

1 November 2024

Market Announcements Office  
ASX Limited

## ISHARES INTERNATIONAL FIXED INCOME ETFS PRODUCT DISCLOSURE STATEMENT

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 Australian Securities Exchange (**ASX**).

### Product Disclosure Statement Update

BIMAL would like to inform investors that a new product disclosure statement (**PDS**) has been issued for the Funds. The PDS is attached for reference and available at [www.blackrock.com/au](http://www.blackrock.com/au).

The PDS has been reissued for enhanced currency and clarity, including in relation to the following:

- updated fees and costs disclosure;
- disclosure of relevant product risks, explanation of securities lending and fees and costs, the benefits of iShares, and unit creations and redemptions; and
- investment stewardship, distributions, taxation, and privacy.

Other minor and ancillary changes have also been made to the PDS.

### Procedure change - Authorised Participants

In addition, BIMAL would like to inform Authorised Participants of a change to the procedure for notifying of suspensions or postponements of unit creations and redemption for the Funds. Going forward, instead of using the market announcement platform, BIMAL will notify Authorised Participants directly via electronic methods of any suspensions or postponements to the unit creation and redemption for the Funds.

| ASX Code | Fund   |
|----------|--|
| IHCB     | iShares Core Global Corporate Bond (AUD Hedged) ETF            |
| IHEB     | iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF |
| IHHY     | iShares Global High Yield Bond (AUD Hedged) ETF                |
| AESG     | iShares Global Aggregate Bond ESG (AUD Hedged) ETF             |
| IUSG     | iShares U.S. Treasury Bond (AUD Hedged) ETF                    |
| ULTB     | iShares 20+ Year U.S. Treasury Bond (AUD Hedged) ETF           |

The liability of shareholders is limited.

BlackRock Investment Management (Australia) Limited ABN 13 006 165 975

## Important Notice

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

This material provides general information only and does not take into account your individual objectives, financial situation, needs or circumstances. Before making any investment decision, you should assess whether the material is appropriate for you and obtain financial advice tailored to you having regard to your individual objectives, financial situation, needs and circumstances. Refer to BIMAL's Financial Services Guide on its website for more information. This material is not a financial product recommendation or an offer or solicitation with respect to the purchase or sale of any financial product in any jurisdiction.

BIMAL is the responsible entity and issuer of units in the Australian domiciled managed investment schemes referred to in this material, including the Australian domiciled iShares ETFs. Any potential investor should consider the latest product disclosure statement (PDS) before deciding whether to acquire, or continue to hold, an investment in any BlackRock fund. BlackRock has also issued a target market determination (TMD) that describes the class of consumers that comprises the target market for each BlackRock fund and matters relevant to their distribution and review. The PDS and the TMD can be obtained by contacting the BIMAL Client Services Centre on 1300 366 100. In some instances the PDS and the TMD are also available on the BIMAL website at [www.blackrock.com/au](http://www.blackrock.com/au). An iShares ETF is not sponsored, endorsed, issued, sold or promoted by the provider of the index which a particular iShares ETF seeks to track. No index provider makes any representation regarding the advisability of investing in the iShares ETFs. Further information on the index providers can be found in the BIMAL website terms and conditions at [www.blackrock.com/au](http://www.blackrock.com/au).

BIMAL, its officers, employees and agents believe that the information in this material and the sources on which it is based (which may be sourced from third parties) are correct as at the date of publication. While every care has been taken in the preparation of this material, no warranty of accuracy or reliability is given and no responsibility for the information is accepted by BIMAL, its officers, employees or agents. Except where contrary to law, BIMAL excludes all liability for this information.

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\*\* END \*\*

# iShares ETFs International Fixed Income

## PRODUCT DISCLOSURE STATEMENT

**Dated: 1 November 2024**

| ASX  | ARSN        | Fund name  |
|------|-------------|--|
| IHCB | 607 996 387 | iShares Core Global Corporate Bond (AUD Hedged) ETF            |
| IHHY | 607 996 403 | iShares Global High Yield Bond (AUD Hedged) ETF                |
| IHEB | 607 996 510 | iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF |
| AESG | 660 926 312 | iShares Global Aggregate Bond ESG (AUD Hedged) ETF             |
| IUSG | 665 745 791 | iShares U.S. Treasury Bond (AUD Hedged) ETF                    |
| ULTB | 679 599 056 | iShares 20+ Year U.S. Treasury Bond (AUD Hedged) ETF           |

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

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## iShares Call Centre

Telephone: 1300 474 273  
between 9:00 am and 5:00 pm Monday to Friday AEST  
Email: [ishares.australia@blackrock.com](mailto:ishares.australia@blackrock.com)

## Client Services

Level 37, Chifley Tower, 2 Chifley Square,  
Sydney NSW 2000  
Telephone: 1300 366 100  
Facsimile: 1300 366 107  
Email: [clientservices.aus@blackrock.com](mailto:clientservices.aus@blackrock.com)

## iShares Australia Capital Markets Desk

BlackRock Investment Management (Australia) Limited  
Level 37, Chifley Tower,  
2 Chifley Square, Sydney NSW 2000  
Telephone: (02) 9272 2345  
Facsimile: (02) 9278 5573  
Email: [isharesaustralia.capitalmarkets@blackrock.com](mailto:isharesaustralia.capitalmarkets@blackrock.com)

## Fund Registrar

Computershare Investor Services Pty Limited  
Yarra Falls, 452 Johnston Street, Abbotsford VIC 3067  
Telephone: 1300 474 273  
(open 8:30 am to 7:00 pm Monday to Friday AEST)  
Facsimile: (02) 8235 8209

# 1. Before you start

## 1.1 The issuer of this product disclosure statement

Investment in the:

- iShares Core Global Corporate Bond (AUD Hedged) ETF
- iShares Global High Yield Bond (AUD Hedged) ETF
- iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF
- iShares Global Aggregate Bond ESG (AUD Hedged) ETF
- iShares U.S. Treasury Bond (AUD Hedged) ETF
- iShares 20+ Year U.S. Treasury Bond (AUD Hedged) ETF

(each referred to in this Product Disclosure Statement (**PDS**) as the **Fund**) 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**, **we**, **our** or **us**). BlackRock is the manager of the 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 Fund.

BlackRock is a wholly owned subsidiary of BlackRock, Inc.<sup>®</sup> (**BlackRock Inc**) but is not guaranteed by BlackRock, Inc or any BlackRock, Inc subsidiary or associated entity (collectively, **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 the Fund could lose all or a substantial part of their investment in the Fund. In particular, the performance of the Fund will depend on the performance and market value of the assets held by the Fund.

## 1.2 About this product disclosure statement

This PDS describes the main features of the Fund and is dated 1 November 2024. A copy of this PDS has been lodged with the Australian Securities and Investments Commission (**ASIC**) and ASX Limited (**ASX**). Neither ASIC nor the ASX take any responsibility for the contents of this PDS.

This PDS can only be used by investors receiving it (electronically or otherwise) in Australia. It is not available in any other country. Units in the Fund have not been, and will not be, registered under the U.S. Securities Act of 1933 or the securities laws of any of the states of the United States of America (**U.S.**). The Fund is not and will not be registered as an investment company under the U.S. Investment Company Act of 1940. Investment in Units of the Fund by or on behalf of U.S. persons is not permitted. Units in the Fund may not at any time be offered, sold, transferred or delivered within the U.S. or to, or for the account or benefit of, a U.S. person. Any issue, sale or transfer in violation of this restriction will not be binding upon the Fund and may constitute a violation of U.S. 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 the Fund by contacting the iShares Call Centre (refer to page 2 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 the 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 2 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 the 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](#). A paper copy of any updated information will be given, or an electronic copy made available, free of charge upon request.

Where the 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](#). 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 [asic.gov.au](#) as well as a helpline 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 2 of this PDS for contact details). Alternatively, information about the Fund is available on our [website](#) 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 the Fund is likely to be consistent with their likely objectives, financial situation and needs.

The TMD for the Fund can be obtained by contacting Client Services and may be available on our [website](#).

## 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](https://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 Core Global Corporate Bond (AUD Hedged) ETF

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

### 3.1 Investment objective

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

The index is designed to measure the AUD hedged performance of the global investment grade corporate fixed-rate debt market.

### 3.2 Investment strategy

The Fund seeks to achieve its objective by tracking the performance of the Bloomberg Global Aggregate Corporate Bond Index (Total Return, Hedged to AUD) (referred to in this section as the **Index**).

We believe that stratified sampling is the most appropriate investment strategy to track the performance of the Index as it takes into account liquidity and transaction cost impact and overall risk relative to the Index. Stratified sampling will be used to achieve similar returns to the Index. Stratified sampling is an indexing strategy that involves investing in a representative sample of securities that collectively has an investment profile similar to that of the Index. The securities selected are expected to have, in aggregate, investment characteristics (based on factors such as market capitalisation and industry weightings), fundamental characteristics (such as return variability, duration, maturity, credit ratings and yield) and liquidity measures, similar to those of the Index. Therefore, the securities to which the Fund is exposed may or may not include all of the securities in the Index and the weighting of the securities held by the Fund may differ to the weighting of securities in the Index.

The Fund implements its investment strategy through an investment in the iShares Global Corp Bond UCITS ETF (referred to in this section as the Underlying Fund), an Irish domiciled iShares ETF that aims to track the performance of a non-Australian dollar hedged version of the Index. Refer to the section of this PDS titled "The Underlying Funds" for further information on the Underlying Fund.

The Fund applies a passive currency hedge, which seeks to minimise the effect of currency fluctuations on returns by converting the currency exposure of the Index back to Australian dollars. Refer to the section of this PDS titled "Currency hedging" for further information.

### 3.3 What does the Fund invest in?

The Fund is generally exposed to the securities that form the Index, including fixed rate corporate bonds issued by corporations in emerging and developed markets worldwide that will, at the time of purchase, comply with the credit rating requirements of the Index, which is investment grade.

While it is intended that the corporate bonds to which the Fund is exposed will comprise investment grade issues, issues may be downgraded in certain circumstances from time to time. In such event, the Fund may be exposed to non-investment grade issues until such time as such non-investment grade issues cease to form part of the Index (where applicable) and it is possible and practicable to liquidate the position.

The Fund may also be exposed to securities that are not constituents of the Index, including government bonds, where such securities provide similar performance (with matching risk profile) to certain securities that make up the Index. However, from time to time the Fund may be exposed to all constituents of the Index.

The Fund obtains exposure to the aforementioned securities indirectly, by investing in the Underlying Fund, which invests in such securities.

Generally, the Fund and Underlying Fund may also be exposed to a small allocation of cash (or cash equivalents, that may include other BlackRock Group funds) for cash flow management purposes. BlackRock may invest this cash in index futures contracts for cash bondisation purposes to improve performance and reduce index-tracking error. See page 10 of this PDS for further information about cash bondisation.

The Fund will also invest in forward foreign exchange contracts for currency hedging purposes.

### 3.4 About the Index

The Index provides a broad-based measure of the performance of the global investment grade corporate fixed-rate debt market.

The Index is market capitalisation weighted and consists of bonds issued by corporations in emerging and developed markets worldwide, within the industrial, utility and financial sectors. Constituents of the Index are required to:

- be denominated in an eligible currency, as defined by the Index provider;
- have a minimum maturity of at least one year;
- be rated investment grade using the middle rating of Fitch Ratings, Moody's Investor Service and Standard & Poor's Rating Services;
- generally only offer fixed rate coupons (including zero coupons); and
- meet minimum size threshold requirements as set by the Index provider.

Constituents of the Index are generally valued by BVAL (Bloomberg's securities valuation service) or third party pricing sources.

The Index rebalances monthly, at the end of each month. The Index may undergo periodic unscheduled rebalances at other times.



## 4. About the iShares Global High Yield Bond (AUD Hedged) ETF

The information in this section of this PDS relates solely to the iShares Global High Yield Bond (AUD Hedged) ETF (referred to in this section as the Fund).

### 4.1 Investment objective

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

The index is designed to measure the AUD hedged performance of fixed rate, high yield corporate bonds across global developed markets.

### 4.2 Investment strategy

The Fund seeks to achieve its objective by tracking the performance of the Markit iBoxx Global Developed Markets Liquid High Yield Capped Index (Total Return, Hedged to AUD) (referred to in this section as the **Index**).

We believe that stratified sampling is the most appropriate investment strategy to track the performance of the Index as it takes into account liquidity and transaction cost impact and overall risk relative to the Index. Stratified sampling will be used to achieve similar returns to the Index. Stratified sampling is an indexing strategy that involves investing in a representative sample of securities that collectively has an investment profile similar to that of the Index. The securities selected are expected to have, in aggregate, investment characteristics (based on factors such as market capitalisation and industry weightings), fundamental characteristics (such as return variability, duration, maturity, credit ratings and yield) and liquidity measures, similar to those of the Index. Therefore, the securities to which the Fund is exposed may or may not include all of the securities in the Index and the weighting of the securities held by the Fund may differ to the weighting of securities in the Index.

The Fund will implement its investment strategy through an investment in the iShares Global High Yield Corp Bond UCITS ETF (referred to in this section as the Underlying Fund) an Irish domiciled iShares ETF that aims to track the performance of a non-Australian dollar hedged version of the Index. Refer to the section of this PDS titled “The Underlying Funds” for further information on the Underlying Fund.

The Fund applies a passive currency hedge, which seeks to minimise the effect of currency fluctuations on returns by converting the currency exposure of the Index back to Australian dollars. Refer to the section of this PDS titled “Currency hedging” for further information.

### 4.3 What does the Fund invest in?

The Fund is generally exposed to the securities that form the Index, including liquid, high yield corporate bonds issued by corporations in developed markets worldwide that will, at the time of purchase, comply with the credit rating requirements of the Index, which is sub-investment grade.

While it is intended that the corporate bonds to which the Fund is exposed will comprise sub-investment grade issues, issues may be upgraded or downgraded or a credit rating may be withdrawn in certain circumstances from time to time. In such event, the Fund may be exposed to non sub-investment grade issues until such time as such non sub-investment grade issues cease to form part of the Index (where applicable) and it is possible and practicable to liquidate the position.

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

The Fund obtains exposure to the aforementioned securities indirectly, by investing in the Underlying Fund, which invests in such securities.

Generally, the Fund and Underlying Fund may also be exposed to a small allocation of cash (or cash equivalents, that may include other BlackRock Group funds) for cash flow management purposes. BlackRock may invest this cash in index futures contracts for cash bondisation purposes to improve performance and reduce index-tracking error. See page 10 of this PDS for further information about cash bondisation.

The Fund will also invest in forward foreign exchange contracts for currency hedging purposes.

### 4.4 About the Index

The Index measures the performance of fixed rate, high yield corporate bonds across global developed markets. Bonds from countries classified as developed markets based on the Markit Global Economic Development Classification are eligible for the Index. The issuer or, in the case of a finance subsidiary, the issuer's guarantor, must be domiciled and the country of risk must be in Andorra, Australia, Austria, Bahamas, Belgium, Bermuda, Brunei Darussalam, Canada, Cayman Islands, Cyprus, Denmark, Faeroe Islands, Finland, France, Germany, Gibraltar, Greece, Hong Kong, Iceland, Ireland, Isle of Man, Israel, Italy, Japan, Jersey, Liechtenstein, Luxembourg, Macao SAR (China), Malta, Netherlands, New Zealand, Norway, Portugal, Puerto Rico, San Marino, Singapore, Slovenia, Spain, Sweden, Switzerland, United Kingdom, United States, or Virgin Islands (British).

The Index is market capitalisation weighted and includes bonds that:

- are sub-investment grade rated from Fitch Ratings, Moody's Investor Service or Standard & Poor's Rating Services. If more than one agency provides a rating, the average rating is attached to the bond;
- are fixed coupon bonds, step-up bonds with coupon schedules known at issuance (or as functions of the issuer's rating), bonds with sinking funds, medium term notes, callable and puttable bonds. Reg S and 144A bonds are permitted, subject to specific requirements;
- are denominated in Canadian dollar, Euro, Sterling and U.S. dollar;
- have a minimum expected remaining life of at least 1.5 years for new bonds and 1 year for existing Index constituents and a time to maturity of 15 years or less;
- meet minimum size threshold requirements as set by the Index provider; and
- issued by corporate issuers from countries classified as developed markets based on the Markit Global Economic Development Classification.

The Index implements a 3% cap on individual issuers to help ensure diversity amongst Index constituents. Additionally, a 10% cap is applied for both 144A bonds without registration rights or with a registration period greater than one year and issues of securities pursuant to Regulation S of the Securities Act of 1933 (of the United States) that are not listed on specified regulated markets. Constituents of the Index are generally valued by third party pricing sources.

The Index rebalances monthly, at the end of each month. The Index may undergo periodic unscheduled rebalances at other times.

## 5. About the iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF

The information in this section of this PDS relates solely to the iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF (referred to in this section as the Fund).

### 5.1 Investment objective

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

The index is designed to measure the AUD hedged performance of U.S. dollar denominated fixed and/or floating rate emerging market bonds issued by sovereign and quasi-sovereign entities.

### 5.2 Investment strategy

The Fund seeks to achieve its objective by tracking the performance of the J.P. Morgan EMBI Global Core Index (Total Return, Hedged to AUD) (referred to in this section as the **Index**).

We believe that stratified sampling is the most appropriate investment strategy to track the performance of the Index as it takes into account liquidity and transaction cost impact and overall risk relative to the Index. Stratified sampling will be used to achieve similar returns to the Index. Stratified sampling is an indexing strategy that involves investing in a representative sample of securities that collectively has an investment profile similar to that of the Index. The securities selected are expected to have, in aggregate, investment characteristics (based on factors such as market capitalisation and industry weightings), fundamental characteristics (such as return variability, duration, maturity, credit ratings and yield) and liquidity measures, similar to those of the Index. Therefore, the securities to which the Fund is exposed may or may not include all of the securities in the Index and the weighting of the securities held by the Fund may differ to the weighting of securities in the Index.

The Fund will implement its investment strategy through an investment in the iShares J.P. Morgan \$ EM Bond UCITS ETF (referred to in this section as the Underlying Fund), an Irish domiciled iShares ETF that aims to track the performance of a non- Australian dollar hedged version of the Index. Refer to the section of this PDS titled “The Underlying Funds” for further information on the Underlying Fund.

The Fund applies a passive currency hedge, which seeks to minimise the effect of currency fluctuations on returns by converting the currency exposure of the Index back to Australian dollars. Refer to the section of this PDS titled “Currency hedging” for further information.

### 5.3 What does the Fund invest in?

The Fund is generally exposed to the securities that form the Index, including U.S. dollar denominated fixed and floating rate emerging market bonds issued by sovereign and quasi-sovereign entities.

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

The Fund obtains exposure to the aforementioned securities indirectly, by investing in the Underlying Fund, which invests in such securities.

Generally, the Fund and Underlying Fund may also be exposed to a small allocation of cash (or cash equivalents, that may include other BlackRock Group funds) for cash flow management purposes. BlackRock may invest this cash in index futures contracts for cash bondisation purposes to improve performance and reduce index-tracking error. See page 10 of this PDS for further information about cash bondisation.

The Fund will also invest in forward foreign exchange contracts for currency hedging purposes.

### 5.4 About the Index

The Index measures the performance of U.S. dollar denominated fixed and floating rate emerging market bonds issued by sovereign and quasi-sovereign entities. Quasi-sovereign entities are entities whose securities are either 100% owned by their respective governments or subject to a 100% guarantee and reside in an Index eligible country.

The Index is market value weighted and includes bonds that:

- are denominated in U.S. dollars;
- are investment grade or non-investment grade, with an average rating of Ba1/BBB-/BBB- from Fitch Ratings, Moody's Investor Service or Standard & Poor's Rating Services;
- have a current face amount outstanding of U.S.\$1 billion or more;
- have a minimum maturity of at least 2.5 years for new bonds and 1 year for existing Index constituents; and
- have bid and offer prices that are available on a daily basis from a third-party pricing source, PricingDirect.

The Index rebalances monthly on the last U.S. business day of the month. The Index may undergo periodic unscheduled rebalances at other times.

## 6. About the iShares Global Aggregate Bond ESG (AUD Hedged) ETF

The information in this section of this PDS relates solely to the iShares Global Aggregate Bond ESG (AUD Hedged) ETF (referred to in this section as the Fund).

### 6.1 Investment objective

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

The index is designed to measure the AUD hedged performance of global investment grade ESG (environmental, social and governance) screened bonds.

### 6.2 Investment strategy

The Fund seeks to achieve its objective by tracking the performance of the Bloomberg MSCI Global Aggregate Sustainable and Green Bond SRI Index (Total Return, Hedged to AUD) (referred to in this section as the **Index**).

We believe that stratified sampling is the most appropriate investment strategy to track the performance of the Index as it takes into account liquidity and transaction cost impact and overall risk relative to the Index. Stratified sampling will be used to achieve similar returns to the Index. Stratified sampling is an indexing strategy that involves investing in a representative sample of securities that collectively has an



investment profile similar to that of the Index. The securities selected are expected to have, in aggregate, investment characteristics (based on factors such as market capitalisation and industry weightings), fundamental characteristics (such as return variability, duration, maturity, credit ratings and yield) and liquidity measures, similar to those of the Index. Therefore, the securities to which the Fund is exposed may or may not include all of the securities in the Index and the weighting of the securities held by the Fund may differ to the weighting of securities in the Index.

The Fund will implement its investment strategy through an investment in the iShares Global Aggregate Bond ESG UCITS ETF (referred to in this section as the Underlying Fund), an Irish domiciled iShares ETF that aims to track the performance of the Index with Australian dollar hedging. Refer to the section of this PDS titled “The Underlying Funds” for further information on the Underlying Fund.

Hedging is carried out at the Underlying Fund level by applying a passive currency hedge, which seeks to minimise the effect of currency fluctuations on returns by converting the currency exposure of the Index back to Australian dollars. Refer to the section of this PDS titled “Currency hedging” for further information.

### 6.3 What does the Fund invest in?

The Fund is generally exposed to the international fixed income securities that form the Index.

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

The Fund obtains exposure to the aforementioned securities indirectly, by investing in the Underlying Fund, which invests in such securities.

Generally, the Fund and Underlying Fund may also be exposed to a small allocation of cash (or cash equivalents, that may include other BlackRock Group funds) for cash flow management purposes. BlackRock may invest this cash in index futures contracts for cash bondisation purposes to improve performance and reduce index-tracking error. See page 10 of this PDS for further information about cash bondisation.

The Underlying Fund will also invest in forward foreign exchange contracts for currency hedging purposes.

### 6.4 About the Index

The Bloomberg MSCI Global Aggregate Sustainable and Green Bond SRI Index measures the performance of local currency denominated, fixed-rate, investment grade, government, government-related, corporate and securitised bonds from developed and emerging markets, excluding issuers based on certain ESG criteria.

The Index includes bonds that:

- are treasury, corporate, government-related or securitized bonds
- are denominated in an eligible currency as defined by the Index provider
- are rated investment grade (Baa3/BBB- or higher) using the middle rating of Moody's, S&P and Fitch
- comply with minimum local currency par amounts outstanding set by the Index provider
- have a fixed-rate coupon
- have at least one year until final maturity

- are fully taxable issuers
- are senior or subordinated issues

The Index is tilted to allocate at least 10% of its total market value to securities classified as green bonds under the Index methodology. 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.

ESG eligibility is based on the following criteria:

**ESG Ratings:** The Index uses MSCI ESG Ratings to identify issuers that have demonstrated an ability to manage their ESG risks and opportunities. Issuers are required to have an MSCI ESG Rating of 'BBB' or above to be eligible for inclusion in the Index. For further information on MSCI's ESG rating methodology, please refer to MSCI's website. This is not applicable for the green bond component of the Index.

**ESG Controversies Score:** The Index uses MSCI ESG Controversies Scores to identify issuers (both non-green bond issuers and green bond issuers) that are involved in very serious controversies involving the environmental, social, or governance impact of their operations and/or products and services. Issuers are required to have an MSCI ESG Controversies Score of 1 or above to be eligible for inclusion in the Index. 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 issuers (both non-green bond issuers and green bond issuers) that are involved in controversial business activities. Certain issuers engaged in activities relating to the following are screened from the Index depending on their type of involvement in the industry (e.g. producer or distributor) and whether they meet applicable revenue thresholds:

- Alcohol
- Tobacco
- Gambling
- Adult entertainment
- Genetically modified organisms
- Nuclear power (except for the green bond component of the Index, which does not exclude issuers involved in nuclear power activities)
- Civilian firearms
- Controversial weapons
- Conventional weapons
- Nuclear weapons
- Fossil fuels (except for the green bond component of the Index, which does not exclude issuers involved in fossil fuel related activities)
- UNSC Trade Sanctions

The treatment of subsidiaries is based on a 50% ownership, unless otherwise stated in the methodology.

The Index rebalances on a monthly basis to take into account changes to the ratings and exclusionary screenings described above ensuring a minimum 10% allocation to securities classified as green bonds under the Index methodology. The Index may undergo periodic unscheduled rebalances at other times.

## 7. About the iShares U.S. Treasury Bond (AUD Hedged) ETF

The information in this section of this PDS relates solely to the iShares U.S. Treasury Bond (AUD Hedged) ETF (referred to in this section as the Fund).

### 7.1 Investment objective

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

The index is designed to measure the AUD hedged performance of the U.S. Treasury bond market.

### 7.2 Investment strategy

The Fund seeks to achieve its objective by tracking the performance of the ICE U.S. Treasury Core Bond Index (Total Return, Hedged to AUD) (referred to in this section as the **Index**).

We believe that stratified sampling is the most appropriate investment strategy to track the performance of the Index as it takes into account liquidity and transaction cost impact and overall risk relative to the Index. Stratified sampling will be used to achieve similar returns to the Index. Stratified sampling is an indexing strategy that involves investing in a representative sample of securities that collectively has an investment profile similar to that of the Index. The securities selected are expected to have, in aggregate, investment characteristics (based on factors such as market capitalisation and industry weightings), fundamental characteristics (such as return variability, duration, maturity, credit ratings and yield) and liquidity measures, similar to those of the Index. Therefore, the securities to which the Fund is exposed may or may not include all of the securities in the Index and the weighting of the securities held by the Fund may differ to the weighting of securities in the Index.

The Fund will implement its investment strategy through an investment in the iShares \$ Treasury Bond UCITS ETF (referred to in this section as the Underlying Fund), an Irish domiciled iShares ETF that aims to track the performance of the Index with Australian dollar hedging. Refer to the section of this PDS titled “The Underlying Funds” for further information on the Underlying Fund.

Hedging is carried out at the Underlying Fund level by applying a passive currency hedge, which seeks to minimise the effect of currency fluctuations on returns by converting the currency exposure of the Index back to Australian dollars. Refer to the section of this PDS titled “Currency hedging” for further information.

### 7.3 What does the Fund invest in?

The Fund is generally exposed to the fixed income securities that form the Index.

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

The Fund obtains exposure to the aforementioned securities indirectly, through its investment in the Underlying Fund, which invests in such securities.

Generally, the Fund and Underlying Fund may also be exposed to a small allocation of cash (or cash equivalents, that may include other BlackRock Group funds) for cash flow management purposes. BlackRock may invest this cash in index futures contracts for cash bondisation purposes to improve performance and reduce index-tracking error. See page 10 of this PDS for further information about cash bondisation.

The Underlying Fund will also invest in forward foreign exchange contracts for currency hedging purposes.

### 7.4 About the Index

The ICE U.S. Treasury Core Bond Index is provided by ICE Data Indices, LLC (referred to in this section as ICE) and aims to measure the performance of the U.S. Treasury bond market hedged to Australian dollars. The Index is market value weighted, and is designed to include U.S. dollar denominated, fixed rate securities with minimum term to maturity greater than one year.

The Index includes bonds that:

- are issued by the U.S. Treasury;
- have a minimum par amount outstanding of U.S.\$300 million excluding amounts held by the Federal Reserve System (the “Fed”) Open Market Account or bought at issuance by the Fed;
- have a minimum term to maturity greater than one year at the rebalancing date;
- have a fixed-rate coupon; and
- are denominated in USD.

Inflation-linked securities, floating rate notes, Separate Trading of Registered Interest and Principal of Securities (STRIPS), cash management and treasury bills, any government agency debt issued with or without a government guarantee and zero-coupon rate issues are excluded from the Index.

Pricing utilized in the Index calculation are provided by an affiliate of ICE.

The Index rebalances monthly, at the end of each month and may undergo periodic unscheduled rebalances at other times.

## 8. About the iShares 20+ Year U.S. Treasury Bond (AUD Hedged) ETF

The information in this section of this PDS relates solely to the iShares 20+ Year U.S. Treasury Bond (AUD Hedged) ETF (referred to in this section as the Fund).

### 8.1 Investment objective

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

The index is designed to measure the AUD hedged performance of bonds issued by the U.S. Treasury that have a remaining maturity of twenty years or more.

### 8.2 Investment strategy

The Fund seeks to achieve its objective by tracking the performance of the ICE U.S. Treasury 20+ Year Bond AUD Hedged Index (referred to in this section as the **Index**).

We believe that stratified sampling is the most appropriate investment strategy to track the performance of the Index as it takes into account liquidity and transaction cost impact and overall risk relative to the Index. Stratified sampling will be used to achieve similar returns to the Index. Stratified sampling is an indexing strategy that involves investing in a

representative sample of securities that collectively has an investment profile similar to that of the Index. The securities selected are expected to have, in aggregate, investment characteristics (based on factors such as market capitalisation and industry weightings), fundamental characteristics (such as return variability, duration, maturity, credit ratings and yield) and liquidity measures similar to those of the Index. Therefore, the securities to which the Fund is exposed may or may not include all of the securities in the Index and the weighting of the securities held by the Fund may differ to the weighting of securities in the Index.

The Fund implements its investment strategy through an investment in the iShares \$ Treasury Bond 20+yr UCITS ETF (referred to in this section as the Underlying Fund), an Irish domiciled iShares ETF that aims to track the performance of the Index with Australian dollar hedging. Refer to the section of this PDS titled “The Underlying Funds” for further information on the Underlying Fund.

Hedging is carried out at the Underlying Fund level by applying a passive currency hedge, which seeks to minimise the effect of currency fluctuations on returns by converting the currency exposure of the Index back to Australian dollars. Refer to the section of this PDS titled “Currency hedging” for further information.

### 8.3 What does the Fund invest in?

The Fund is generally exposed to the fixed income securities that form the Index.

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

The Fund obtains exposure to the aforementioned securities indirectly, through its investment in the Underlying Fund, which invests in such securities.

Generally, the Fund and Underlying Fund may also be exposed to a small allocation of cash (or cash equivalents, that may include other BlackRock Group funds) for cash flow management purposes. BlackRock may invest this cash in index futures contracts for cash bondisation purposes to improve performance and reduce index-tracking error. See page 10 of this PDS for further information about cash bondisation.

The Underlying Fund and the Fund may also invest in derivative contracts including forward foreign exchange contracts for currency hedging purposes.

### 8.4 About the Index

The ICE U.S. Treasury 20+ Year Bond AUD Hedged Index is provided by ICE Data Indices, LLC (referred to in this section of the PDS as ICE). The Index is market value weighted and is designed to measure the performance of U.S. dollar-denominated, fixed rate securities with minimum term to maturity greater than twenty years, hedged to Australian dollars.

The Index includes bonds that:

- are issued by the U.S. Treasury;
- have a minimum par amount outstanding of U.S.\$300 million excluding amounts held by the Federal Reserve System (the “Fed”) Open Market Account or bought at issuance by the Fed;
- have a minimum term to maturity greater than twenty years at the rebalancing date;
- have a fixed-rate coupon; and

- are denominated in USD.

Inflation-linked securities, floating rate notes, cash management and treasury bills and any government agency debt issued with or without a government guarantee are excluded from the Index.

Pricing utilized in the Index calculation are provided by an affiliate of ICE.

The Index rebalances monthly, at the end of each month and may undergo periodic unscheduled rebalances at other times.

## 9. Additional information about the Fund

### 9.1 Currency hedging

The Fund or Underlying Fund tracks an Index that applies a passive currency hedge, which seeks to minimise the effect of currency fluctuations on returns. To replicate the currency “hedging” component of its index, the Fund or Underlying Fund intends to enter into foreign currency forward contracts designed to offset the Fund’s exposure to the Index component currencies. 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. While the Fund and Underlying Fund will predominantly utilise currency forward contracts to implement currency hedging, other forms of derivative securities may also be used.

By applying currency hedging, the Fund’s Index is designed to have higher returns than an equivalent unhedged investment when the component currencies are weakening relative to the Australian dollar, and lower returns than an equivalent unhedged investment when the component currencies are rising relative to the Australian dollar.

While this approach is designed to minimise the impact of currency fluctuations on the Fund’s returns, it does not necessarily eliminate the 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. Generally, the hedge is reset on a monthly basis and no adjustment is made to the hedge during the month. The iShares Global Aggregate Bond ESG (AUD Hedged) ETF, iShares U.S. Treasury Bond (AUD Hedged) ETF, and the iShares 20+ Year U.S. Treasury Bond (AUD Hedged) ETF may rebalance currency hedges intra-month to avoid over or under hedging. This hedging methodology differs from that of the applicable Indexes which may result in additional tracking error risk for the Fund.

### 9.2 The Underlying Funds

The Underlying Funds are all iShares ETFs and are managed by other members of the BlackRock Group. An Underlying Fund may be a non-Australian domiciled iShares ETF, which is traded on an international stock exchange.

Each Underlying Fund may be subject to certain investment and asset allocation requirements, as required by the laws/regulations of their respective country of incorporation, registration and listing. For further information on each Underlying Fund please contact Client Services (refer to page 2 of this PDS for contact details).

### 9.3 Use of derivatives

The Fund and Underlying Funds may use derivatives, such as futures, forwards, options and swap contracts, to manage risk and return and for cash equitisation and bondisation (as applicable). When derivative positions are established they will always be backed by cash holdings and/or underlying assets. Excluding the effects of currency hedging, derivative securities will not be used to gear the Fund. The Fund's exposure to derivatives (both 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.

### 9.4 Cash bondisation

The Fund may hold a small allocation of cash for cash flow management purposes. BlackRock may invest this cash in index futures contracts for cash 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 Bloomberg Global Aggregate Index). 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.

### 9.5 Borrowing

The Fund and Underlying Fund may permit borrowing, however borrowing will generally only be used on a temporary basis to manage cash flows and will not be used for investment purposes.

### 9.6 Additional information about the Index

In the event of an Index adjustment, BlackRock will provide notice to Unitholders in accordance with our obligations under the Fund's constitution and all applicable law.

#### Bloomberg Finance L.P.

Bloomberg Finance L.P. is the provider of the Index for the iShares Core Global Corporate Bond (AUD Hedged) ETF, and the joint provider of the Index for the iShares Global Aggregate Bond ESG (AUD Hedged) ETF (collectively, the "**Bloomberg Index tracking Fund**").

Bloomberg Finance L.P. is not a related body corporate of BlackRock. Further details regarding the Index are available on Bloomberg's website.

#### S&P Dow Jones Indices LLC

S&P Dow Jones Indices LLC is the provider of the Index for the iShares Global High Yield Bond (AUD Hedged) ETF (the "**SPDJI Index tracking Fund**").

S&P Dow Jones Indices or its affiliates (**SPDJI**) is not a related body corporate of BlackRock. Further details regarding the Index are available on SPDJI's website.

#### J. P. Morgan Securities LLC

J. P. Morgan Securities LLC is the provider of the Index for the iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF (the "**J.P. Morgan Index tracking Fund**").

J. P. Morgan Securities LLC is not a related body corporate of BlackRock. Further details regarding the Index are available on J.P. Morgan's website.

#### MSCI Inc.

MSCI Inc. is the joint provider of the Index for the iShares Global Aggregate Bond ESG (AUD Hedged) ETF (the "**MSCI Index tracking Fund**").

MSCI Inc. is not a related body corporate of BlackRock. Further details regarding the Index are available on MSCI's website.

#### ICE Data Indices, LLC

ICE Data Indices, LLC is the provider of the Index for the iShares U.S. Treasury Bond (AUD Hedged) ETF and the iShares 20+ Year U.S. Treasury Bond (AUD Hedged) ETF (collectively, the "**ICE Index tracking Fund**").

ICE Data Indices, LLC is not a related body corporate of BlackRock. Further details regarding the Index are available on ICE's website.

### 9.7 Rebalancing the Fund

As the Fund primarily holds shares of its respective Underlying Funds, the Fund generally does not undertake periodic portfolio rebalances.

The Underlying Funds will typically rebalance their portfolios on a monthly basis in line with the monthly rebalances of their respective Indexes. The Underlying Funds may, however, undergo periodic unscheduled rebalances.

### 9.8 Fund performance and size

Updated performance information is available from our [website](#).

Information relating to the past performance of an Index can generally also be found on our [website](#). It is important to note that past performance is not a reliable indicator of future performance.

### 9.9 Labour standards, environmental, social or ethical considerations

#### iShares Core Global Corporate Bond (AUD Hedged) ETF

#### iShares Global High Yield Bond (AUD Hedged) ETF

#### iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF

#### iShares U.S. Treasury Bond (AUD Hedged) ETF

#### iShares 20+ Year U.S. Treasury Bond (AUD Hedged) ETF

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

#### iShares Global Aggregate Bond ESG (AUD Hedged) ETF

The above Fund is in the 'Uplift' category on the BlackRock Sustainable Investing Platform because its Index is tilted to allocate at least 10% of its total market value to securities classified as green bonds.

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

| Exclusion             | Exclusion Criteria  |
|-----------------------|---|
| Controversial Weapons | Issuers engaged in the production of controversial weapons. |



| Exclusion            | Exclusion Criteria  |
|----------------------|---|
| Nuclear Weapons      | Issuers deriving any revenue from direct involvement in the production of nuclear weapons or nuclear weapon components or delivery platforms, or the provision of auxiliary services related to nuclear weapons.                          |
| Civilian Firearms    | <p>Issuers classified as producers of firearms and small arms ammunitions for civilian markets.</p> <p>Issuers deriving greater than 5% revenue from manufacturing and selling small arms and/or firearms.</p>                            |
| Tobacco              | <p>Issuers classified as producers of tobacco-related products.</p> <p>Issuers deriving greater than 5% revenue from the production, distribution, retail and supply of tobacco-related products.</p>                                     |
| Thermal Coal         | <p>Issuers deriving any revenue from thermal coal extraction and/or greater than 5% revenue from thermal coal-based power generation.</p> <p>Does not apply to the green bond allocation</p>  |
| Oil Sands            | <p>Issues deriving any revenue from oil sands extraction.</p> <p>Does not apply to the green bond allocation</p>  |
| Fossil Fuel Reserves | <p>Issuers with evidence of owning thermal coal reserves and/or proven oil and natural gas reserves used for energy purposes.</p> <p>Does not apply to the green bond allocation</p>  |
| Conventional Weapons | <p>Issuers deriving greater than 5% revenue from the production of conventional weapons and components.</p> <p>Issues deriving greater than 10% aggregate revenue from weapons systems, components, and support systems and services.</p> |
| Nuclear Power        | <p>Issuers deriving greater than 15% aggregate revenue from nuclear power activities.</p> <p>Does not apply to the green bond allocation.</p>   |
| Adult Entertainment  | Issuers deriving greater than 15% aggregate revenue from the production, distribution and retail of adult entertainment materials   |
| Gambling             | Issuers deriving greater than 5% revenue from owning and/or operating gambling related business activities.   |
| Alcohol              | <p>Issuers deriving 5% or more revenue from the production of alcohol-related products</p> <p>Issuers deriving 15% or more aggregate revenue from the production, distribution, retail, and supply of alcohol related products</p>        |

## Information about exclusionary screens

Investors should be aware that:

- Exclusionary screens apply screening in some business activities but not others, and so as result, the 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 business or sector involvement in considering the inclusion or exclusion of an issuer. For example, tobacco producers and distributors may be excluded, however tobacco retailers or suppliers may not be excluded.
- Unless specifically disclosed in the Fund's PDS, exclusionary screens do not screen securities in the government, government-related or securitised sectors.
- An exclusionary screen may not exclude an issuer if data about that issuer is incomplete, inaccurate or unavailable.
- 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 the 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.

### 9.10 Investment Stewardship

The BlackRock Group's Investment Stewardship Team, a centralised resource for all portfolio managers, lead a program focused on the protection of investors' interests, and long-term financial value creation in the companies in which BlackRock Group invests on behalf of clients. The Investment Stewardship Team take a constructive, long-term approach with companies and seek to understand how they are managing the drivers of risk and financial value creation in their business models. The Investment Stewardship Team does this through engagement with boards and management of investee companies and through voting at shareholder meetings.

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

### 9.11 Announcements to ASX

All announcements (including continuous disclosure notices and distribution information) will be made to ASX via the ASX



9.12 Securities lending

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

The Underlying Funds do participate in a securities lending program, where securities held within the Underlying Fund 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. The Underlying Fund 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;
- **Correlation** – collateral should be issued by an entity that is independent from the counterparty, such that it can reasonably be expected to not display a high correlation with the performance of the counterparty;
- **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; or
- 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.

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

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.

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 the Fund (either as a result of its investment in the Underlying Fund or a reasonable estimate of that income in the case of a new fund) and the securities lending agent is provided in the table below.

| Securities lending income (estimated) <sup>1</sup>             |                                 |                                |   |
|--|---------------------------------|--------------------------------|---|
| Fund name  | Total securities lending income | Fund securities lending income | Securities lending agent fee <sup>2</sup> |
| iShares 20+ Year U.S. Treasury Bond (AUD Hedged) ETF           | 0.13% p.a.                      | 0.08% p.a.                     | 0.05% p.a.                                |
| iShares Core Global Corporate Bond (AUD Hedged) ETF            | 0.05% p.a.                      | 0.03% p.a.                     | 0.02% p.a.                                |
| iShares Global Aggregate Bond ESG (AUD Hedged) ETF             | 0.00% p.a. <sup>3</sup>         | 0.00% p.a.                     | 0.00% p.a.                                |
| iShares Global High Yield Bond (AUD Hedged) ETF                | 0.13% p.a.                      | 0.08% p.a.                     | 0.05% p.a.                                |
| iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF | 0.08% p.a.                      | 0.05% p.a.                     | 0.03% p.a.                                |
| iShares U.S. Treasury Bond (AUD Hedged) ETF                    | 0.00% p.a. <sup>3</sup>         | 0.00% p.a.                     | 0.00% p.a.                                |

1. Figures expressed as a percentage of the Fund’s average AUM for the financial year ending 30 June 2024 (or as a reasonable estimate in the case of a new fund).
2. Disclosed as an indirect cost of the Fund (refer to the section of this PDS titled “Fees and other costs” for further information).
3. Negligible securities lending income.

### 9.13 Additional information

The following information can be obtained from our [website](#).

- the Fund's last calculated NAV;
- the 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 the Fund's Business Day;
- the performance of the Fund compared to the performance of its Index;
- underlying holdings of the Fund (and Underlying Funds), including the name and percentage composition of each asset by value relative to the NAV Price;
- a copy of the latest PDS;
- copies of the Fund's Annual and Semi Annual Financial Report (the financial year end for the Fund is 30 June); and
- details of the Fund's distributions (if declared).

### 9.14 Benefits of iShares

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

The significant benefits of investing in iShares ETFs include:

- **Diversification:** In contrast to a direct investment in a single security, an iShares ETF provides exposure to a broad range of securities or instruments within the targeted exposure.
- **Access global markets:** iShares ETFs allow you achieve international diversification by investing in overseas markets. With iShares ETFs you can gain international exposure by asset class, market capitalisation, country and sector.
- **Liquidity:** Just like individual shares, an iShares ETF can be bought and sold on exchange during market hours.
- **Managing risk:** Investing in an iShares ETF can assist you in establishing a portfolio appropriate to your investment needs and risk profile.
- **Low cost:** 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.

## 10. About the AQUA Rules

The 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  |
|---|---|
| <b>Control</b>  |   |
| <p>A person:</p> <ul style="list-style-type: none"> <li>controls the value of its own securities and the business it runs,</li> <li>the value of those securities is directly influenced by the equity issuer's performance and conduct.</li> </ul> <p>e.g. the management and board generally control the fate of the business and, therefore, have direct influence over the share price.</p> | <p>A person:</p> <ul style="list-style-type: none"> <li>does not control the value of the assets underlying its products, but</li> <li>offers products that give investors exposure to the underlying assets – such as shares, indices, currencies or commodities.</li> </ul> <p>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.</p> <p>e.g. A managed fund issuer does not control the value of the shares it invests in.</p>   |
| <b>Continuous disclosure</b>  |   |
| <p>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.</p>   | <p>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.</p> <p>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.</p> <p>In addition, issuers of products quoted under the AQUA Rules must disclose information about:</p> <ul style="list-style-type: none"> <li>the Net Tangible Assets or the NAV of the funds;</li> <li>dividends, distributions and other disbursements; and</li> <li>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.</li> </ul> |
| <b>Periodic disclosure</b>  |   |
| <p>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.</p>   | <p>Products quoted under the AQUA Rules are not required to disclose half-yearly and annual financial information or annual reports under the AQUA Rules.</p> <p>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 <a href="#">website</a>.</p>   |

| ASX Listing Rules  | ASX AQUA Rules  |
|--|---|
| <b>Corporate control</b>   |   |
| <p>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.</p> <p>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.</p> | <p>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.</p> <p>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.</p> <p>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.</p> |
| <b>Related party transactions</b>  |   |
| <p>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.</p>   | <p>Chapter 10 of the ASX Listing Rules does not apply to AQUA products.</p> <p>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.</p>  |
| <b>Auditor rotation</b>  |   |
| <p>There are specific requirements in relation to auditor rotation under Part 2M.4 Division 5 of the Corporations Act.</p>   | <p>Issuers of products under the AQUA Rules are not subject to the requirements under Part 2M.4 Division 5 of the Corporations Act.</p> <p>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.</p>   |
| <b>Disclosure</b>  |   |
| <p>Entities admitted under the ASX Listing Rules are subject to the requirements of the Corporations Act in relation to the issue of a PDS.</p>  | <p>Products quoted under the AQUA Rules will also be subject to these requirements of the Corporations Act.</p>   |

Source: ASX Rules Framework

## 11. Fund risks

### 11.1 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.

### 11.2 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 the 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.

### 11.3 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

### 11.4 Risks of investing in ETFs and managed funds

The risks of investing in ETFs 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.



**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.

**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 may be traded 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 the ETF 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.** An ETF may be exposed to settlement risk, as it is reliant on the operation of CHES, including for unit creations and redemptions. An ETF is 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 CHES 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 in an ETF on the ASX during any period that the ASX suspends trading in those units. The ASX may suspend the trading of units in an ETF 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 in an ETF 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 an ETF 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. An ETF 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 in an ETF on the securities exchanges the ETF is traded. Further, there can be no assurance that units in 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 or benchmark. 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 in 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 Fund.

**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.

## 11.5 What about the specific risks of the Fund?

The specific risks which apply to the Fund (and Underlying Funds) are set out in the table on page 20 at the end of this section and are described below.

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

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

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. Investors can refer to page 11 for further information about exclusionary 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 Fund 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 Fund is 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.

**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.

**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 Fund 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.

**Underlying fund risk.** The Fund implements its 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.

## Table of Specific Risks

The table below indicates which specific risks described in this section apply to the Fund.

| Risk                      | Fund (by exchange code) |      |      |      |      |      |
|---------------------------|-------------------------|------|------|------|------|------|
|                           | IHCB                    | IHHY | IHEB | AESG | IUSG | ULTB |
| Corporate Bonds Risk      | Yes                     | Yes  | No   | Yes  | No   | No   |
| Derivative Risk           | Yes                     | Yes  | Yes  | Yes  | Yes  | Yes  |
| Exclusionary Screens Risk | No                      | No   | No   | Yes  | No   | No   |
| Fixed Income SecurityRisk | Yes                     | Yes  | Yes  | Yes  | Yes  | Yes  |
| Foreign Investment Risk   | Yes                     | Yes  | Yes  | Yes  | Yes  | Yes  |
| High Yield Bonds Risk     | No                      | Yes  | Yes  | No   | No   | No   |
| Rating Agencies Risk      | Yes                     | Yes  | Yes  | Yes  | Yes  | Yes  |
| Securities Lending Risk   | Yes                     | Yes  | Yes  | Yes  | Yes  | Yes  |
| Underlying Fund Risk      | Yes                     | Yes  | Yes  | Yes  | Yes  | Yes  |

## 12. Fees and other costs

### 12.1 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](http://www.moneysmart.gov.au))** has a managed funds fee calculator to help you check out different fee options.

### 12.2 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

| iShares International Fixed Income ETFs  |  |            |  |
|--|--|------------|--|
| Type of fee or cost  | Amount   |            | How and when paid  |
| Ongoing annual fees and costs  |  |            |  |
| <b>Management fees and costs</b><br>The fees and costs for managing your investment <sup>1</sup>               | iShares 20+ Year U.S. Treasury Bond (AUD Hedged) ETF           | 0.20% 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.   |
|  | iShares Core Global Corporate Bond (AUD Hedged) ETF            | 0.28% p.a. |  |
|  | iShares Global Aggregate Bond ESG (AUD Hedged) ETF             | 0.19% p.a. |  |
|  | iShares Global High Yield Bond (AUD Hedged) ETF                | 0.61% p.a. | 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.   |
|  | iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF | 0.54% p.a. |  |
|  | iShares U.S. Treasury Bond (AUD Hedged) ETF                    | 0.15% p.a. | The deduction of managements fees and costs is reflected in the Fund’s unit price.   |
| <b>Performance fees</b><br>Amounts deducted from your investment in relation to the performance of the product | Nil  |            | The Fund does not charge a performance fee.  |
| <b>Transaction costs</b><br>The costs incurred by the Scheme when buying or selling assets                     | iShares 20+ Year U.S. Treasury Bond (AUD Hedged) ETF           | 0.00% p.a. | Transaction costs which are incurred when a member invests or redeems from the Fund will generally be recovered through the buy-sell spread applied to the unit price. Transaction costs that are not recovered (‘net transaction costs’) reduce returns and are reflected in the Fund’s unit price. |
|  | iShares Core Global Corporate Bond (AUD Hedged) ETF            | 0.02% p.a. |  |
|  | iShares Global Aggregate Bond ESG (AUD Hedged) ETF             | 0.03% p.a. |  |
|  | iShares Global High Yield Bond (AUD Hedged) ETF                | 0.01% p.a. |  |
|  | iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF | 0.02% p.a. |  |
|  | iShares U.S. Treasury Bond (AUD Hedged) ETF                    | 0.01% p.a. |  |



## iShares International Fixed Income ETFs

| Type of fee or cost   | Amount   |       | How and when paid   |  |
|---|--|-------|---|--|
| Member activity related fees and costs (fees for services or when your money moves in or out of the Scheme)                 |  |       |   |  |
| <b>Establishment fee</b><br>The fee to open your investment   | Nil for all Funds  |       | Not applicable.   |  |
| <b>Contribution fee</b><br>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.<br><br>These fixed fees are payable at the time of creating Units. |  |
|   | If you are an Authorised Participant:                          |       |   |  |
|   | iShares 20+ Year U.S. Treasury Bond (AUD Hedged) ETF           | \$14  |   |  |
|   | iShares Core Global Corporate Bond (AUD Hedged) ETF            | \$14  |   |  |
|   | iShares Global Aggregate Bond ESG (AUD Hedged) ETF             | \$14  |   |  |
|   | iShares Global High Yield Bond (AUD Hedged) ETF                | \$14  |   |  |
|   | iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF | \$14  |   |  |
|   | iShares U.S. Treasury Bond (AUD Hedged) ETF                    | \$14  |   |  |
| <b>Buy-sell spread</b><br>An amount deducted from your investment representing costs incurred in transactions by the Scheme |  | Buy   | Sell  | These fees are only applicable to Authorised Participants.<br><br>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 20+ Year U.S. Treasury Bond (AUD Hedged) ETF           | 0.00% | 0.00%   |  |
|   | iShares Core Global Corporate Bond (AUD Hedged) ETF            | 0.00% | 0.00%   |  |
|   | iShares Global Aggregate Bond ESG (AUD Hedged) ETF             | 0.00% | 0.00%   |  |
|   | iShares Global High Yield Bond (AUD Hedged) ETF                | 0.00% | 0.00%   |  |
|   | iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF | 0.00% | 0.00%   |  |
|   | iShares U.S. Treasury Bond (AUD Hedged) ETF                    | 0.00% | 0.00%   |  |

## iShares International Fixed Income ETFs

| Type of fee or cost   | Amount   |      | How and when paid  |
|---|--|------|--|
| <b>Withdrawal fee</b><br>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.   |
|   | If you are an Authorised Participant:                          |      | These fixed fees are payable at the time of redeeming Units. |
|   | iShares 20+ Year U.S. Treasury Bond (AUD Hedged) ETF           | \$14 |  |
|   | iShares Core Global Corporate Bond (AUD Hedged) ETF            | \$14 |  |
|   | iShares Global Aggregate Bond ESG (AUD Hedged) ETF             | \$14 |  |
|   | iShares Global High Yield Bond (AUD Hedged) ETF                | \$14 |  |
|   | iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF | \$14 |  |
|   | iShares U.S. Treasury Bond (AUD Hedged) ETF                    | \$14 |  |
| <b>Exit fee</b><br>The fee to close your investment                             | \$0 for all Funds  |      | Not applicable.  |
| <b>Switching fee</b><br>The fee for changing investment options                 | \$0 for all Funds  |      | Not applicable.  |

<sup>1</sup> Fees can be negotiated with certain investors that are “wholesale clients” (as defined by the Corporations Act) in compliance with legal requirements. See “Fees for wholesale investors” within the “Additional explanation of fees and costs” section for further information. Unless stated otherwise, all fees are shown inclusive of GST and net of any input tax credits (ITCs) and/or reduced input tax credits (RITCs) and are shown without any other adjustment in relation to any tax deduction available to BlackRock.

### 12.3 Example of annual fees and costs

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

#### EXAMPLE – iShares Core Global Corporate Bond (AUD Hedged) ETF

##### BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR

|  |  |  |
|--|--|--|
| <b>Contribution fees</b>   | Non-APs: Nil<br>APs: \$14  | For every additional \$5,000 you put in:<br>▶ non-Authorised Participants will be charged \$0, and<br>▶ Authorised Participants will be charged \$14.                                |
| <b>PLUS</b>  |  |  |
| <b>Management fees and costs</b>                                   | 0.28%  | <b>And</b> , for every \$50,000 you have in the iShares Core Global Corporate Bond (AUD Hedged) ETF you will be charged or have deducted from your investment <b>\$140</b> each year |
| <b>Performance fees</b>  | Nil  | <b>And</b> , you will be charged or have deducted from your investment <b>\$0</b> in performance fees each year  |
| <b>Transaction costs</b>   | 0.02%  | <b>And</b> , you will be charged or have deducted from your investment <b>\$10</b> in transaction costs  |
| <b>EQUALS</b>  |  |  |
| <b>Cost of iShares Core Global Corporate Bond (AUD Hedged) ETF</b> | 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:<br>▶ <b>\$150</b> if you are not an Authorised Participant, and<br>▶ <b>\$164</b> if you are an Authorised Participant <sup>1</sup> .<br><b>What it costs you will depend on the fees you negotiate.</b> |  |

<sup>1</sup> Additional fees may apply. Authorised Participants may incur a fixed contribution fee to create Units in the Fund. Additionally, Authorised Participants may also incur transaction costs when creating units in the Fund. These fees/costs are not applicable to investors buying on exchange. Refer to the section of this PDS titled “Additional explanation of fees and costs” for further information.

12.4 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.

|  | Cost of Product         |                             |
|--|-------------------------|-----------------------------|
|  | Authorised Participants | Non-Authorised Participants |
| iShares 20+ Year U.S. Treasury Bond (AUD Hedged) ETF           | \$114                   | \$100                       |
| iShares Core Global Corporate Bond (AUD Hedged) ETF            | \$164                   | \$150                       |
| iShares Global Aggregate Bond ESG (AUD Hedged) ETF             | \$124                   | \$110                       |
| iShares Global High Yield Bond (AUD Hedged) ETF                | \$324                   | \$310                       |
| iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF | \$294                   | \$280                       |
| iShares U.S. Treasury Bond (AUD Hedged) ETF                    | \$94                    | \$80                        |

## 12.5 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 Fund ('management fees');
- amounts paid for investing in the assets of the Fund; and
- other expenses and reimbursements in relation to the Fund.

Management fees and costs include indirect costs.

| Management fees and costs                                      |                |                           |                      |       |
|--|----------------|---------------------------|----------------------|-------|
| Fund name  | Management fee | Indirect costs            |                      | Total |
|  |                | Underlying management fee | Other indirect costs |       |
| iShares 20+ Year U.S. Treasury Bond (AUD Hedged) ETF           | 0.15%          | 0.00% <sup>1</sup>        | 0.05%                | 0.20% |
| iShares Core Global Corporate Bond (AUD Hedged) ETF            | 0.26%          | 0.00% <sup>1</sup>        | 0.02%                | 0.28% |
| iShares Global Aggregate Bond ESG (AUD Hedged) ETF             | 0.19%          | 0.00% <sup>1</sup>        | 0.00%                | 0.19% |
| iShares Global High Yield Bond (AUD Hedged) ETF                | 0.56%          | 0.00% <sup>1</sup>        | 0.05%                | 0.61% |
| iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF | 0.51%          | 0.00% <sup>1</sup>        | 0.03%                | 0.54% |
| iShares U.S. Treasury Bond (AUD Hedged) ETF                    | 0.15%          | 0.00% <sup>1</sup>        | 0.00%                | 0.15% |

1. Underlying fund management fees are rebated to the relevant fund.

Management fees and costs are not deducted directly from your Fund account. Instead, they are accrued daily within the Fund's NAV price and are deducted from the assets of the 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 to 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 Fund does 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 the Fund or when transacting to manage the Fund's investment strategy.

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

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 the Fund. Net transaction costs are reflected in the 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. In the case of a new fund, transaction costs are disclosed as a reasonable estimate of the costs 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 the Fund as a percentage of the Fund's average AUM for the financial year ending 30 June 2024.

| Estimated transaction costs and transaction cost recovery <sup>1</sup> |       |          |       |
|--|-------|----------|-------|
| Fund name  | Gross | Recovery | Net   |
| iShares 20+ Year U.S. Treasury Bond (AUD Hedged) ETF                   | 0.00% | 0.00%    | 0.00% |
| iShares Core Global Corporate Bond (AUD Hedged) ETF                    | 0.02% | 0.00%    | 0.02% |
| iShares Global Aggregate Bond ESG (AUD Hedged) ETF                     | 0.03% | 0.00%    | 0.03% |
| iShares Global High Yield Bond (AUD Hedged) ETF                        | 0.02% | 0.00%    | 0.01% |
| iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF         | 0.02% | 0.00%    | 0.02% |

| Estimated transaction costs and transaction cost recovery <sup>1</sup> |       |          |       |
|--|-------|----------|-------|
| Fund name  | Gross | Recovery | Net   |
| iShares U.S. Treasury Bond (AUD Hedged) ETF                            | 0.02% | 0.00%    | 0.01% |

- Costs shown with consideration to the financial year of the Fund ending 30 June 2024 and as a percentage of the Fund's average AUM, and where the Fund was not trading as of 30 June 2024 or has not traded as of the date of this PDS the estimates are based on the costs of a fund with similar investment strategy or another reasonable estimate. Net transaction costs equal total transaction costs minus transaction cost recovery, rounded to two decimal places. Any excess transaction cost recovery is not paid to BlackRock but is retained by the Fund.

**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.**

#### 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 the Fund. Indirect costs may be incurred directly by the Fund or, where applicable, indirectly through an underlying fund.

Indirect costs may include, but are 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:** The Fund may indirectly (through the Underlying Funds) participate in a securities lending program. Refer to the section of this PDS titled "Securities lending" for further information. Where the 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 costs:** Where the Fund invests in an Underlying Fund, certain costs may be incurred within the Underlying Fund. Such costs may include, but are not limited to, custodian and administrator fees, auditor fees, director fees, certain taxes and other professional expenses incurred by the Underlying Fund.
- Expenses and reimbursements:** See below for further information about expenses and reimbursements.

Indirect costs exclude certain transaction costs.

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

Indirect costs are generally calculated with consideration to the financial year of the Fund ending 30 June 2024.

**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.**

#### Expenses and reimbursements

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

- certain out-of-pocket expenses incurred during the day-to-day operations of the Fund in respect of which the Responsible Entity is entitled to be reimbursed from the 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 the Fund's constitution or defending legal proceedings).

Expenses and reimbursements are generally calculated with consideration to the actual costs incurred during the previous financial year and disclosed as part of 'management fees and costs'.

**Expenses and reimbursements are dependent upon a number of factors and therefore may change from year to year. Expenses and reimbursements for future periods may be higher or lower than the expenses and reimbursements currently disclosed.**

#### Contribution/withdrawal fee for Authorised Participants

These fees are only applicable only to Authorised Participants, as generally 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 the 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.

#### **Can the fees change?**

All fees can change. They may vary over time as a result of changes to the 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 management fees.

#### **Taxation**

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

#### **Ongoing service commission**

No commission is payable by us to advisers in relation to the 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 Client Services if you wish to inspect this register (refer to page 2 of this PDS for contact details).

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

#### **Fees 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.

## 13. Primary market matters

### 13.1 Authorised participants

Requests for the creation or redemption of Units in the 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, we will provide Authorised Participants 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 the Fund is open for Unit creation and redemption requests;
- settlement timeframes for Unit creation and redemption requests; and
- minimum Unit creation and redemption sizes.

The Operating Procedures may be updated at any time. We will notify all Authorised Participants of any update and will make a copy of the updated Operating Procedures available. Authorised Participants may also request a copy of the current Operating Procedures by contacting the iShares Australia Capital Markets Desk (refer to page 2 of this PDS for contact details).

### 13.2 Minimum Unit creation and redemption size

Except in respect of a distribution reinvestment, Units in the 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 the 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 the Fund's constitution, we may set a minimum holding amount in respect of the Fund. Currently no minimum holding amount has been set, meaning unitholders can hold as little as one Unit in the Fund. Should we choose to set a minimum holding amount in respect of the Fund, in accordance with the provisions of the 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 the Fund from time to time. Unitholders will be notified of any such changes in accordance with the requirements of the Corporations Act and the Fund's constitution.

### 13.3 Unit creation requests

To make an investment in the 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;
- returning the completed Unit creation request to us by the required Cut-off Time; and
- transferring cash to the Fund in which the Authorised Participant wishes to create Units.

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

Refer to the Operating Procedures for details of the 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 must do so in accordance with the iShares Online Terms and Conditions. Users will need to read and accept the Terms and Conditions upon logging in to the system for the first time. Additional investments are made on the basis of a current PDS. A copy of the current PDS for the Fund and any information updating it is available on our [website](#) or free of charge upon request by contacting the iShares Call Centre (refer to page 2 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 CHES. On a monthly basis, we will announce to the ASX via the ASX Markets Announcements Platform the Fund's total Units on issue. As the settlement of the issue of the relevant Units will be made through CHES, we will not hold application money prior to the issue of the Units.

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

### 13.4 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 CHES.

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 the 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).

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

Other investors looking to dispose of Units in the 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 the Fund remains liquid (as defined in the Corporations Act). We expect that the Fund will remain liquid. If the Fund becomes illiquid, withdrawals may only be made in accordance with the Corporations Act. We will advise Unitholders if the Fund becomes illiquid and the terms of any withdrawal offer.

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

### 13.5 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 the 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 the Fund from settling Unit creation and redemption requests within the standard settlement timeframe.

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 the Fund distribution period, but may also occur if trading or settlement on the ASX or other non-Australian market in which the securities of the 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 the 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 the 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 the 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.

### 13.6 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.

### 13.7 Calculation of NAV Prices

When you invest in the Fund, you are allocated a number of Units. 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 the Fund divided by the number of Units on issue.

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 the Fund from the assets. Assets and liabilities of the Fund are generally valued at their market value in accordance with the Fund's constitution. The Fund is valued using the NAV Price of the Underlying Fund.

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 the 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. Any suspension of unit pricing will be in accordance with the Fund's Constitution and the relevant offer document, including the period over which the suspension can take place and how creations and redemptions received during the period of suspension will be processed. This suspension of pricing is designed to maintain equity between transacting and remaining Unitholders.

BlackRock has a formal "Unit Pricing Discretions Policy", which is available free of charge upon request by contacting Client Services (refer to page 2 of this PDS for contact details).

The Fund's daily NAV and NAV Price, as at the close of the previous Business Day, are available from our [website](#).

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

### 13.8 Indemnity

Authorised Participants acknowledge that, upon receipt of a Unit creation request, BlackRock may enter into transactions for the 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 Fund in the normal course.

### 13.9 Redemption rights of non-Authorised Participant Unitholders

Generally, only Authorised Participants are eligible to transact directly with the Fund, with all other investors acquiring and disposing of Units in the 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 the 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 the Fund and receive the cash proceeds from the redemption within a reasonable period time unless:

- the Fund is being wound up;
- the Fund is not liquid for the purpose of the Corporations Act; or
- BlackRock, as responsible entity for the 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 that time.

### 13.10 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 complying with such 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.

## 14. Distributions

### 14.1 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.

Distributions (if any) may vary over time depending on the 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 or no distributions are made.

Following the determination of a distribution, the NAV Price of the Fund will fall to reflect the reduced value of the 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, attribution of Australian sourced income to non- resident Unitholders may be subject to withholding tax. Refer to the Taxation section of this PDS for further information.

Information in relation to the distributions of the 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](#).

14.2 Frequency of distributions and how they are calculated

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 table below sets out the periods for which the Fund generally makes distributions, however, the Fund may distribute on such other day as determined by BlackRock.

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

| Fund (by exchange code)              | Distribution frequency   |
|--------------------------------------|--|
| IHCB<br>IHHY<br>IHEB<br>AESG<br>IUSG | Tri-annually, with distributions generally being determined as at the end of March, June and September each year |
| ULTB                                 | Bi-annually, with distributions generally being determined as at the end of June and December each year          |

14.3 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](#).

14.4 Distribution on redemption

Proceeds resulting from Authorised Participant Unit redemption requests may include an attribution of gains and/or income in the 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 Responsible Entity may withhold an amount of tax applicable to such Authorised Participant’s attribution. This will reduce the proceeds payable to the Authorised Participant.

14.5 Tax statement

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

15. 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.

15.1 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 the 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 the 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.

15.2 Taxation of a Fund

The Responsible Entity intends to manage the Fund such that the Fund is 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 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.



The Responsible Entity does not expect the Fund to be subject to tax on the income of the Fund (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.

### 15.3 Investment portfolio taxes

The Fund may be subject to withholding or other taxes on income and/or gains arising from its investment portfolio. The Fund may not be able to recover such taxes and any unrecovered taxes could have an adverse effect on the NAV of the Fund. Where the 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.

### 15.4 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.

### 15.5 Taxable income of a Fund

The taxable income to which you are entitled may include various amounts, as described below. If the 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, the 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 the Fund are 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 the Fund's investments will be included in the Fund's taxable income.

The 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 the 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 the 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

The 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 the Fund where there is specific disclosure in the 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.

### 15.6 Taxation of non-resident Unitholders

If a non-resident Unitholder is entitled to or attributed taxable income of the 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. Withholding tax applies on attributed income and is not dependent on 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 ([ato.gov.au](http://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.

### 15.7 Tax file number and exemption

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 the 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.

### 15.8 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 the Fund is entitled to credits for GST paid to another entity, the cost of paying GST from the Fund will be reduced proportionately.

### 15.9 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.

### 15.10 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.

The distribution or attribution of income from the 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 the Fund to the date of redemption.

For non-resident Authorised Participants, the Responsible Entity 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.

### 15.11 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 the Fund may reduce the cost base of the 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 the 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.

### 15.12 United States Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act (**FATCA**) is a U.S. tax law aimed at financial institutions and other financial intermediaries to prevent tax evasion by U.S. citizens and U.S. tax residents through use of non-U.S. investments or accounts. The FATCA provisions were included in the U.S. HIRE Act, which was signed into U.S. law on 18 March 2010. Australia has entered into an intergovernmental agreement (**IGA**) with the U.S. to implement FATCA in Australia, via the Australian Taxation Administration Act 1953 (Cth), which is to be administered by the Australian Taxation Office (**ATO**). Under the IGA, Reporting Australian Financial Institutions will have identification and reporting obligations with regard to FATCA. The Fund intends 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 the Fund identifying and documenting the FATCA status of its investors. The Fund must also report certain information on applicable investors to the ATO, which will in turn report this information to the U.S. Internal Revenue Service.

For the Fund to comply with their FATCA obligations, the Fund 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.

### 15.13 Common Reporting Standard (CRS)

The Common Reporting Standard (**CRS**) is a single global standard on Automatic Exchange Of Information (**AEIOI**). Under the CRS, participating jurisdictions will be required to exchange certain information held by financial institutions regarding their non-resident investors. The Fund 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 Fund will be required to provide certain information to the Fund to comply with the terms of the reporting systems.

## 16. Additional information

### 16.1 No cooling off rights

Cooling off rights do not apply to the offer in this PDS or to the trading of Units on the ASX.

### 16.2 Reporting requirements

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

The 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 the Fund's annual financial report most recently lodged with ASIC;
- any half-yearly financial report lodged with ASIC in respect of the Fund after the lodgement of the annual financial report; and
- any continuous disclosure notices given in respect of the 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 the Fund may be obtained from, or inspected at, an ASIC office.

### 16.3 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. 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.

### 16.4 Legal

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

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

The Fund's constitution contains provisions relating to the rights, terms, conditions and obligations imposed on both you and us. A copy of the Fund's constitution is available free of charge from Client Services (refer to page 2 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 the Fund, and how we calculate it;
- Unitholder rights to withdraw from the Fund and what Unitholders are entitled to receive when they withdraw or if the Fund is wound up;
- the nature of the Units and classes of Units (if applicable); and
- 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.

The constitution of the Fund provides that the liability of each Unitholder is limited to its investment in the 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 the Fund or class of Units (if applicable) or reclassify Units (if applicable) and what happens if we do. Generally, we can only terminate the 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 the Fund's investments;
- when we can amend the Fund's constitution. Generally, we can only amend the constitution where we reasonably believe that the changes will not adversely affect a Unitholder's rights as an investor. Otherwise the 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 the Fund.

The constitution also deals with our liabilities in relation to the Fund and when they can be reimbursed to us out of the 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 the Fund.

### 16.5 Compliance plan

In accordance with the requirements of the Corporations Act, the 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 the Fund. To oversee compliance with the Compliance Plan, we have established a Compliance Committee.

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

A copy of the Fund's Compliance Plan is available free of charge by contacting Client Services (refer to page 2 of this PDS for contact details).

### 16.6 Auditor

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

### 16.7 Custody

J.P. Morgan Chase Bank, N.A. Sydney Branch has been appointed as custodian for the Fund. The role of a custodian is limited to holding assets of the Fund 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 Fund.

The custodian may change from time to time but must satisfy any relevant regulatory requirements as mentioned above. If you require details of our custodian at any time, you should contact Client Services (refer to page 2 of this PDS for contact details).

J.P. Morgan Chase Bank, N.A. Sydney Branch has not been involved in the preparation of this document or caused or otherwise authorised the issue of this document. J.P. Morgan Chase Bank, N.A. Sydney Branch has not independently verified the information contained in this document and, accordingly, accepts no responsibility for the accuracy or completeness of the information. J.P. Morgan Chase Bank, N.A. Sydney Branch does not guarantee the success or the performance of the Fund nor the repayment of capital or any particular rate of capital or income return.

## 16.8 Registrar

We have appointed Computershare Investors Services Pty Limited (**Computershare**) as the Registrar for the Fund. 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 Fund. 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 2 of this PDS for Computershare's contact details.

## 16.9 Market maker

Under the AQUA Rules, we have certain obligations in respect of the Fund to ensure the development of an orderly and liquid market. 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 the 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 the 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, the 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 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 the 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 the Fund's Index or benchmark, 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.

## 16.10 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 in its aim 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 services (**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 Responsible Entity or persons associated with the Responsible Entity 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 Responsible Entity 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.

## 16.11 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](#). 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, 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 2 of this PDS for contact details).

### 16.12 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. Please note that AFCA may only be available to assist with complaints from retail investors. 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](mailto:info@afca.org.au)
- Website: [www.afca.org.au](http://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/about-the-nrs](http://www.accesshub.gov.au/about-the-nrs).

### 16.13 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 the Fund, but other Unitholders may sell their Units on ASX.

Unitholders, including non-Authorised Participant Unitholders, may withdraw from the Fund directly where units in the 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 the 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 and the number of Units transacted.

## 16.14 Index provider disclaimers

### Bloomberg Finance L.P.

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### Consent to statements in this PDS

Each of Bloomberg, J.P. Morgan, S&P Dow Jones Indices LLC and ICE Data 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.

## 17. Glossary

|   |  |
|---|--|
| <b>ABN</b>  | means Australian Business Number.  |
| <b>AEOI</b>   | means the Automatic Exchange Of Information.   |
| <b>AFCA</b>   | means the Australian Financial Complaints Authority.   |
| <b>AFSL</b>   | means Australian Financial Services Licence.   |
| <b>AMIT</b>   | means Attribution Managed Investment Trust(s).   |
| <b>AML Legislation</b>                              | means the Anti-Money Laundering and Counter-Terrorism Financing Act 2006.  |
| <b>AP Agreement</b>                                 | means an agreement between BlackRock and an Authorised Participant governing the creation and redemption of units in iShares ETFs.   |
| <b>Application Form</b>                             | means the form accompanying this PDS that may be used in the submission of Unit creation/redemption requests by Authorised Participants.   |
| <b>AQUA Rules</b>                                   | means the ASX Operating Rules that apply to AQUA products and AQUA trading.  |
| <b>ASIC</b>   | means Australian Securities and Investments Commission.  |
| <b>ASX</b>  | means ASX Limited and its affiliates.  |
| <b>ATO</b>  | means the Australian Tax Office.   |
| <b>AUM</b>  | means assets under management.   |
| <b>Authorised Participant</b>                       | 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.  |
| <b>BFA</b>  | means BlackRock Fund Advisors.   |
| <b>BISL</b>   | means Bloomberg Index Services Limited.  |
| <b>BlackRock Group</b>                              | means BlackRock Inc and its subsidiary and affiliated entities collectively.   |
| <b>BlackRock Inc</b>                                | means BlackRock, Inc. <sup>®</sup> .   |
| <b>BlackRock, Responsible Entity, we, our or us</b> | means BlackRock Investment Management (Australia) Limited ABN 13 006 165 975 (Australian financial service licence number 230523).   |
| <b>Business Day</b>                                 | means that days on which the Fund is open for Unit creation and redemption requests, as defined in the Operating Procedures.   |
| <b>CGT</b>  | means capital gains tax.   |
| <b>CHESS</b>  | means the Clearing House Electronic Subregister System operated by ASX Settlement and another ASX subsidiary.  |
| <b>Compliance Committee</b>                         | means the BlackRock compliance committee established to oversee the Fund's compliance with the Compliance Plan.  |
| <b>Compliance Plan</b>                              | means the compliance plan of the Fund.   |
| <b>Computershare</b>                                | means Computershare Investors Services Pty Limited ACN 078 279 277.  |
| <b>Corporations Act</b>                             | means the Corporations Act 2001 (Cth).   |
| <b>CRS</b>  | means the Common Reporting Standards, a single global standard on the AEOI.  |
| <b>Cut-off Time</b>                                 | means the deadline by which BlackRock must receive Unit creation or redemption requests, as defined in the Operating Procedures.   |
| <b>DRP</b>  | means the distribution reinvestment plan for the Fund, as described in the section of this PDS titled "Distribution reinvestment plan".  |
| <b>DRP Rules</b>                                    | means the terms and conditions of the DRP Plan.  |
| <b>ETF</b>  | means exchange traded fund(s).   |
| <b>FATCA</b>  | means the Foreign Account Tax Compliance Act.  |
| <b>Fund</b>   | means, as applicable, iShares Core Global Corporate Bond (Aud Hedged) ETF, iShares Global High Yield Bond (Aud Hedged) ETF, iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF, iShares Global Aggregate Bond ESG (AUD Hedged) ETF, iShares U.S. Treasury Bond (AUD Hedged) ETF and/or iShares 20+ Year U.S. Treasury Bond (AUD Hedged) ETF. |
| <b>GST</b>  | means Goods and Services Tax.  |
| <b>IGA</b>  | means the intergovernmental agreement between the US and Australia to implement FATCA in Australia.  |

|                             |   |
|-----------------------------|---|
| <b>Index</b>                | means, as applicable, Bloomberg Global Aggregate Corporate Bond Index (Total Return, Hedged to AUD), Markit iBoxx Global Developed Markets Liquid High Yield Capped Index (Total Return, Hedged to AUD), J.P. Morgan EMBI Global Core Index (Total Return Hedged to AUD), Bloomberg MSCI Global Aggregate Sustainable and Green Bond SRI Index (Total Return, Hedged to AUD), ICE U.S. Treasury Core Bond Index (Total Return, Hedged to AUD) and/or ICE U.S. Treasury 20+ Year Bond AUD Hedged Index . |
| <b>J.P. Morgan</b>          | means J.P. Morgan Securities Inc.   |
| <b>LSE</b>                  | means London Stock Exchange.  |
| <b>MIT</b>                  | means managed investment trusts(s).   |
| <b>NAV</b>                  | means net asset value.  |
| <b>NAV Price</b>            | means the NAV of the Fund divided by the number of Units on issue in the Fund.  |
| <b>OECD</b>                 | means the Organisation for Economic Co-operation and Development.   |
| <b>Operating Procedures</b> | means the iShares Authorised Participant Operating Procedures, as amended from time to time.  |
| <b>OTC</b>                  | means over the counter.   |
| <b>PDS</b>                  | means this product disclosure statement dated 1 November 2024 and any supplementary or replacement product disclosure statement in relation to this document.   |
| <b>Registrar</b>            | means the registrar of the Fund, as appointed by BlackRock, being Computershare.  |
| <b>Tax Law</b>              | 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.  |
| <b>TFN</b>                  | means Tax File Number.  |
| <b>TOFA</b>                 | means Taxation of Financial Agreements.   |
| <b>Unit</b>                 | means an undivided share in the beneficial interest in the assets of the Fund as described in this PDS.   |
| <b>Underlying Fund</b>      | means, as applicable iShares Global Corp Bond UCITS ETF, iShares Global High Yield Corp Bond UCITS ETF, iShares J.P. Morgan \$ EM Bond UCITS ETF, iShares Global Aggregate Bond ESG UCITS ETF, iShares \$ Treasury Bond UCITS ETF and iShares \$ Treasury Bond 20+yr UCITS ETF .  |
| <b>Unitholders</b>          | means a person holding Units in the Fund.   |
| <b>U.S.</b>                 | means United States of America.   |

