i>
<i>MSCI Australia</i>		
Ordinary income	<u>\$ 88,722,742</u>	<u>\$ 76,457,082</u>
<i>MSCI Canada</i>		
Ordinary income	<u>\$ 56,091,045</u>	<u>\$ 71,105,660</u>
<i>MSCI Japan</i>		
Ordinary income	<u>\$187,336,932</u>	<u>\$199,951,249</u>
<i>MSCI Mexico Capped</i>		
Ordinary income	<u>\$ 30,297,965</u>	<u>\$ 41,504,491</u>
<i>MSCI South Korea Capped</i>		
Ordinary income	<u>\$ 50,182,957</u>	<u>\$ 61,830,398</u>

Notes to Financial Statements (Continued)

iSHARES®, INC.

As of August 31, 2015, 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)^a</i>	<i>Qualified Late-Year Losses^b</i>	<i>Total</i>
MSCI Australia	\$ 7,242,413	\$(172,721,025)	\$ (478,171,441)	\$ (24,080,669)	\$ (667,730,722)
MSCI Canada	1,882,603	(290,684,245)	(807,480,587)	(98,075,730)	(1,194,357,959)
MSCI Japan	28,632,728	(797,344,560)	(1,177,383,944)	(42,884,657)	(1,988,980,433)
MSCI Mexico Capped	1,525,684	(140,104,655)	(516,594,236)	(27,480,320)	(682,653,527)
MSCI South Korea Capped	13,149,685	(397,308,550)	428,856,235	(277,217,705)	(232,520,335)

^a The difference between book-basis and tax-basis unrealized gains (losses) was attributable primarily to the tax deferral of losses on wash sales and the realization for tax purposes of unrealized gains on investments in passive foreign investment companies.

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

As of August 31, 2015, the following 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^a</i>	<i>Expiring 2016</i>	<i>Expiring 2017</i>	<i>Expiring 2018</i>	<i>Expiring 2019</i>	<i>Total</i>
MSCI Australia	\$112,709,424	\$ 529,868	\$ 24,006,125	\$ 23,348,244	\$ 12,127,364	\$172,721,025
MSCI Canada	173,857,295	5,107,471	27,886,883	68,928,677	14,903,919	290,684,245
MSCI Japan	323,800,260	44,443,527	116,295,478	173,577,101	139,228,194	797,344,560
MSCI Mexico Capped	104,624,381	853,150	8,973,988	2,789,471	22,863,665	140,104,655
MSCI South Korea Capped	31,222,228	—	60,990,953	226,591,665	78,503,704	397,308,550

^a 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.

Notes to Financial Statements (Continued)

iSHARES®, INC.

As of August 31, 2015, 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>
MSCI Australia	\$ 1,696,672,825	\$ 26,578,818	\$ (504,105,648)	\$ (477,526,830)
MSCI Canada	2,754,700,908	169,213,479	(976,409,812)	(807,196,333)
MSCI Japan	20,356,355,657	1,078,635,405	(2,254,050,533)	(1,175,415,128)
MSCI Mexico Capped	1,763,504,346	12,590,645	(529,016,266)	(516,425,621)
MSCI South Korea Capped	2,929,262,240	1,170,148,673	(741,236,559)	428,912,114

Management has analyzed tax laws and regulations and their application to the Funds as of August 31, 2015, inclusive of the open tax return years, and does not believe there are any uncertain tax positions that require recognition of a tax liability in the Funds' financial statements.

8. 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 Directors of
iShares, Inc.:

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 MSCI Australia ETF, iShares MSCI Canada ETF, iShares MSCI Japan ETF, iShares MSCI Mexico Capped ETF and iShares MSCI South Korea Capped ETF (the “Funds”) at August 31, 2015, 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 August 31, 2015 by correspondence with the custodian, transfer agent and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
San Francisco, California
October 22, 2015

Tax Information (Unaudited)

iSHARES®, INC.

Under Section 854(b)(2) of the Internal Revenue Code (the “Code”), the following maximum amounts are hereby designated as qualified dividend income for purposes of the maximum rate under Section 1(h)(11) of the Code for the fiscal year ended August 31, 2015:

<i>iShares ETF</i>	<i>Qualified Dividend Income</i>
MSCI Australia	\$ 90,118,118
MSCI Canada	74,699,282
MSCI Japan	292,019,346
MSCI Mexico Capped	29,390,604
MSCI South Korea Capped	63,311,438

In February 2016, shareholders will receive Form 1099-DIV which will include their share of qualified dividend income distributed during the calendar year 2015. Shareholders are advised to check with their tax advisers for information on the treatment of these amounts on their income tax returns.

For the fiscal year ended August 31, 2015, the Funds earned foreign source income and paid foreign taxes which they intend to pass through to their shareholders pursuant to Section 853 of the Code:

<i>iShares ETF</i>	<i>Foreign Source Income Earned</i>	<i>Foreign Taxes Paid</i>
MSCI Australia	\$ 98,612,673	\$ 1,392,798
MSCI Canada	75,298,294	11,410,760
MSCI Japan	304,535,091	30,371,496
MSCI Mexico Capped	32,975,221	510,956
MSCI South Korea Capped	63,176,700	10,164,357

Board Review and Approval of Investment Advisory Contract

iSHARES®, INC.

I. iShares MSCI Australia ETF, iShares MSCI Canada ETF, iShares MSCI Japan ETF and iShares MSCI Mexico Capped ETF

Under Section 15(c) of the Investment Company Act of 1940 (the “1940 Act”), the Company’s Board of Directors (the “Board”), including a majority of Directors who are not “interested persons” of the Company (as that term is defined in the 1940 Act) (the “Independent Directors”), is required annually to consider and approve the Investment Advisory Contract between the Company and BFA (the “Advisory Contract”) on behalf of the Funds. The Independent Directors requested, and BFA provided, such information as the Independent Directors, with advice from independent counsel, deemed reasonably necessary to evaluate the Advisory Contract. A committee of Independent Directors (the “15(c) Committee”), with independent counsel, met with management on May 1, 2015 and May 6, 2015, to discuss the types of information the Independent Directors required and the manner in which management would organize and present such information. At a meeting held on May 21, 2015, management presented preliminary information to the Board relating to the continuance of the Advisory Contract, and the Board, including the Independent Directors, reviewed and discussed such information at length. The Independent Directors requested from management certain additional information, which management agreed to provide. At a meeting held on June 24-25, 2015, the Board, including the Independent Directors, reviewed the additional information provided by management in response to these requests. After extensive discussions, the Board, including all of the Independent Directors, approved the continuance of the Advisory Contract for the Funds, based on a review of qualitative and quantitative information provided by BFA, including the additional information management provided at the request of the Independent Directors. 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 Directors were advised by their independent counsel throughout the process, including about the legal standards applicable to their review. In approving the Advisory Contract for the Funds, the Board, including the Independent Directors, considered the following factors, no one of which was controlling, and reached the following conclusions:

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

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

In addition, the Board reviewed statistical information prepared by Lipper regarding the performance of each Fund for the one-, three-, five-, ten-year, and since inception periods, as applicable, and the “last quarter” period ended December 31, 2014, and a comparison of each 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 any particular Fund, Lipper also provided, and the Board reviewed, a comparison of such Fund’s performance to that of such relevant comparison funds for the same periods. The Board noted that the Funds generally performed in line with their respective performance benchmark indexes over the relevant periods. In considering this information, the Board noted that the Lipper Group may include funds that have different investment objectives

Board Review and Approval of Investment Advisory Contract (Continued)

iSHARES®, INC.

and/or benchmarks from the Funds. In addition, the Board noted that each Fund seeks to track its own benchmark index and that, during the prior year, the Board received periodic reports on the Funds' performance in comparison with their relevant benchmark indexes. 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 each Fund supported the Board's approval of the continuance of the Advisory Contract for the coming year.

Nature, Extent and Quality of Services Provided by BFA — Based on management's representations, including information about recent and proposed enhancements to the iShares business, including with respect to 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 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. The Board also considered BFA's compliance program and its compliance record with respect to the Funds. In that regard, the Board noted that BFA reports to the Board about portfolio management and compliance matters on a periodic basis in connection with regularly scheduled meetings of the Board, and on other occasions as necessary and appropriate, and has provided information and made appropriate officers available as needed to provide further assistance with these matters. The Board also reviewed the background and experience of the persons responsible for the day-to-day management of the Funds, as well as the resources available to them in managing the Funds. In addition to the above considerations, the Board reviewed and considered detailed presentations regarding BFA's investment performance, investment and risk management processes and strategies provided at the June 24-25, 2015 meeting and throughout the previous year, and matters related to BFA's portfolio compliance policies and procedures. The Board noted that each Fund had met its investment objective consistently since its respective inception date.

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

Costs of Services Provided to Funds and Profits Realized by BFA and Affiliates — The Board reviewed information about the profitability to BlackRock of the Funds 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 Funds' operations for the last calendar year. The Board reviewed BlackRock's profitability methodology for the iShares funds, noting that the 15(c) Committee had 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 Funds. The Board also discussed BFA's profit margin as reflected in the Funds' profitability analyses and reviewed information regarding potential economies of scale (as discussed below). Based on this review, the Board concluded that the profits realized by BFA and its affiliates under the Advisory Contract and from other relationships between the Funds and BFA and/or its affiliates, if any, were within a reasonable range in light of the factors considered.

Economies of Scale — The Board reviewed information regarding potential economies of scale or other efficiencies that may result from increases in the Funds' assets, noting that the issue of economies of scale had been focused on 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,

Board Review and Approval of Investment Advisory Contract (Continued)

iSHARES®, INC.

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 Funds already provided for breakpoints in the Funds' investment advisory fee rates as the assets of the Funds, on an aggregated basis with the assets of certain other iShares funds, increase. The Board noted that it would continue to monitor the sharing of economies of scale to determine the appropriateness of adding new or revised breakpoints in the future.

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

Fees and Services Provided for Other Comparable Funds/Accounts Managed by BFA and its Affiliates — The Board received and considered information regarding the investment advisory/management fee rates for other funds/accounts in the U.S. for which BFA (or its affiliates) provides investment advisory/management services, including open-end 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 substantially the same investment objectives and strategies as the Funds or that track the same index or a similar index as the Funds. The Board further noted that BFA provided the Board with detailed information regarding how the Other Accounts (particularly institutional clients) generally differ from the Funds, including in terms of the different, generally more extensive services provided to the Funds, as well as other significant differences in the approach of BFA and its affiliates to the Funds, 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 Funds, as publicly traded exchange traded funds, 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 Funds' advisory fee structure, and the Fund expenses borne by BFA under this arrangement. The Board noted that the investment advisory fee rates under the Advisory Contract for the Funds were generally higher than the investment advisory/management fee rates for 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.

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

Board Review and Approval of Investment Advisory Contract (Continued)

iSHARES®, INC.

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

II. iShares MSCI South Korea Capped ETF

Under Section 15(c) of the Investment Company Act of 1940 (the "1940 Act"), the Company's Board of Directors (the "Board"), including a majority of Directors who are not "interested persons" of the Company (as that term is defined in the 1940 Act) (the "Independent Directors"), is required annually to consider and approve the Investment Advisory Contract between the Company and BFA (the "Advisory Contract") on behalf of the Fund. The Independent Directors requested, and BFA provided, such information as the Independent Directors, with advice from independent counsel, deemed reasonably necessary to evaluate the Advisory Contract. A committee of Independent Directors (the "15(c) Committee"), with independent counsel, met with management on May 1, 2015 and May 6, 2015, to discuss the types of information the Independent Directors required and the manner in which management would organize and present such information. At a meeting held on May 21, 2015, management presented preliminary information to the Board relating to the continuance of the Advisory Contract, and the Board, including the Independent Directors, reviewed and discussed such information at length. The Independent Directors requested from management certain additional information, which management agreed to provide. At a meeting held on June 24-25, 2015, the Board, including the Independent Directors, reviewed the additional information provided by management in response to these requests. After extensive discussions, the Board, including all of the Independent Directors, approved the continuance of the Advisory Contract for the Fund, based on a review of qualitative and quantitative information provided by BFA, including the additional information management provided at the request of the Independent Directors. 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 Directors were advised by their independent counsel throughout the process, including about the legal standards applicable to their review. In approving the Advisory Contract for the Fund, the Board, including the Independent Directors, considered the following factors, no one of which was controlling, and reached the following conclusions:

Expenses and Performance of the Fund — The Board reviewed statistical information prepared by 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, where applicable, funds sponsored by an "at cost" service provider) and, in the limited instances where no comparable ETFs existed and the comparison group would not otherwise be reasonable in 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 was provided with a detailed description of Lipper's proprietary ETF methodology used by Lipper to determine the Fund's Lipper Group. 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 (net of waivers and reimbursements) for the Fund were higher than the median of the investment advisory fee rates and overall expenses (net of waivers and reimbursements) of the funds in its Lipper Group. The Board further noted management's assertion that the Fund's pricing reflects its greater size and liquidity, as compared to the competitor funds as determined by Lipper.

Board Review and Approval of Investment Advisory Contract (Continued)

iSHARES®, INC.

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, 2014, 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 performance benchmark index over the relevant periods. In considering this information, the Board noted that the Lipper Group may include funds that have a different investment objective and/or benchmark 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 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 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. 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 24-25, 2015 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 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

Board Review and Approval of Investment Advisory Contract (Continued)

iSHARES®, INC.

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 as the assets of the Fund, on an aggregated basis with the assets of certain other iShares funds, increase. The Board noted that it would continue to monitor the sharing of economies of scale to determine the appropriateness of adding new or revised breakpoints in the future.

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

Fees and Services Provided for Other Comparable Funds/Accounts Managed by BFA and its Affiliates — The Board received and considered information regarding the investment advisory/management fee rates for other funds/accounts in the U.S. for which BFA (or its affiliates) provides investment advisory/management services, including open-end 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 substantially the same investment objective and strategy as the Fund or that track the same index or a similar index as the Fund. The Board further noted that BFA provided the Board with detailed information regarding how the Other Accounts (particularly institutional clients) generally differ from the Fund, including in terms of the different, 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.

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

Board Review and Approval of Investment Advisory Contract (Continued)

iSHARES®, INC.

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®, INC.

Section 19(a) Notices

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

	Total Cumulative Distributions for the Fiscal Year				% Breakdown of the Total Cumulative Distributions for the Fiscal Year			
	Net Investment Income	Net Realized Capital Gains	Return of Capital	Total Per Share	Net Investment Income	Net Realized Capital Gains	Return of Capital	Total Per Share
iShares ETF								
MSCI Australia	\$ 1.226843	\$ —	\$ —	\$1.226843	100%	— %	— %	100%
MSCI Canada	0.529444	—	0.067752	0.597196	89	—	11	100
MSCI Japan	0.132010	—	—	0.132010	100	—	—	100
MSCI Mexico Capped	0.859823	—	0.068023	0.927846	93	—	7	100
MSCI South Korea Capped	0.477105	—	0.186252	0.663357	72	—	28	100

Premium/Discount Information

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

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

The following information shows the frequency of distributions of premiums and discounts for each of the Funds. The information shown for each Fund is for five calendar years (or from 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®, INC.

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 MSCI Australia ETF Period Covered: January 1, 2010 through June 30, 2015

<u>Premium/Discount Range</u>	<u>Number of Days</u>	<u>Percentage of Total Days</u>
Greater than 4.0%	1	0.07%
Greater than 3.5% and Less than 4.0%	1	0.07
Greater than 3.0% and Less than 3.5%	3	0.22
Greater than 2.5% and Less than 3.0%	5	0.36
Greater than 2.0% and Less than 2.5%	11	0.80
Greater than 1.5% and Less than 2.0%	35	2.53
Greater than 1.0% and Less than 1.5%	68	4.92
Greater than 0.5% and Less than 1.0%	255	18.45
Between 0.5% and –0.5%	711	51.45
Less than –0.5% and Greater than –1.0%	153	11.07
Less than –1.0% and Greater than –1.5%	75	5.43
Less than –1.5% and Greater than –2.0%	28	2.03
Less than –2.0% and Greater than –2.5%	20	1.45
Less than –2.5% and Greater than –3.0%	6	0.43
Less than –3.0% and Greater than –3.5%	4	0.29
Less than –3.5% and Greater than –4.0%	3	0.22
Less than –4.0% and Greater than –4.5%	2	0.14
Less than –4.5%	1	0.07
	<u>1,382</u>	<u>100.00%</u>

iShares MSCI Canada ETF Period Covered: January 1, 2010 through June 30, 2015

<u>Premium/Discount Range</u>	<u>Number of Days</u>	<u>Percentage of Total Days</u>
Greater than 2.5%	1	0.07%
Greater than 2.0% and Less than 2.5%	1	0.07
Greater than 1.5% and Less than 2.0%	1	0.07
Greater than 1.0% and Less than 1.5%	6	0.43
Greater than 0.5% and Less than 1.0%	54	3.91
Between 0.5% and –0.5%	1,255	90.82
Less than –0.5% and Greater than –1.0%	57	4.13
Less than –1.0% and Greater than –1.5%	6	0.43
Less than –1.5%	1	0.07
	<u>1,382</u>	<u>100.00%</u>

Supplemental Information (Unaudited) (Continued)

iSHARES®, INC.

iShares MSC Japan ETF Period Covered: January 1, 2010 through June 30, 2015

<u>Premium/Discount Range</u>	<u>Number of Days</u>	<u>Percentage of Total Days</u>
Greater than 4.5%	3	0.22%
Greater than 4.0% and Less than 4.5%	2	0.14
Greater than 3.5% and Less than 4.0%	3	0.22
Greater than 3.0% and Less than 3.5%	2	0.14
Greater than 2.5% and Less than 3.0%	5	0.36
Greater than 2.0% and Less than 2.5%	11	0.80
Greater than 1.5% and Less than 2.0%	45	3.26
Greater than 1.0% and Less than 1.5%	118	8.54
Greater than 0.5% and Less than 1.0%	279	20.19
Between 0.5% and –0.5%	611	44.21
Less than –0.5% and Greater than –1.0%	155	11.22
Less than –1.0% and Greater than –1.5%	70	5.07
Less than –1.5% and Greater than –2.0%	43	3.11
Less than –2.0% and Greater than –2.5%	19	1.37
Less than –2.5% and Greater than –3.0%	9	0.65
Less than –3.0% and Greater than –3.5%	4	0.29
Less than –3.5% and Greater than –4.0%	2	0.14
Less than –4.0%	1	0.07
	<u>1,382</u>	<u>100.00%</u>

iShares MSCI Mexico Capped ETF Period Covered: January 1, 2010 through June 30, 2015

<u>Premium/Discount Range</u>	<u>Number of Days</u>	<u>Percentage of Total Days</u>
Greater than 2.5%	1	0.07%
Greater than 2.0% and Less than 2.5%	2	0.14
Greater than 1.5% and Less than 2.0%	2	0.14
Greater than 1.0% and Less than 1.5%	18	1.30
Greater than 0.5% and Less than 1.0%	89	6.45
Between 0.5% and –0.5%	1,111	80.40
Less than –0.5% and Greater than –1.0%	125	9.05
Less than –1.0% and Greater than –1.5%	27	1.95
Less than –1.5% and Greater than –2.0%	3	0.22
Less than –2.0% and Greater than –2.5%	2	0.14
Less than –2.5% and Greater than –3.0%	1	0.07
Less than –3.0% and Greater than –3.5%	1	0.07
	<u>1,382</u>	<u>100.00%</u>

Supplemental Information (Unaudited) (Continued)

iSHARES®, INC.

iShares MSCI South Korea Capped ETF *Period Covered: January 1, 2010 through June 30, 2015*

<u>Premium/Discount Range</u>	<u>Number of Days</u>	<u>Percentage of Total Days</u>
Greater than 5.0% and Less than 5.5%	1	0.07%
Greater than 4.5% and Less than 5.0%	1	0.07
Greater than 4.0% and Less than 4.5%	2	0.14
Greater than 3.5% and Less than 4.0%	1	0.07
Greater than 3.0% and Less than 3.5%	1	0.07
Greater than 2.5% and Less than 3.0%	9	0.65
Greater than 2.0% and Less than 2.5%	11	0.80
Greater than 1.5% and Less than 2.0%	38	2.75
Greater than 1.0% and Less than 1.5%	65	4.70
Greater than 0.5% and Less than 1.0%	214	15.49
Between 0.5% and -0.5%	631	45.67
Less than -0.5% and Greater than -1.0%	218	15.78
Less than -1.0% and Greater than -1.5%	82	5.94
Less than -1.5% and Greater than -2.0%	48	3.47
Less than -2.0% and Greater than -2.5%	21	1.52
Less than -2.5% and Greater than -3.0%	16	1.16
Less than -3.0% and Greater than -3.5%	4	0.29
Less than -3.5% and Greater than -4.0%	5	0.36
Less than -4.0% and Greater than -4.5%	5	0.36
Less than -4.5% and Greater than -5.0%	4	0.29
Less than -5.0% and Greater than -5.5%	2	0.14
Less than -5.5% and Greater than -6.0%	1	0.07
Less than -6.0%	2	0.14
	<u>1,382</u>	<u>100.00%</u>

Regulation under the Alternative Investment Fund Managers Directive (“AIFMD” or, the “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 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 Canada ETF, iShares MSCI Japan ETF, iShares MSCI Mexico Capped ETF and iShares MSCI South Korea Capped ETF (each a “Fund”, collectively the “Funds”) to be marketed to EU investors in the United Kingdom, the Netherlands, Finland, Sweden and Luxembourg.

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

Supplemental Information (Unaudited) (Continued)

iSHARES®, INC.

remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other BlackRock fund disclosures in that same year.

Disclosures are provided in relation to both (a) the staff of BFA; (b) staff who are senior management; and (c) staff who have the ability to materially affect the risk profile of the 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 programs which support that philosophy. For senior management, a significant percentage of variable remuneration is deferred over time. All employees are subject to a claw-back policy.

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

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

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

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

The amount of the total remuneration awarded by BFA to its staff which has been attributed to the iShares MSCI Canada ETF in respect of BFA's financial year ending December 31, 2014 was USD 464.6 thousand. This figure is comprised of fixed remuneration of USD 187.7 thousand and variable remuneration of USD 276.9 thousand. There were a total of 499 beneficiaries of the remuneration described above.

The amount of the aggregate remuneration awarded by BFA, which has been attributed to the iShares MSCI Canada ETF in respect of BFA's financial year ending December 31, 2014, to its senior management was USD 64.3 thousand, and to members of its staff whose actions have a material impact on the risk profile of the Fund was USD 11.9 thousand.

The amount of the total remuneration awarded by BFA to its staff which has been attributed to the iShares MSCI Japan ETF in respect of BFA's financial year ending December 31, 2014 was USD 2.48 million. This figure is comprised of fixed remuneration of USD 1.00 million and variable remuneration of USD 1.48 million. There were a total of 499 beneficiaries of the remuneration described above.

Supplemental Information (Unaudited) (Continued)

iSHARES®, INC.

The amount of the aggregate remuneration awarded by BFA, which has been attributed to the iShares MSCI Japan ETF in respect of BFA's financial year ending December 31, 2014, to its senior management was 0.34 million, and to members of its staff whose actions have a material impact on the risk profile of the Fund was USD 0.06 million.

The amount of the total remuneration awarded by BFA to its staff which has been attributed to the iShares MSCI Mexico Capped ETF in respect of BFA's financial year ending December 31, 2014 was USD 392.6 thousand. This figure is comprised of fixed remuneration of USD 158.6 thousand and variable remuneration of USD 234.0 thousand. There were a total of 499 beneficiaries of the remuneration described above.

The amount of the aggregate remuneration awarded by BFA, which has been attributed to the iShares MSCI Mexico Capped ETF in respect of BFA's financial year ending December 31, 2014, to its senior management was USD 54.3 thousand, and to members of its staff whose actions have a material impact on the risk profile of the Fund was USD 10.1 thousand.

The amount of the total remuneration awarded by BFA to its staff which has been attributed to the iShares MSCI South Korea Capped ETF in respect of BFA's financial year ending December 31, 2014 was USD 715.6 thousand. This figure is comprised of fixed remuneration of USD 289.1 thousand and variable remuneration of USD 426.5 thousand. There were a total of 499 beneficiaries of the remuneration described above.

The amount of the aggregate remuneration awarded by BFA, which has been attributed to the iShares MSCI South Korea Capped ETF in respect of BFA's financial year ending December 31, 2014, to its senior management was USD 99.1 thousand, and to members of its staff whose actions have a material impact on the risk profile of the Fund was USD 18.4 thousand.

Director and Officer Information

iSHARES®, INC.

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

The registered investment companies advised by BFA or its affiliates are organized into one complex of closed-end funds, two complexes of open-end funds and one complex of exchange-traded funds (“Exchange-Traded Fund Complex”) (each, a “BlackRock Fund Complex”). Each Fund is included in the BlackRock Fund Complex referred to as the Exchange-Traded Fund Complex. Each Director also serves as a Trustee of iShares Trust and a Trustee of iShares U.S. ETF Trust and, as a result, oversees a total of 319 funds (as of August 31, 2015) within the Exchange-Traded Fund Complex. With the exception of Robert S. Kapito and Mark Wiedman, the address of each Director 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 52nd Street, New York, NY 10055. The Board has designated Robert H. Silver as its Independent Chairman. Additional information about the Funds’ Directors and officers may be found in the Funds’ combined Statement of Additional Information, which is available without charge, upon request, by calling toll-free 1-800-iShares (1-800-474-2737).

Interested Directors

Name (Age)	Position(s)	Principal Occupation(s) During the Past 5 Years	Other Directorships Held by Director
Robert S. Kapito^a (58)	Director (since 2009).	President and Director, BlackRock, Inc. (since 2006); Vice Chairman of BlackRock, Inc. and Head of BlackRock, Inc.’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).	Trustee of iShares Trust (since 2009); Trustee of iShares U.S. ETF Trust (since 2011); Director of BlackRock, Inc. (since 2006).
Mark Wiedman^b (44)	Director (since 2013).	Managing Director, BlackRock, Inc. (since 2007); Global Head of iShares (since 2011); Head of Corporate Strategy, BlackRock, Inc. (2009-2011).	Trustee of iShares Trust (since 2013); Trustee of iShares U.S. ETF Trust (since 2013); Director of PennyMac Financial Services, Inc. (since 2008).

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

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

Director and Officer Information (Continued)

iSHARES®, INC.

Independent Directors

Name (Age)	Position(s)	Principal Occupation(s) During the Past 5 Years	Other Directorships Held by Director
Robert H. Silver (60)	Director (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).	Trustee of iShares Trust (since 2007); Trustee of iShares U.S. ETF Trust (since 2011); Independent Chairman of iShares Trust and iShares U.S. ETF Trust (since 2012).
Jane D. Carlin (59)	Director (since 2015).	Managing Director and Global Head of Financial Holding Company Governance & Assurance and the Global Head of Operational Risk Management of Morgan Stanley (2006-2012).	Trustee of iShares Trust (since 2015); Trustee of iShares U.S. ETF Trust (since 2015); Director of PHH Corporation (mortgage solutions) (since 2012).
Cecilia H. Herbert (66)	Director (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).	Trustee of iShares Trust (since 2005); Trustee of iShares U.S. ETF Trust (since 2011); Director of Forward Funds (34 portfolios) (since 2009).
Charles A. Hurty (71)	Director (since 2005); Audit Committee Chair (since 2006).	Retired; Partner, KPMG LLP (1968-2001).	Trustee of iShares Trust (since 2005); Trustee of iShares U.S. ETF Trust (since 2011); Director of GMAM Absolute Return Strategy Fund (1 portfolio) (since 2002); Director of SkyBridge Alternative Investments Multi-Adviser Hedge Fund Portfolios LLC (2 portfolios) (since 2002).

Director and Officer Information (Continued)

iSHARES®, INC.

Independent Directors (Continued)

Name (Age)	Position(s)	Principal Occupation(s) During the Past 5 Years	Other Directorships Held by Director
John E. Kerrigan (60)	Director (since 2005); Fixed Income Plus Committee Chair (since 2012).	Chief Investment Officer, Santa Clara University (since 2002).	Trustee of iShares Trust (since 2005); Trustee of iShares U.S. ETF Trust (since 2011).
John E. Martinez (54)	Director (since 2003); Securities Lending Committee Chair (since 2012).	Director of FirstREX Agreement Corp. (formerly EquityRock, Inc.) (since 2005).	Trustee of iShares Trust (since 2003); Trustee of iShares U.S. ETF Trust (since 2011).
Madhav V. Rajan (51)	Director (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).	Trustee of iShares Trust (since 2011); Trustee of iShares U.S. ETF Trust (since 2011); Director, Cavium, Inc. (since 2013).

Director and Officer Information (Continued)

iSHARES®, INC.

Officers

Name (Age)	Position(s)	Principal Occupation(s) During the Past 5 Years
Manish Mehta (44)	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).
Jack Gee (55)	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).
Benjamin Archibald (40)	Secretary (since 2015).	Managing Director, BlackRock, Inc. (since 2014); Secretary of the BlackRock-advised Mutual Funds (since 2012); Director, BlackRock, Inc. (2010-2013).
Charles Park (47)	Chief Compliance Officer (since 2006).	Chief Compliance Officer, BFA (since 2006).
Scott Radell (46)	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).
Amy Schioldager (52)	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).

For more information visit www.iShares.com or call 1-800-474-2737

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

Investing involves risk, including possible loss of principal.

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

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

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

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

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

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