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9 April 2025

Market Announcements Office
ASX Limited

ISHARES MULTI-ASSET ETFS
PRODUCT DISCLOSURE STATEMENT (PDS)

FOR RELEASE TO ALL FUNDS LISTED BELOW

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

ASX Code	Fund
IBAL	iShares Balanced ESG ETF
IGRO	iShares High Growth ESG ETF

Attached is a copy of a new product disclosure statement (**PDS**) for the Funds, effective 9 April 2025. A summary of the changes to the PDS are as follows:

- The strategic asset allocation of each of the Funds has been updated.
- Information about BlackRock's investment stewardship approach has been updated to reflect the development and implementation of two independent specialist teams that are responsible for voting and engagement across index and active equity portfolios across BlackRock respectively.
- Disclosure has been updated to clarify that BIMAL will provide investors 30 days prior notice of any proposed increase to our fees, if required by law.

Important Notice

Issued by BlackRock Investment Management (Australia) Limited ABN 13 006 165 975, AFSL 230 523 (**BIMAL**).

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** END **

iShares Multi-Asset ETFs
Product Disclosure Statement

iShares by BlackRock

Dated: 9 April 2025

iShares Balanced ESG ETF
ASX: IBAL / ARSN: 660 927 266

iShares High Growth ESG ETF
ASX: IGRO / ARSN: 660 927 677

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

1.	Before you start	4
1.1	The issuer of this product disclosure statement	4
1.2	About this product disclosure statement	4
1.3	Changes to this product disclosure statement and access to additional information	4
1.4	Need help?	4
1.5	Target market determinations	4
2.	About BlackRock and iShares	5
2.1	About BlackRock	5
2.2	About iShares	5
3.	About the iShares Multi-Asset ETFs	6
3.1	Investment strategy	6
3.2	What do the Funds invest in?	6
3.3	Equities	6
3.4	Fixed income	6
3.5	Labour standards, environmental, social or ethical considerations	7
4.	About the iShares Balanced ESG ETF	9
4.1	Investment objective	9
4.2	Investment strategy	9
5.	About the iShares High Growth ESG ETF	9
5.1	Investment objective	9
5.2	Investment strategy	9
6.	Additional information about the Funds	10
6.1	Currency hedging	10
6.2	Use of derivatives	10
6.3	Cash equitisation or bondisation	10
6.4	Borrowing	10
6.5	Additional information about the Index	10
6.6	Rebalancing the Funds	10
6.7	Fund performance and size	10
6.8	Investment Stewardship	10
6.9	Announcements to ASX	11
6.10	Securities lending	11
6.11	Additional information	11
6.12	Benefits of iShares	12
7.	About the AQUA Rules	13
8.	Fund risks	15
8.1	What are the risks of investing?	15
8.2	General risks	15
8.3	What about the specific risks of the Funds?	15
8.4	Risks of investing in ETFs and managed funds	16
8.5	Risk management	18
9.	Fees and other costs	19
9.1	Consumer advisory warning	19
9.2	Fees and other costs	19
9.3	Example of annual fees and costs	21
9.4	Cost of product information	21
9.5	Additional explanation of fees and other costs	22
10.	Primary market matters	24
10.1	Authorised participants	24
10.2	Minimum Unit creation and redemption size	24
10.3	Unit creation requests	24
10.4	Unit redemption requests	25
10.5	Processing of Unit creations and redemptions	25
10.6	Calculation of NAV Prices	25
10.7	Non-Standard Transaction requests	26
10.8	Indemnity	26
10.9	Redemption rights of non-Authorised Participant Unitholders	26
10.10	Anti-money laundering and counter-terrorism financing	26
11.	Distributions	26
11.1	Distributions	26
11.2	Distribution Reinvestment Plan	27
11.3	Distribution on redemption	27
11.4	Tax statement	27
12.	Taxation	28
12.1	Overview	28
12.2	Taxation of a Fund	28
12.3	Investment portfolio taxes	28
12.4	Taxation of a resident Unitholder	28
12.5	Taxable income of a Fund	28
12.6	Taxation of non-resident Unitholders	29
12.7	Tax file number (TFN)	29
12.8	Goods and services tax (GST)	29
12.9	Taxation reform	29
12.10	Authorised Participant Unit redemption requests	29
12.11	Acquisition and disposal of Units on ASX	29
12.12	United States Foreign Account Tax Compliance Act	29
12.13	Common Reporting Standard (CRS)	30
13.	Additional information	30
13.1	No cooling off rights	30
13.2	Reporting requirements	30
13.3	Receipt of instructions	30
13.4	Legal	30
13.5	Compliance plan	31
13.6	Auditor	31
13.7	Custody	31
13.8	Registrar	31
13.9	Market maker	31
13.10	Conflicts of interest and related party information	32
13.11	Privacy policy	32
13.12	Complaints	33
13.13	ASIC relief	33
13.14	Index provider disclaimers	33
14.	Glossary	35

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Facsimile: (02) 8235 8209

1. Before you start

1.1 The issuer of this product disclosure statement

Investment in the:

- iShares Balanced ESG ETF; and
- iShares High Growth ESG ETF,

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

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

1.2 About this product disclosure statement

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

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

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

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

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

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

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

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

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

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

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

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

1.4 Need help?

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

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

1.5 Target market determinations

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

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

2. About BlackRock and iShares

2.1 About BlackRock

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

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

2.2 About iShares

iShares unlocks opportunity across markets to meet the evolving needs of investors. With a global lineup of 1,400+ Exchange Traded Funds (**ETFs**), iShares is committed to unlocking opportunity across markets to match the ambition of our investors large and small.

iShares has been a leader in the ETF marketplace for more than two decades, and as a part of BlackRock, our products are engineered by investment professionals with discipline and deep risk management expertise.

3. About the iShares Multi-Asset ETFs

3.1 Investment strategy

Each of the Funds adopts an investment strategy that tracks the weighted average return of the various indices of the underlying funds in which the Funds invest, in proportion to their applicable long term Strategic Asset Allocation (SAA), before taking into account fees, expenses and taxes. The underlying funds have been selected with consideration to their sustainability credentials.

Each Fund's SAA is designed to achieve investment risk and return characteristics corresponding with its respective risk profile. Further information about each of the Funds is set out in sections 4 and 5 of this PDS.

The SAA is reviewed annually and should there be any material changes to the Funds, Underlying Funds, or SAA, BlackRock will notify investors.

BlackRock may at its discretion rebalance back to the target weights outside of the quarterly rebalance if market movement results in what BlackRock considers to be a material deviation from the target allocation.

Further information regarding each of the Underlying Funds (including their applicable indices) is available at www.blackrock.com/au. The website includes the Underlying Funds product disclosure statements, performance information and portfolio details.

3.2 What do the Funds invest in?

Each Fund gains investment exposure to Australian and international equity and fixed income securities by investment into certain underlying funds, all of which are Australian-domiciled iShares ETFs (Underlying Funds). Each of the Underlying Funds is a registered managed investment scheme, for which BlackRock is responsible entity, and is traded on an Australian financial market (e.g. the ASX). As responsible entity of the Underlying Funds, BlackRock is solely responsible for their management and administration.

The Funds may invest in some or all of the following Underlying Funds:

- iShares Core MSCI Australia ESG ETF (ASX: IESG)
- iShares Core MSCI World ex Australia ESG ETF (ASX: IWLD)
- iShares Core MSCI World ex Australia ESG (AUD Hedged) ETF (ASX: IHWL)
- iShares Yield Plus ETF (ASX: IYLD)
- iShares Treasury ETF (ASX: IGB)
- iShares Core Corporate Bond ETF (ASX: ICOR)
- iShares Global Aggregate Bond ESG (AUD Hedged) ETF (ASX: AESG)

Each Underlying Fund adopts a passive investment strategy to achieve its investment objective and generally aims to track the performance of an established and well-regarded index provided by a third party index provider. Each Underlying Fund aims to provide investors with the performance of its index, before fees and expenses.

The Funds may have limited exposure to securities other than the Underlying Funds, including derivatives, where such securities provide similar performance (with matching risk profile) to the Underlying Funds.

The Fund or Underlying Funds may also hold small amounts of cash (or cash equivalents, that may include units in other BlackRock funds) for cash flow management purposes. BlackRock may invest this cash in index futures contracts for cash equitisation or bondisation purposes to improve performance and reduce index-tracking error. See section 6.3 of this PDS for further information about cash equitisation and bondisation.

3.3 Equities

The following Underlying Funds provide investment exposure to Australian and international equity securities:

iShares Core MSCI Australia ESG ETF

MSCI Australia IMI Custom ESG Leaders Index

This Underlying Fund is designed to track the performance of large, mid and small cap segments of the Australian market with better sustainability credentials relative to their sector peers.

iShares Core MSCI World ex Australia ESG ETF

MSCI World Ex Australia Custom ESG Leaders Index

This Underlying Fund is designed to track the performance of global, developed market large and mid- capitalisation companies with better sustainability credentials relative to their sector peers.

iShares Core MSCI World ex Australia ESG (AUD Hedged) ETF

MSCI World Ex Australia Custom ESG Leaders Index 100% Hedged to AUD

This Underlying Fund is designed to track the AUD hedged performance of global, developed market large and mid-capitalisation companies with better sustainability credentials relative to their sector peers.

3.4 Fixed income

The following Underlying Funds provide investment exposure to Australian and international fixed income securities:

iShares Yield Plus ETF

Bloomberg AusBond Credit and FRN Ex Big 4 Banks Index

This Underlying Fund is designed to track the performance of the Australian corporate bond market (excluding issuers ANZ, CBA, NAB and WBC).

iShares Treasury ETF

Bloomberg AusBond Treasury 0+ Yr Index

This Underlying Fund is designed to track the performance of the Australian bond market and is comprised of fixed income securities issued by the Australian Treasury.

iShares Core Corporate Bond ETF

Bloomberg AusBond Credit 0+ Yr Index

This Underlying Fund is designed to track the performance of the Australian corporate bond market and includes investment grade fixed income securities issued by corporate entities.

iShares Global Aggregate Bond ESG (AUD Hedged) ETF

Bloomberg MSCI Global Aggregate Sustainable and Green Bond SRI AUD Hedged Index

This Underlying Fund is designed to track the AUD Hedged performance of global investment grade ESG (environmental, social and governance) screened bonds.

3.5 Labour standards, environmental, social or ethical considerations

The Funds invest into Underlying Funds which have been selected with consideration to their sustainability credentials. Information about the Environmental, Social and Governance considerations for the Underlying Funds is set out in this section. Further information can be found in the PDS for each Underlying Fund which is available at www.blackrock.com/au.

The Funds are in the 'Uplift' category on the BlackRock Sustainable Investing Platform because most of their investments (over 50% of the allocation) are in ETFs which are also classified as 'Uplift'. These ETFs either tilt toward securities with a higher MSCI ESG rating (in the case of equity exposures) or have an allocation to green bonds (for fixed income).

The holdings are disclosed daily on the BlackRock website.

iShares Core MSCI Australia ESG ETF
iShares Core MSCI World ex Australia ESG ETF
iShares Core MSCI World ex Australia ESG (AUD Hedged) ETF
iShares Global Aggregate Bond ESG (AUD Hedged) ETF

Eligibility for inclusion in the investment universe for the above Underlying Funds is determined based on the following criteria:

ESG Controversies Score: The indexes use MSCI ESG Controversies Scores to identify companies/issuers that are involved in very serious controversies involving the environmental, social, or governance impact of their operations and/or products and services. For further information on MSCI's ESG Controversy Score methodology, please refer to MSCI's website.

Controversial Business Involvement: In addition to meeting the ESG Rating and Controversy Score requirements, business involvement screens are applied to identify companies/issuers that are involved in controversial business activities.

Business Involvement Screens

iShares Core MSCI Australia ESG ETF
iShares Core MSCI World ex Australia ESG ETF
iShares Core MSCI World ex Australia ESG (AUD Hedged) ETF
The index excludes the following activities based on business involvement (producer or distributor for example) and revenue thresholds (if applicable): Fossil Fuel Extraction & Reserves, Controversial Weapons, Civilian Firearms, Tobacco, Nuclear Weapons, Conventional Weapons, Alcohol, Gambling, Nuclear Power, Oil Sands, Thermal Coal Power, Adult Entertainment, United Nations Global Compact Violators. As stated above, further information can be found in the PDS, which is available at www.blackrock.com/au.

iShares Global Aggregate Bond ESG (AUD Hedged) ETF
The index excludes the following activities based on business involvement (producer or distributor for example) and revenue thresholds (if applicable): Alcohol, Tobacco, Gambling, Adult Entertainment, Genetic Engineering, Nuclear Power, Civilian Firearms, Controversial Weapons, Conventional Weapons, Nuclear Weapons, Thermal Coal Mining, Thermal Coal Based Power Generation, Unconventional Oil and Gas, Thermal Coal Reserves, Oil and Natural Gas Reserves and UNSC Trade Sanctions, along with exclusions based on poor MSCI ESG Ratings.

For this Underlying Fund, the Index allocates at least 10% of its total market value to securities classified as green bonds under the index methodology (and note that some screens are applied to non-green bonds only). The index defines green bonds as fixed income securities the proceeds of which are exclusively and formally applied to projects or activities that promote climate or other environmental sustainability purposes. Further information can be found in the PDS, which is available at www.blackrock.com/au.

iShares Yield Plus ETF
iShares Core Corporate Bond ETF
For the above Underlying Funds, as part of the investment strategy BlackRock applies ESG screens to remove companies that have exposure to, or ties with, the following activities, subject to the type of involvement (producer or distributor for example) and revenue thresholds (if applicable): Controversial Weapons, Fossil Fuel Extraction, Thermal Coal Based Power Generation, Tobacco, Civilian Firearms, Nuclear Weapons and United Nations Global Compact Violators. These ESG screens are applied by BlackRock by relying on specific definitions and data sourced from a third party and are not constituted in the indexes of the Funds. Due to the sampling methodology used by these Underlying Funds, the ESG screens will not materially impact the Underlying Fund's ability to meet its investment objective of tracking the performance of its respective benchmark before fees and expenses. Further information can be found in the PDS, which is available at www.blackrock.com/au.

iShares Treasury ETF
The above Underlying Fund invests in Australian government bonds issued by the Australian treasury. The investment strategy and index methodology for the Underlying Fund does not consider ESG criteria. However, BlackRock considers that the Underlying Fund meets the ESG selection criteria for the Fund and does not consider that an ESG screen, if applied to the Underlying Fund, would impact the securities in which the Underlying Fund invests.

Information about exclusionary screens

Investors should be aware that:

- Exclusionary screens apply screening in some sectors but not others, and so as result, an Underlying Fund may hold assets that have exposure to activities that may be considered controversial, sensitive, or to have an adverse ESG impact.
- BlackRock (or its index and data providers) may use revenue thresholds as a simple and meaningful indicator of an issuer's involvement in certain activities. There are limitations of using revenue data especially where revenue is not attributed to the specific business activity. In such cases, revenues are estimated.
- BlackRock (or its index and data providers) may consider the level of sector involvement in considering the inclusion or exclusion of an issuer. For example, tobacco producers and distributors may be excluded, however tobacco retailers or suppliers may not be excluded.
- Unless specifically disclosed, exclusionary screens do not screen securities in the government, government-related or securitised sectors.
- An exclusionary screen may not exclude an issuer if data about that issuer is incomplete, inaccurate or unavailable.
- A Fund may invest in index futures contracts for cash equitisation or bondisation purposes or hold securities as collateral under securities lending arrangements (if applicable). Index futures contracts and collateral held in these circumstances are not subject to the Fund's ESG criteria and may provide economic exposure to securities that would otherwise be excluded.

Issuers of securities held by an Underlying Fund may meet or fail to meet BlackRock's or its index/data providers' ESG criteria from time to time. In these circumstances, BlackRock will use reasonable efforts to invest, divest or otherwise respond to the change within

a reasonable period (for example, at the following rebalance date) considering the materiality of the change, liquidity, and transaction costs. The methodology of index and data providers may differ.

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

4. About the iShares Balanced ESG ETF

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

4.1 Investment objective

The Fund aims to provide investors with the performance of the various indices of the Underlying Funds in which the Fund invests, in proportion to a 'Balanced' long term Strategic Asset Allocation (SAA), before fees and expenses, of approximately 50% equities and 50% fixed income exposure.

The Underlying Funds are ETFs that provide exposure to a range of domestic and global equity and fixed income securities selected with consideration to their sustainability credentials.

4.2 Investment strategy

The following table highlights the relevant asset classes, SAA weights and Underlying Funds in which the Fund will invest in to achieve its objective. BlackRock may add or remove funds from the eligible investment universe at its discretion where it considers appropriate.

Asset Class	SAA Weight	Underlying Fund
Australian Equity	16%	iShares Core MSCI Australia ESG ETF
International Equity	23%	iShares Core MSCI World ex Australia ESG ETF
	11%	iShares Core MSCI World ex Australia ESG (AUD Hedged) ETF
Equities	**50%**	
Australian Fixed Income	7.5%	iShares Yield Plus ETF
	17%	iShares Treasury ETF
	10%	iShares Core Corporate Bond ETF
International Fixed Income	15.5%	iShares Global Aggregate Bond ESG (AUD Hedged) ETF
Fixed income	**50%**	

5. About the iShares High Growth ESG ETF

The information in this section 5 of this PDS relates solely to the iShares High Growth ESG ETF (referred to in this section 5 of the PDS as the Fund).

5.1 Investment objective

The Fund aims to provide investors with the performance of the various indices of the Underlying Funds in which the Fund invests, in proportion to a 'High Growth' long term Strategic Asset Allocation (SAA), before fees and expenses, of approximately 90% equities and 10% fixed income exposure.

The Underlying Funds are ETFs that provide exposure to a range of domestic and global equity and fixed income securities selected with consideration to their sustainability credentials.

5.2 Investment strategy

The following table highlights the relevant asset classes, SAA weights and Underlying Funds in which the Fund will invest in to achieve its objective. BlackRock may add or remove funds from the eligible investment universe at its discretion where it considers appropriate.

Asset Class	SAA Weight	Underlying Fund
Australian Equity	30%	iShares Core MSCI Australia ESG ETF
International Equity	42%	iShares Core MSCI World ex Australia ESG ETF
	18%	iShares Core MSCI World ex Australia ESG (AUD Hedged) ETF
Equities	**90%**	
Australian Fixed Income	2%	iShares Yield Plus ETF
	2%	iShares Treasury ETF
	2.5%	iShares Core Corporate Bond ETF
International Fixed Income	3.5%	iShares Global Aggregate Bond ESG (AUD Hedged) ETF
Fixed income	**10%**	

6. Additional information about the Funds

6.1 Currency hedging

The following Underlying Funds may enter into foreign currency forward contracts designed to offset the Underlying Fund's exposure to the index component currencies:

- iShares Core MSCI World ex Australia ESG (AUD Hedged) ETF (ASX: IHWL)
- iShares Global Aggregate Bond ESG (AUD Hedged) ETF (ASX: AESG)

A foreign currency forward contract is a contract between two parties to buy or sell a specified amount of a specific currency in the future at an agreed upon exchange rate. An Underlying Fund's exposure to foreign currency forward contracts is based on the aggregate exposure of the Underlying Fund to the index component currencies.

While this approach is designed to minimise the impact of currency fluctuations on the Underlying Fund returns, it does not necessarily eliminate the Underlying Fund's exposure to the component currencies. The return of the foreign currency forward contracts may not perfectly offset the actual fluctuations between the component currencies and the Australian dollar.

6.2 Use of derivatives

The Funds and Underlying Funds may use derivatives, such as futures, forwards, options and swap contracts, to manage risk and return and for cash equitisation or bondisation. When derivative positions are established they will always be backed by cash holdings and/or underlying assets. Derivative securities will not be used to gear a fund.

Each Fund's exposure to derivatives (including exchange-traded and OTC and excluding derivatives held for currency hedging purposes) is not expected, in aggregate, to exceed 5% of the net asset value (NAV) of the Fund.

6.3 Cash equitisation or bondisation

Each Fund may hold a small allocation of cash for cash flow management purposes. BlackRock may invest this cash in index futures contracts for cash equitisation or bondisation purposes to improve performance and reduce index-tracking error.

Index futures contracts are exchange-traded derivatives that provide economic exposure to securities within broad-based indexes (such as the S&P500 or ASX200). These index futures contracts may provide economic exposure to securities outside the Fund's Index (including applicable ESG criteria) and will typically constitute no more than 5% of the Fund's net asset value.

6.4 Borrowing

While the constitution of each Fund and Underlying Fund allows the Responsible Entity to borrow on behalf of the Fund, it is our intention that no borrowing arrangements will be entered into by the Funds or Underlying Funds other than temporary overdrafts, which may be used as a means of managing certain cash flows. The Fund and Underlying Funds are not permitted to borrow for investment purposes.

6.5 Additional information about the Index

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

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

Bloomberg Finance L.P.

Bloomberg Finance L.P. is the provider of the index for iShares Treasury ETF, iShares Yield Plus ETF, iShares Core Global Corporate Bond (AUD Hedged) ETF and the joint provider of the iShares Global Aggregate Bond ESG (AUD Hedged) ETF. Bloomberg Finance L.P. is not a related body corporate of BlackRock.

Further details regarding the index provider and the indices mentioned above (including their constituents) are available on Bloomberg's website.

MSCI Inc.

MSCI Inc. is the provider of the index for iShares Core MSCI Australia ESG ETF, iShares Core MSCI World Ex Aus ESG ETF, iShares Core MSCI World ex Australia ESG (AUD Hedged) ETF and the joint-provider of the index for the iShares Global Aggregate Bond ESG (AUD Hedged) ETF. MSCI Inc. is not a related body corporate of BlackRock.

Further details regarding the Index (including its constituents) are available on MSCI's website.

6.6 Rebalancing the Funds

BlackRock will generally rebalance back to the target allocations on a quarterly basis. However, BlackRock maintains discretion to rebalance outside of the quarterly rebalance back to target allocations if market movement result in what BlackRock considers to be a material deviation from the target allocation.

The Underlying Funds will typically rebalance their portfolios in line with the rebalances of their respective Index. The Underlying Funds may, however, undergo periodic unscheduled rebalances.

6.7 Fund performance and size

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

Past performance is not a reliable indicator of future performance.

6.8 Investment Stewardship

The BlackRock Group's Investment Stewardship Team, a centralised As stewards of our clients' assets, BlackRock engages with companies and votes at shareholder meetings to promote sound corporate governance and business practices that support companies in delivering durable, risk-adjusted financial returns over time. BlackRock is committed to building strong relationships through constructive, ongoing dialogue with the boards and executive management of the companies in which our clients are invested.

BlackRock's stewardship policies are developed and implemented by two independent, specialist teams, BlackRock Investment Stewardship (BIS) and BlackRock Active Investment Stewardship (BAIS). While the two teams operate independently, their general approach is grounded in widely recognized norms of corporate governance and shareholder rights and responsibilities.

BIS is responsible for engagement and voting in relation to clients' assets managed by certain index equity portfolio managers. BAIS partners with BlackRock's active investment teams on company engagement and voting in relation to their holdings.

More information on each BlackRock team's policy and approach to stewardship can be found at blackrock.com/corporate/insights/investment-stewardship.

6.9 Announcements to ASX

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

6.10 Securities lending

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

Some of the Underlying Funds may hold interests in offshore iShares ETFs which may engage in securities lending at BlackRock's discretion, where securities held within the ETF are lent to approved borrowers for a fee. The collected securities lending fee represents securities lending income, which generates additional investment returns for the Underlying Fund and therefore the Fund investing into it, providing improved index tracking performance.

As of the date of this PDS, none of the Underlying Funds participate in a securities lending program.

There is no restriction on the amount of securities an Underlying Fund may lend.

iShares Global Aggregate Bond ESG (AUD Hedged) ETF (ASX: AESG) (through its investment in an underlying fund) is subject to specific securities lending criteria and will only enter into securities lending arrangements with certain qualified borrowers who comply with the following criteria:

- **Liquidity** – collateral (other than cash) should be highly liquid and traded on certain regulated markets or multi-lateral trading facility with transparent pricing;
- **Valuation** – collateral should be valued on at least a daily basis and assets that exhibit high price volatility should generally not be accepted as collateral;
- **Issuer credit quality** – collateral should be of high quality including with reference to credit ratings by third party agencies;
- **Diversification** - collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of a fund's NAV;
- **Immediately available** - collateral should be capable of being fully enforced by BlackRock at any time without reference to or approval from the counterparty.

Subject to the above criteria in relation to qualified borrowers, collateral must be in the form of one of the following:

- cash;
- government or other public securities;
- certificates of deposit issued by relevant institutions;
- bonds/commercial paper issued by relevant institutions or by non-bank issuers where the issue or the issuer are rated A1 or equivalent;
- letters of credit with a residual maturity of three months or less, which are unconditional and irrevocable and which are issued by a qualified borrower;
- equity securities traded on a stock exchange in the European Economic Area, Switzerland, Canada, Japan, the United States, Jersey, Guernsey, the Isle of Man, Australia, New Zealand, Taiwan, Singapore, Hong Kong and the United Kingdom.

A member of the BlackRock Group has been appointed to serve as the securities lending agent by each Underlying Fund, to the extent that the Underlying Fund participates in the securities lending program. For its services, the securities lending agent will receive a fee. The income earned from securities lending will be allocated between the participating Underlying Fund and the securities lending agent and paid on a percentage basis to the securities lending agent at normal commercial rates. As at the date of this PDS, to the extent an Underlying Fund undertakes securities lending, the Underlying Fund will receive 62.5% of the associated revenue generated from securities lending activities and the remaining 37.5% will be received by the securities lending agent, which will pay for any securities lending costs out of its portion of the securities lending income. While participation in the securities lending program requires the payment of securities lending agent fees, all fees are paid for out of any generated securities lending income. If no securities lending income is generated, no securities lending agent fees will be payable.

Securities lending income (estimated) [1]

Fund name	Total securities lending income	Fund securities lending income	Securities lending agent fee [2]
iShares Balanced ESG ETF	0.00% p.a.[3]	0.00% p.a.	0.00% p.a.
iShares High Growth ETF	0.00% p.a.[3]	0.00% p.a.	0.00% p.a.

1. Figures expressed as a percentage of each Fund's average AUM for the financial year ending 30 June 2024.
2. Disclosed as an indirect cost of each Fund (refer to the section of this PDS titled "Fees and other costs" for further information).
3. Negligible securities lending income/fees.

The participation of the Underlying Funds in a securities lending program may give rise to certain conflicts of interest. The BlackRock Group has adopted policies and procedures designed to address these potential conflicts of interest.

For the financial year ending 30 June 2024, the estimated securities lending income attributable to each Fund (as a result of its investment in its Underlying Fund) and the securities lending agent is provided in the table below.

6.11 Additional information

The following information can be obtained from our website:

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

6.12 Benefits of iShares

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

The significant benefits of investing in the Funds include:

- cost effective access to diversified portfolios of global fixed income securities;
- currency-hedged access to investment grade corporate, high yield corporate and emerging market bond exposures; and
- the use of a process known as hedge accounting to seek a more consistent distribution profile (refer to the section of this PDS titled “Hedge accounting” for further information).

Other benefits of investing in iShares ETFs generally include:

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

7. About the AQUA Rules

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

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

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

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

Source: ASX Rules Framework

8. Fund risks

8.1 What are the risks of investing?

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

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

8.2 General risks

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

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

8.3 What about the specific risks of the Funds?

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

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

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

Equity security risk. Equity securities are subject to changes in value, and their values may be more volatile than those of other asset classes. Dividend payments from shares may also vary over time.

Small cap securities risk. The Funds may be exposed to securities of smaller capitalisation companies. Smaller capitalisation companies may, from time to time, and especially in falling markets, become less liquid and experience short-term price volatility. They may also be less financially secure than larger, more established companies and depend on a small number of key personnel, which increases the risk of the company's failure if a product fails, management changes or if there are other adverse developments.

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

Additionally, uncleared OTC derivative markets may not require payment of margin. To the extent that the Fund has unrealised gains in such instruments or has deposited collateral with its counterparty, the Fund is at risk that its counterparty will become bankrupt or otherwise fail to honour its obligations.

Exclusionary screens risk. The use of exclusionary screens may affect the investment performance of the Fund or Underlying Fund and, as such, performance may differ compared to similar funds that do not use such screens.

Fixed income security risk. Risks associated with an investment in fixed income securities can result in significant variability in investment returns and a loss of income or capital value. These risks include:

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

Foreign investment risk. The Funds may be exposed to securities or derivative instruments issued in foreign markets and as such faces risks associated with:

- differences between countries in relation to accounting, financial reporting, legal, regulatory, pricing, liquidity and settlement and clearance procedures;
- currency risk, the risk that foreign currencies change in value relative to the Australian dollar, which may affect the Fund's investment returns. While passive currency management may be undertaken, it may not be possible to perfectly match performance of the hedging in a Fund relative to that of its Index. In addition the impact of currency hedging on the Fund's

return is uncertain, cannot be guaranteed and can result in capital losses; and

- the countries to which the Funds are exposed may be subject to considerable degrees of economic, political and social instability, which may reduce or preclude the ability to trade security exposures or negatively affect a security's value.

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

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

High yield bonds risk. Funds that invest in bonds that are rated sub- investment grade, or bonds which are unrated but judged to be of comparable quality with sub-investment grade bonds, at the time of purchase, may be more volatile than funds investing in higher- rated bonds of similar maturity.

High yield bonds may also be subject to greater levels of credit or default risk than high-rated bonds. Such bonds are more likely to react to developments affecting market and credit risk than more highly rated securities. The value of high yield bonds can be adversely affected by overall economic conditions, such as an economic downturn or a period of rising interest rates, and high yield bonds may be less liquid and more difficult to sell at an advantageous time or price or to value than higher-rated bonds. A fund may experience difficulty in valuing certain securities at certain times. In particular, high yield bonds are often issued by smaller, less creditworthy companies or by highly leveraged (indebted) firms, which are generally less able than more financial stable firms to make scheduled payments of interest and principal.

Funds that invest in bonds that are rated sub-investment grade, or

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

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

Securities lending risk. The Funds may be exposed to an underlying fund that engages in a securities lending program, which involves the lending of fund investments to counterparties over a period of time. In the event that a fund engages in securities lending it may have a credit risk exposure to the counterparties to any securities lending contract. While the securities lending program generally seeks to ensure all securities lending is fully collateralised, a fund may lose money where any securities lending is not fully collateralised (i.e. due to timing issues arising from payment lags or due to a fall in the value of the collateral below the value of the loaned securities) and where a borrower of loaned securities defaults on its obligations (i.e. failing to return the securities in a timely manner or at all). A fund could also lose money in the event of a decline in the value of any investments made with cash collateral. These events could also trigger adverse tax consequences for a fund.

To mitigate these risks, the Underlying Funds benefits from a borrower default indemnity provided by BlackRock Inc. The indemnity allows for full replacement of the securities lent if the collateral received does not cover the value of the securities loaned in the event of a borrower default.

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

Underlying fund risk. The Funds implement their investment strategy through an investment in an underlying fund. The Fund and its underlying fund are managed as separate entities, with separate investment objectives and investment strategies. No guarantee can be given that the underlying fund will meet its investment objective, continue to be managed according to its current investment strategy or be open to investments in the future. Changes to the underlying fund may be made without unitholder approval. Should an underlying fund change its investment objective or investment strategy, we will review such changes with consideration to the investment objective and strategy of the applicable Fund. Further, if the underlying fund were to be suspended, closed or terminated for any reason, the Fund investing into it would be exposed to those changes.

8.4 Risks of investing in ETFs and managed funds

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

Conflicts of interest risk.

Certain conflicts of interest may arise in the operation of a BlackRock Group fund. Fund structures may involve members of the BlackRock Group acting in more than one capacity (including as counterparties). BlackRock Group funds may be invested in by persons associated with BlackRock Group or by other funds and accounts also managed by the BlackRock Group. Certain investment strategies of the BlackRock Group may conflict with each other and may affect the price and availability of securities in which to invest. Members of the BlackRock Group may also give advice or take action with respect to any of their clients, which may differ from the advice given or the timing or nature of any

action taken with respect to the investments of other BlackRock Group funds or accounts.

BlackRock has established policies and procedures to identify and manage conflicts of interest inherent to BlackRock's business.

Counterparty risk. Funds will be exposed to the credit risk of the parties with which it transacts and may also bear the risk of settlement default. Credit risk is the risk that the counterparty to a financial instrument or transaction will fail to discharge an obligation or commitment that it has entered into. While the BlackRock Group uses reasonable efforts to mitigate such risks, there can be no guarantee that transactions between such counterparties will always be completed in the manner contemplated by, and favorable to, the relevant fund.

Fund risk. The price of units in a fund and the income from them may go down as well as up. Investors may not get back their original investment. There can be no assurance that a fund will achieve its investment objective or that an investor will achieve profits or avoid losses, significant or otherwise. Capital return and income of a fund is based on the capital appreciation and income of the securities invested in, less expenses incurred. Fund returns may fluctuate in response to changes in such capital appreciation or income. The payment of distributions is at the discretion of the fund issuer, taking into account various factors and its own distribution policy. Distributions are not guaranteed and there may be periods for which distributions are higher or lower than expected. There can be no assurance that the distribution yield of a fund is the same as that of its Index due to factors such as expenses incurred by the fund. Past performance is not indicative of future performance.

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

Issuer risk. The performance of a fund depends on the performance of individual securities to which the fund has exposure. Any issuer of these securities may perform poorly, causing the value of its securities to decline. Poor performance may be caused by poor management decisions, competitive pressures, changes in technology, expiration of patent protection, disruptions in supply, labour problems or shortages, corporate restructurings, fraudulent disclosures or other factors. Issuers may, in times of distress or at their own discretion, decide to reduce or eliminate dividends, which may also cause securities prices to decline.

Market risk. Market risk is the risk that one or more markets in which a fund invests will go down in value, including the possibility that the markets will go down sharply and unpredictably. The value of a security or other asset may decline due to changes in general market conditions, economic trends or events that are not specifically related to the issuer of the security or other asset, or factors that affect a particular issuer or issuers, exchange, country, group of countries, region, market, industry, group of industries, sector or asset class. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, or other events could have a significant impact on a fund and its investments.

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

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

for the ETF. Although units of an ETF may be quoted on a securities exchange and there may be one or more appointed market maker, there may be no liquid trading market for the ETF units or such appointed market maker(s) may cease to fulfil that role. It is the Responsible Entity's intention that there will always be at least one market maker for the Units of the Funds.

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

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

Tax risk. Investing in a fund may result in a different tax outcome than investing in securities directly. The application of tax laws and certain events occurring within a fund may result in you receiving some of your investment back as income in the form of a distribution. A fund will generally not be managed with consideration of the individual circumstances, including specific tax considerations, applicable to any single unitholder in that fund.

Tracking error risk. The NAV of a fund or underlying fund may not correlate exactly with the Index it is designed to match. Factors such as fund fees and expenses, imperfect correlation between fund security holdings and index constituents, inability to rebalance portfolio holdings in response to changes to Index constituents, differences in currency hedging methodology, rounding of prices, index changes and regulatory policies may affect the ability of a fund to achieve close correlation with the index. A fund's returns may therefore deviate from the index it is designed to match. Funds or underlying funds that employ stratified sampling may incur tracking error risk to a greater extent than a fund that seeks to fully replicate an index.

8.5 Risk management

BlackRock's risk management framework is facilitated through its governance structure, organizational design and philosophy. This framework is executed through adherence to a strong internal control structure, primarily encompassing a single technology platform, straight-through-processing operations, a strong compliance environment, and documented and tested policies and procedures. These policies and procedures have been designed to help ensure that the effectiveness of internal controls is maximized.

Risk management is core to BlackRock's culture

BlackRock was founded on the premise of employees across the organization having a risk-aware mindset.

Risk oversight is independent from BlackRock's risk takers

BlackRock employs a three-lines of defense approach, whereby risk takers are primary risk owners, risk managers provide independent oversight and internal audit assesses the adequacy and effectiveness of controls.

Robust risk analytics leveraging Aladdin technology

Aladdin is the proprietary platform used for risk management processes and enables informed decision making.

9. Fees and other costs

9.1 Consumer advisory warning

DID YOU KNOW?

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

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

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

TO FIND OUT MORE

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

9.2 Fees and other costs

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

Fees and costs summary

Type of fee or cost	Amount		How and when paid
Ongoing annual fees and costs			
Management fees and costs The fees and costs for managing your investment[1]	iShares Balanced ESG ETF	0.22% p.a.	The management fee for each Fund is calculated with reference to the NAV of the Fund on a daily basis. This cost is deducted from the assets of the Fund and is generally paid to the Responsible Entity monthly in arrears. Management fees and costs include indirect costs. Indirect costs are a reasonable estimate of certain costs incurred within the Fund (or any underlying fund) that reduce returns. The deduction of managements fees and costs is reflected in the Fund's unit price.
	iShares High Growth ESG ETF	0.22% p.a.	
Performance fees Amounts deducted from your investment in relation to the performance of the product	Nil for all Funds		The Funds do not charge a performance fee.
Transaction costs The costs incurred by the scheme when buying or selling assets	iShares Balanced ESG ETF	0.02% p.a.	Transaction costs which are incurred when a member invests or redeems from the Fund will generally be recovered through the buy-sell spread applied to the unit price. Transaction costs that are not recovered ('net transaction costs') reduce returns and are reflected in the Fund's unit price.
	iShares High Growth ESG ETF	0.03% p.a.	

Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)

Establishment fee The fee to open your investment	$0 for all Funds			Not applicable.
Contribution fee The fee on each amount contributed to your investment	If you are not an Authorised Participant:		$0	These fees are only applicable to Authorised Participants. These fixed fees are payable at the time of creating Units.
	If you are an Authorised Participant:			
	iShares Balanced ESG ETF		$98	
	iShares High Growth ESG ETF		$84	
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme		Buy	Sell	These fees are only applicable to Authorised Participants. Buy-sell spreads do not apply when buying/selling units on exchange.
	If you are not an Authorised Participant:	0.00%	0.00%	
	If you are an Authorised Participant:			
	iShares Balanced ESG ETF	0.00%	0.00%	
	iShares High Growth ESG ETF	0.00%	0.00%	
Withdrawal fee The fee on each amount you take out of your investment	If you are not an Authorised Participant:		$0	These fees are only applicable to Authorised Participants. These fixed fees are payable at the time of redeeming Units.
	If you are an Authorised Participant:			
	iShares Balanced ESG ETF		$98	
	iShares High Growth ESG ETF		$84	
Exit fee The fee to close your investment	$0 for all Funds			Not applicable.
Switching fee The fee for changing investment options	$0 for all Funds			Not applicable.

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

9.3 Example of annual fees and costs

The table below gives an example of how ongoing annual fees and costs in each Fund can affect your investment over a 1-year period. You should use this table to compare these products with other products offered by managed investment schemes.

EXAMPLE - iShares High Growth ESG ETF		
BALANCE OF $50,000 WITH A CONTRIBUTION OF $5,000 DURING THE YEAR		
Contribution fees	*Non-APs:* Nil *APs:* $84	For every additional $5,000 you put in: ► non-Authorised Participants will be charged **$0**, and ► Authorised Participants will be charged **$84**.
PLUS		
Management fees and costs	0.22%	**And**, for every $50,000 you have in the iShares High Growth ESG ETF you will be charged or have deducted from your investment **$110** each year
Performance fees	Nil	**And**, you will be charged or have deducted from your investment **$0** in performance fees each year
Transaction costs	0.03%	**And**, you will be charged or have deducted from your investment **$15** in transaction costs
EQUALS		
Cost of iShares High Growth ESG ETF	If you had an investment of $50,000 at the beginning of the year and you put in an additional $5,000 during that year you would be charged fees and costs of**:** ► **$125** if you are not an Authorised Participant, and ► **$209** if you are an Authorised Participant[1]. **What it costs you will depend on the fees you negotiate.**	

1. Additional fees may apply. Authorised Participants may also incur transaction costs when creating units in a Fund by way of a Non-Standard Transaction.

9.4 Cost of product information

COST OF PRODUCT FOR 1 YEAR

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

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

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

Fund	Cost of Product	
	Authorised Participants	*Non-Authorised Participants*
iShares Balanced ESG ETF	$218	$120
iShares High Growth ESG ETF	$209	$125

9.5 Additional explanation of fees and other costs

Ongoing annual fees and costs

The ongoing annual fees and costs comprise:

- **Management fees and costs**

Management fees and costs include:

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

Management fees and costs also include indirect costs.

Management fees and costs

Fund name	Management fee	Indirect costs	Total
iShares Balanced ESG ETF	0.22%	0.00%	0.22%
iShares High-Growth ESG ETF	0.22%	0.00%	0.22%

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

Investment management services may be provided to the Responsible Entity by other members of the BlackRock Group, for which no additional costs are charged to the Fund or Unitholders

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

- **Performance fees**

The Funds do not charge a performance fee.

- **Transaction costs**

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

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

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

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

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

The transaction costs set out in the Fees and costs summary above are shown net of any amount recovered by the buy-sell spread or contribution and withdrawal fees. Transaction costs that are not recovered (the "net transaction costs" in the below table) are an additional cost to investors and reduce the investment return of a Fund. Net transaction costs are reflected in each Fund's NAV Price and are not charged separately to the investor.

Transaction costs are generally calculated with consideration to the financial year of a fund ending 30 June 2024. In the case of a new fund, transaction costs are disclosed as a reasonable estimate of the costs we expect to be incurred over the next twelve months. Certain amounts or figures used to calculate transaction costs may include estimates in circumstances where actual figures could not be obtained.

The below table provides details of the transaction costs and any applicable transaction cost recovery attributable to each Fund as a percentage of each Fund's average AUM for the financial year ending 30 June 2024.

Estimated transaction costs and transaction cost recovery [1]

Fund name	Gross	Recovery	Net
iShares Balanced ESG ETF	0.05%	0.03%	0.02%
iShares High-Growth ESG ETF	0.05%	0.01%	0.03%

1. Estimated costs shown as a percentage of the Fund's average AUM. Net transaction costs equal total transaction costs minus transaction cost recovery, rounded to two decimal places.

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

Expense recovery costs

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

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

Expense recovery costs are generally calculated with consideration to the actual costs incurred during the financial year ending 30 June 2024 and disclosed as part of 'management fees and costs'. In the case of a new fund, expense recovery costs are disclosed as a reasonable estimate of any such costs we expect to be incurred over the next twelve months.

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

- **Indirect costs**

Indirect costs include any amount that we know, reasonably ought to know or, where this is not the case, may reasonably estimate, will reduce the return of a Fund. Indirect costs may be incurred

directly by a Fund or, where applicable, indirectly through an underlying fund.

Indirect costs may include, but is not limited to:

- Over the counter (**OTC**) derivative costs: Where applicable, costs of investing in OTC derivatives, excluding such costs disclosed as transaction costs,.
- Securities lending agent fees: Some Funds indirectly (through the Underlying Funds) participant in a securities lending programme. Refer to the section of this PDS titled "Securities lending" for further information. Where a Fund directly or indirectly participates in a securities lending program we are required to disclose any retained securities lending income by the securities lending agent(s) as an indirect cost. While participation in the securities lending program requires the payment of securities lending agent fees, all fees are paid for out of any generated securities lending income. If no securities lending income is generated, no securities lending agent fees will be payable.
- Underlying fund expenses: Where a Fund invests in an Underlying Fund, certain costs may be incurred within the Underlying Fund. Such costs may include, but is not limited to, custodian and administrator fees, auditor fees, director fees, certain taxes and other professional expenses incurred by the Underlying Fund.

Indirect costs exclude certain transaction costs.

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

Indirect costs are generally calculated with consideration to the financial year ending 30 June 2024. In the case of a new fund, indirect costs are disclosed as a reasonable estimate of the costs we expect to be incurred over the next twelve months. Certain amounts or figures used to calculate indirect costs may include estimates in circumstances where actual figures could not be obtained.

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

Contribution/withdrawal fee for Authorised Participants

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

A contribution/withdrawal fee may be payable by an Authorised Participant with every creation/redemption of Units.

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

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

Buy-sell spread for Authorised Participants

We may include a buy spread component in the purchase price and a sell spread component in the withdrawal price. The buy-sell spread reflects the estimated transaction costs associated with executing an order, such as brokerage, settlement costs and stamp duty. Clearing costs, such as custody movement charges, are also partly covered by the buy-sell spread. The estimated transaction costs may vary due to market conditions and order size. The buy-sell spread is applied with the intention of ensuring all investors are treated equally and looks to ensure that investors within a Fund are not negatively impacted as a result of the investment activity of other investors in the Fund. The buy-sell spread is not paid to BlackRock.

The buy-sell spread does not apply to investors buying or selling ETF units on exchange.

There may be circumstances in which BlackRock may exercise its discretion to vary the buy-sell spread above or below the amount in this PDS. Such discretion may be exercised, for example, where the transaction costs associated with executing an order are likely to be materially different to those typically encountered in normal market conditions.

BlackRock may amend the buy-sell spread if it considers the current spread is inappropriate. In these circumstances, BlackRock will confirm with Authorised Participants via electronic means if they wish to proceed with their order reflecting actual transaction costs. Once confirmed by the Authorised Participant, the order will proceed with the actual transaction costs. If an Authorised Participant confirms to BlackRock that it does not wish to proceed with an order, the order will be cancelled.

Reasonable estimates

We may disclose fees and costs based on reasonable estimates, where actual figures are not available or are insufficient (such as for a new fund). The basis for reasonable estimates may include, among other things:

- historic data from a fund with a similar investment strategy;
- averaging similar data sources over a period of time (for example, indirect costs or transaction costs observed by BlackRock trading desks); and
- comparing the traded price to the trading benchmark rate.

Taxation

Your investment may be subject to tax. Refer to the Taxation section of this PDS for further information.

Can the fees change?

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

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

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

Ongoing service commission

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

Stockbroker fees for ASX investors

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

Alternative forms of remuneration

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

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

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

Fee for wholesale investors

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

10. Primary market matters

10.1 Authorised participants

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

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

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

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

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

10.2 Minimum Unit creation and redemption size

Except in respect of a distribution reinvestment, Units of a Fund may only be created or redeemed by Authorised Participants with consideration to a minimum Unit creation or redemption size, as specified in the Operating Procedures. Additionally, Authorised Participants will only be permitted create or redeem Units that have been aggregated into blocks of one Creation Unit or one Redemption Unit or multiples thereof.

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

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

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

10.3 Unit creation requests

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

- submitting a request through the iShares Online platform ("iShares Online") or complying with such other Unit creation request method that the Responsible Entity may determine from time to time; and
- returning the Unit creation request to us by the required Cut-off Time.

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

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

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

Authorised Participants may also need to complete an application form and/ or submit supporting identification/ verification documentation for the purposes of complying with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML Legislation).

Additional investments can be made at any time via iShares Online or by complying with such other Unit creation request method that the Responsible Entity may determine from time to time. Authorised Participants who have agreed to submit Unit creation requests using iShares Online may do so in accordance with the iShares Online Terms and Conditions. We will provide a copy of the iShares Online Terms and Conditions to Authorised Participants. Additional investments are made on the basis of a current PDS. A copy of the current PDS for the Funds and any information updating it is available free of charge upon request by contacting the iShares Call Centre (refer to page 3 of this PDS for contact details).

Units issued pursuant to a Unit creation request will be quoted under the AQUA Rules on the ASX with effect from the settlement of the issue of the relevant Units through CHESS. On a monthly basis, we will announce to the ASX via the ASX Markets Announcements Platform each Fund's total Units on issue. As the settlement of the issue of the relevant Units will be made through

CHESS, we will not be required to hold application money prior to the issue of the Units.

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

10.4 Unit redemption requests

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

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

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

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

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

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

Refer to the section of this PDS titled "Non-Standard Transaction requests" for further information on Non-Standard Redemption Basket and cash only Unit redemption requests.

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

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

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

10.5 Processing of Unit creations and redemptions

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

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

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

Standard settlement timeframes of Unit creation and redemption requests are set out in the Operating Procedures. Settlement, however, may be on a non-standard basis, to accommodate the holiday schedules of any non-Australian market in which the securities of a Fund are traded. For every occurrence of one or more intervening holiday in the applicable non-Australian market 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 a Fund from settling Unit creation and redemption requests within the standard settlement timeframe.

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

Refer to the Operating Procedures for details of each Fund's Business Day. Cut-off Time, and details of how we will provide notification of any suspension or postponement of Unit creations and redemptions.

10.6 Calculation of NAV Prices

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

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

Unit creation and redemption requests received before the required Cut-off Time on a Business Day will generally be processed at the NAV Price calculated as at the close of trading on that Business Day.

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

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

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

10.7 Non-Standard Transaction requests

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

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

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

10.8 Indemnity

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

10.9 Redemption rights of non-Authorised Participant Unitholders

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

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

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

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

10.10 Anti-money laundering and counter-terrorism financing

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

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

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

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

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

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

Investor identification requirements

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

Appointed representatives

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

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

11. Distributions

11.1 Distributions

Income you receive from your investments will be in the form of distributions. Your distribution may include interest, dividends, coupons, cash, other income and realised gains. In some circumstances, the Fund may distribute a payment out of the

capital invested in addition to a distribution of net income or net capital gains, or where the Fund has not generated net income or net capital gains during the income period.

For each distribution period, BlackRock will notify investors of the date the Fund register is closed for the purpose of determining which Unitholders are entitled to receive a distribution (**Record Date**). You will be entitled to participate in the distributable income of the Fund based on the number of units you hold as at the Record Date.

The Funds generally distribute quarterly, with distributions being determined as at the end of March, June, September and December each year.

Refer to the distribution calendar available on our website for more details, including the indicative timing, of Fund distributions.

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

Following the determination of a distribution, the NAV Price of a Fund will fall to reflect the reduced value of that Fund following the payment of the distribution to Unitholders. In other words, it is priced to exclude the distribution entitlement. This date is known as the "**Ex-Date**". Given typical settlement periods, you generally need to buy units on the market before the Ex-Date to own those units before the Record Date and be entitled to participate in the distribution for that period.

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

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

Information in relation to the distributions of each Fund (including the estimated and confirmed distribution amounts, distribution components, the Ex-Date, Record Date and payment date) will be disclosed to the ASX via the ASX Market Announcements Platform and made available on our website at www.blackrock.com/au/ishares.

11.2 Distribution Reinvestment Plan

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

The price at which additional DRP units is issued to participating unitholders is based on the unit price immediately before the Ex-Date less the distribution amount per unit (DRP Price). The amount of units you will receive will be equal to the distribution amount per unit multiplied by the number of units you hold as at the Record Date, divided by the DRP Price (rounded down to whole units). Any residual cash balance will be carried forward and applied to the next distribution.

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

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

11.3 Distribution on redemption

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

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

11.4 Tax statement

An annual tax statement (Attribution Managed investment trust Member Annual (AMMA) statement) will be made available to unitholders entitled to income outlining their entitlements and the composition of taxable income in that Fund. The statement will be made available as soon as practicable after the end of the income year.

12. Taxation

This section contains general comments about taxation matters relating to the Fund. As the taxation implications are specific to each investor, we recommend that investors seek their own independent professional taxation advice.

12.1 Overview

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

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

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

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

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

12.2 Taxation of a Fund

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

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

As at the date of this document, the Responsible Entity does not expect the Funds to be subject to tax on the income of the Funds (other than in relation to withholding tax or other tax payable in respect of non-resident Unitholders) as it is intended that:

- for eligible funds that enter the AMIT regime: all taxable income will be ‘attributed’ to the unitholders in each financial year; and
- for funds that do not enter the AMIT regime: unitholders will continue to be presently entitled to all the income of a Fund in each financial year, with the existing tax rules for managed funds continuing to apply.

12.3 Investment portfolio taxes

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

12.4 Taxation of a resident Unitholder

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

The income distribution for an income year is included in the assessable income for that income year, even if the cash is received after the last day of the income year If you are not an Authorised Participant who holds Units as trading stock, you may have to pay tax on all or part of your capital gain (the increase in the value of your investment) when you dispose of your Units. If you hold Units as trading stock and you redeem or otherwise dispose of Units, you may need to include any profit as part of your assessable income for tax purposes.

12.5 Taxable income of a Fund

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

Types of income

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

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

Capital gains tax (CGT)

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

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

Capital/revenue (MIT) election for Managed Investment Trusts

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

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

Taxation of financial arrangements

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

Controlled foreign company (CFC) regime

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

12.6 Taxation of non-resident Unitholders

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

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

12.7 Tax file number (TFN)

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

12.8 Goods and services tax (GST)

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

12.9 Taxation reform

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

12.10 Authorised Participant Unit redemption requests

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

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

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

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

12.11 Acquisition and disposal of Units on ASX

Acquisitions

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

Disposals

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

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

12.12 United States Foreign Account Tax Compliance Act

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

limited to, each Fund identifying and documenting the FATCA status of its investors. The Funds must also report certain information on applicable investors to the ATO, which will in turn report this information to the US Internal Revenue Service.

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

12.13 Common Reporting Standard (CRS)

The Common Reporting Standard (CRS) is a single global standard on Automatic Exchange Of Information (AEOI). Under the CRS, participating jurisdictions will be required to exchange certain information held by financial institutions regarding their non-resident investors. The Funds will be required to provide certain information to the ATO about non-Australian tax resident holders of Units (which information will in turn be provided to the relevant tax authorities. In light of the above, holders of Units in the Funds will be required to provide certain information to the Funds to comply with the terms of the reporting systems.

13. Additional information

13.1 No cooling off rights

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

13.2 Reporting requirements

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

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

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

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

13.3 Receipt of instructions

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

13.4 Legal

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

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

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

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

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

- resolutions passed by a requisite majority at a meeting of Unitholders are binding on all Unitholders.

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

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

Other provisions include:

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

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

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

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

13.5 Compliance plan

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

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

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

13.6 Auditor

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

13.7 Custody

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

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

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

13.8 Registrar

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

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

13.9 Market maker

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

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

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

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

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

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

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

13.10 Conflicts of interest and related party information

The Responsible Entity is a member of the BlackRock Group.

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

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

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

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

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

13.11 Privacy policy

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

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

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

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

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

BlackRock operates as a global organisation and to this end functions generally operate from dedicated processing centres that provide shared services around the globe. Personal information collected to identify an investor, for example to facilitate their investment in our funds, may be disclosed to our related body corporates located offshore. If personal information is transferred offshore, the same level of security and organisational controls to the processing of Personal information is applied wherever it is processed. BlackRock's key processing centres are in the USA, Hungary, India, and Singapore..

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

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

If you wish to opt out, update or request access to your information, obtain a copy of our Privacy Policy or raise any queries or concerns regarding privacy, you may contact our Privacy Officer

by contacting Client Services (refer to page 3 of this PDS for contact details).

13.12 Complaints

We have established procedures for dealing with enquiries and complaints. If you are a Unitholder and have an enquiry or complaint, you can contact our Complaints Officer via Client Services (refer to page 2 of this PDS for contact details). If you make a complaint to us, the complaint will be acknowledged and steps will be taken to investigate your concerns. A final response will be provided within 30 calendar days in accordance with our obligations.

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

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

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

For the hearing and speech impaired, AFCA can be contacted via National Relay Service (**NRS**);

- **Step 1:** Contact AFCA through your preferred NRS call channel detailed at https://www.accesshub.gov.au/ about-the-nrs/nrs-call-numbers-and-links;
- **Step 2:** Provide the NRS with AFCA's phone number 1800 931 678.

For more information visit: www.accesshub.gov.au/aboutthe-nrs.

13.13 ASIC relief

Equal treatment relief in relation to withdrawals

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

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

Ongoing disclosure relief

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

Periodic statements

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

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

13.14 Index provider disclaimers

Bloomberg Finance L.P.

Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited (BISL) (collectively, Bloomberg) are not the issuer or producer of the iShares Core Global Corporate Bond (AUD Hedged) ETF (Fund) and Bloomberg does not have any responsibilities, obligations or duties to investors in the Fund. Bloomberg's only relationship with the issuer in respect of Bloomberg Global Aggregate Corporate Bond Index (**Index**) is the licensing of the Index, which is determined, composed and calculated by BISL, or any successor thereto, without regard to the issuer or the Fund or the owners of the Fund. Additionally, members of the BlackRock Group may for itself execute transaction(s) in or relating to the Index in connection with the Fund. The Fund is not sponsored, endorsed, sold or promoted by Bloomberg. Bloomberg does not make any representation or warranty, express or implied regarding the advisability of investing in the Fund or the advisability of investing in securities generally or the ability of the Index to track corresponding or relative market performance. Bloomberg has not passed on the legality or suitability of the Fund with respect to any person or entity. Bloomberg is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the Fund to be issued. Bloomberg has no obligation to take the needs of the issuer or the owners of the Fund or any other third party into consideration in determining, composing or calculating the Index. Bloomberg does not have any obligation or liability in connection with administration, marketing or trading of the Fund.

BLOOMBERG DOES NOT MAKE ANY EXPRESS OR IMPLIED WARRANTIES, AND HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE INDEX OR ANY DATA INCLUDED THEREIN. BLOOMBERG SHALL NOT BE LIABLE FOR ANY MISCALCULATION OF OR ANY INCORRECT, DELAYED OR INTERRUPTED PUBLICATION WITH RESPECT TO THE INDEX.

BLOOMBERG SHALL NOT BE LIABLE FOR ANY DAMAGES, INCLUDING, WITHOUT LIMITATION, ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, OR ANY LOST PROFITS AND EVEN IF ADVISED OF THE POSSIBILITY OF SUCH, RESULTING FROM THE USE OF THE INDEX OR ANY DATA INCLUDED THEREIN OR WITH RESPECT TO THE FUND.

MSCI

Neither the iShares Balanced ESG ETF, nor the iShares Growth ESG ETF are issued, sponsored, endorsed, sold, or promoted by MSCI Inc. (MSCI), any of its affiliates, any of its information providers or any other third party involved in, or related to, compiling, computing or creating any MSCI index (collectively, the MSCI parties). MSCI and the names of the MSCI indexes are service mark(s) of MSCI or its affiliates and have been licensed for use for certain purposes by members of the BlackRock Group. None of the MSCI parties makes any representation or warranty, express or implied, to the issuer or owners of the MSCI funds or any other person or entity regarding the advisability of investing in funds generally or in the MSCI funds particularly or the ability of any MSCI index to track corresponding stock market performance. MSCI or its affiliates are the licensors of certain trademarks, service marks and trade names and of the MSCI indexes, which are determined, composed and calculated by MSCI without regard to the MSCI funds or the issuer or owners of the MSCI funds or any other person or entity. None of the MSCI parties has any obligation to take the needs of the issuer or the owners of the MSCI funds or any other person or entity into consideration in determining, composing or calculating the MSCI indexes.

Consent to statements in this PDS

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

14. Glossary

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

Index, Indexes	means, as applicable, MSCI Australia IMI Custom ESG Leaders Index, MSCI World Ex Australia Custom ESG Leaders Index, MSCI World ex Australia Custom ESG Leaders 100% AUD Hedged Index, Bloomberg AusBond Credit and FRN Ex Big 4 Banks Index, Bloomberg AusBond Treasury Index, Bloomberg AusBond Credit 0+ Yr Index and the Bloomberg AusBond Credit 0+ Yr Index.
J.P. Morgan	means J.P. Morgan Securities Inc..
LSE	means London Stock Exchange.
MIT, MITs	means managed investment trust(s).
NAV	means net asset value.
NAV Price	means the NAV of a Fund divided by the number of Units on issue in that Fund.
OECD	means the Organisation for Economic Co-operation and Development.
Operating Procedures	means the iShares Authorised Participant Operating Procedures, as amended from time to time.
OTC	means over the counter.
PDS	means this product disclosure statement dated 9 April 2025 and any supplementary or replacement product disclosure statement in relation to this document.
Registrar	means the registrar of the Funds, as appointed by BlackRock, being Computershare.
Tax Law	means the Income Tax Assessment Act 1936 (Cth), Income Tax Assessment Act 1997 (Cth), the Taxation Administration Act 1953 (Cth) and any relevant regulations, rulings or judicial or administrative pronouncements.
TFN	means Tax File Number.
TOFA	means Taxation of Financial Agreements.
Unit	means an undivided share in the beneficial interest in the assets of a Fund as described in this PDS.
Underlying Funds	means, as applicable iShares Core MSCI Australia ESG ETF (IESG), iShares Core MSCI World Ex Aus ESG ETF (IWLD), iShares Core MSCI World Ex Aus ESG (AUD Hedged) ETF (IHWL), iShares Yield Plus ETF (IYLD), iShares Treasury ETF (IGB), iShares Corporate Bond ETF (ICOR) and/or iShares Global Aggregate Bond ESG (AUD Hedged) ETF (AESG).
Unitholders	means a person holding Units in a Fund.
U.S.	means United States of America.