

7 March 2016

Market Announcements Office
ASX Limited

ANNOUNCEMENT: SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT (SPDS)

BlackRock Investment Management (Australia) Limited (**BIMAL**), is the Responsible Entity for the following Australian domiciled iShares[®] exchange traded fund quoted on the AQUA Market of ASX (the **Fund**).

ASX Code	Fund
IHVV	iShares S&P 500 AUD Hedged ETF

BIMAL would like to inform Unitholders that an SPDS has been issued. The SPDS is attached for reference and available at www.blackrock.com.au.

Important Notice

Before investing in an iShares fund, you should carefully consider the appropriateness of such products to your circumstances, read the applicable Product Disclosure Statement (PDS) and ASX announcements relating to the fund and consult an investment adviser.

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

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Supplementary Product Disclosure Statement No. 1

iShares S&P 500 AUD Hedged ETF (ASX: IHVV)

ARSN 602 618 691

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

Date: 7 March 2016

This Supplementary Product Disclosure Statement No. 1 is dated 7 March 2016 (**SPDS No. 1**) and updates the Product Disclosure Statement dated 8 December 2014 (**PDS**), for the iShares S&P 500 AUD Hedged ETF (**Fund**). This SPDS No. 1 must be read in conjunction with the PDS.

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

This SPDS No. 1 sets out the following changes to the Fund:

Purpose of this SPDS No. 1

A. Change to processing of Unit creations and redemptions

Effective from 7 March 2016, the processing of Unit creation requests will transition from a T+3 settlement basis to T+2 settlement basis. Unit redemption requests will continue to be processed on a T+3 basis. This change only affects Authorised Participants transacting with the Fund.

As a result of this change, effective from 7 March 2016, the following amendments are made to the PDS:

- i. the fourth paragraph of section 6.6 of the PDS, titled “Processing of Unit creations and redemptions” (on page 18 of the PDS), is deleted and replaced with the following:

“Standard settlement timeframes of Unit creation and redemption requests are set out in the Operating Procedures. Settlement may, however, be on a non-standard basis to accommodate the holiday schedules of the non-Australian markets in which the securities of the Fund are traded. For every occurrence of one or more intervening holiday in the applicable non-Australian markets that are not holidays observed in Australia, the settlement cycle may be extended by the number of such intervening holidays. In addition to holidays, other unforeseeable closings in non-Australian markets, for example due to emergencies, may also prevent the Fund from settling Unit creation and redemption requests within the normal settlement period.”

- ii. the final paragraph of section 6.8 of the PDS, titled “Non-Standard Transaction requests” (on page 19 of the PDS), is deleted and replaced with the following:

“Standard settlement timeframes of Non-Standard Transaction Unit creation and redemption requests are set out in the Operating Procedures. Settlement may, however, be on a non-standard basis to accommodate the holiday schedules of the non-Australian markets in which the securities of the Fund are traded. For every occurrence of one or more intervening holiday in the applicable non-Australian markets that are not holidays observed in Australia, the settlement cycle may be extended by the number of such intervening holidays. In addition to holidays, other unforeseeable closings in non-Australian markets, for example due to emergencies, may also prevent the Fund from settling Unit creation and redemption requests within the normal settlement period.”

B. United States Foreign Account Tax Compliance Act

The following new section 8.11, titled “United State Foreign Account Tax Compliance Act”, is inserted into the PDS:

“8.11 United State Foreign Account Tax Compliance Act

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

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

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