

iSHARES II PLC



Annual report and audited financial statements
for the year ended

31 October 2013

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iShares II plc

This annual report and audited financial statements (the “Report and Accounts”) may be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Report and Accounts. To the extent that there is any inconsistency between the English language Report and Accounts and the Report and Accounts in another language, the English language Report and Accounts will prevail, except to the extent (and only to the extent) that it is required by law of any jurisdiction where the shares are sold, that in an action based upon disclosure in a Report and Accounts in a language other than English, the language of the Report and Accounts on which such action is based shall prevail. Any disputes as to the terms of the Report and Accounts, regardless of the language of the Report and Accounts, shall be governed by and construed in accordance with the laws of Ireland.

iShares II plc

General information

Board of Directors⁽¹⁾

Paul McNaughton (Chairman) (Irish)⁽⁴⁾
William Roberts (Chairman) (British - Irish resident)⁽⁵⁾
Graham Bamping (British)⁽⁵⁾
John Donohoe (Irish)⁽⁵⁾
Nicholas C.D. Hall (British)⁽³⁾
Paul McGowan (Irish)⁽⁴⁾
Liam Miley (Irish)⁽⁵⁾
Desmond Murray (Irish)⁽⁵⁾
Cora O'Donohoe (Irish - British Resident)⁽⁴⁾
Barry O'Dwyer (Irish)
Karen Prooth (British)⁽⁴⁾
Geoffrey D. Radcliffe (British - Luxembourg resident)⁽³⁾
Mark Stockley (British)⁽²⁾

⁽¹⁾All Directors are non-executive Directors

⁽²⁾Resigned 28 November 2012

⁽³⁾Resigned 31 December 2012

⁽⁴⁾Appointed 31 March 2013

⁽⁵⁾Resigned 31 March 2013

Audit Committee Members⁽¹⁾

Paul McGowan (Chairman)
Paul McNaughton

⁽¹⁾Established 31 March 2013

Nomination Committee Members⁽¹⁾

Paul McNaughton (Chairman)
Paul McGowan
Barry O'Dwyer

⁽¹⁾Established 31 March 2013

Manager

BlackRock Asset Management Ireland Limited

Registered office:

J.P. Morgan House
International Financial Services Centre
Dublin 1
Ireland

Administrator

State Street Fund Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

Registrar

Computershare Investor Services (Ireland) Limited
Heron House
Corrig Road
Sandyford Industrial Estate
Dublin 18
Ireland

Company Secretary

Chartered Corporate Services
Taney Hall
Eglinton Terrace
Dundrum
Dublin 14
Ireland

Investment Manager

BlackRock Advisors (UK) Limited

Registered office:

12 Throgmorton Avenue
London EC2N 2DL
England

Custodian

State Street Custodial Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

Registered Office

J.P. Morgan House
International Financial Services Centre
Dublin 1
Ireland

Legal Advisors to the Company

as to Irish Law:
William Fry
Fitzwilton House, Wilton Place, Dublin 2,
Ireland

as to English Law:
Hogan Lovells
65 Holborn Viaduct, London EC1A 2DY,
England

Independent Auditors

PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

Representative in Switzerland

BlackRock Asset Management Switzerland Limited
Bahnhofstr. 39
P.O. Box 2118
8022 Zurich
Switzerland

Paying Agent in Switzerland

JPMorgan Chase Bank
National Association
Columbus, Zurich Branch
Dreikönigstrasse 21
8002 Zürich
Switzerland

German Paying and Information Agent

Commerzbank AG
Theodor-Heuss-Allee 50
60486 Frankfurt am Main
Germany

iShares II plc

Background

iShares II public limited company (the "Company") is organised as an open-ended investment Company with variable capital. The Company was incorporated in Ireland on 16 December 1999 with limited liability and segregated liability between its Funds and is organised under the laws of Ireland as a Public Limited Company ("plc") pursuant to the Companies Acts 1963 to 2013 and the European Communities (Undertaking for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) (the "UCITS Regulations") and is regulated by the Central Bank of Ireland.

The Company is structured as an umbrella Fund and comprises separate Funds ("Funds") of the Company.

The term "Fund" shall be deemed to mean either a Fund of the Company, or if the context so requires, the Manager or its delegate acting for the account of the relevant Fund. The term "BlackRock" is used to represent BlackRock Advisors (UK) Limited. The investment objectives and policies of each Fund are set out in the prospectus and the relevant supplemental prospectus.

Changes to the Company

The Board is committed to maintaining an appropriate balance of skills, experience, independence and knowledge of the Company and supports a planned and progressive renewing of the Board. As part of this renewal the following amendments were made: On 28 November 2012, Mark Stockley resigned as a non-executive Director of the Company. On 31 December 2012, Nicholas C.D. Hall and Geoffrey D. Radcliffe resigned as non-executive Directors of the Company. On 31 March 2013, Graham Bamping, John Donohoe, Liam Miley, Desmond Murray and William Roberts resigned as non-executive Directors of the Company. Also on 31 March 2013, Paul McGowan, Cora O'Donohoe and Karen Prooth were appointed as non-executive Directors of the Company. In addition, on 31 March 2013, Paul McNaughton was appointed as a non-executive Director and Chairman of the Company.

Graham Bamping, John Donohoe, Liam Miley, Desmond Murray and William Roberts remained as non-executive Directors of the Manager after their resignations as non-executive Directors of the Company.

Nicholas C.D. Hall remained a non-executive Director of the Investment Manager after his resignation as a non-executive Director of the Company.

With effect from 3 December 2012, the Investment Manager changed the methodology to monitor, measure and manage, the global exposure from Financial Derivative Instruments ("FDI"). The Investment Manager moved from the Commitment Approach to a methodology known as Value at Risk ("VaR"). VaR is a statistical risk measure that estimates the potential portfolio loss from adverse market moves in an ordinary market environment. VaR analysis reflects the interdependencies between risk variables, unlike a traditional sensitivity analysis.

An updated prospectus was issued 3 December 2012 and the following benchmark names were changed:

Fund	Benchmark change
iShares Barclays Euro Government Bond 3-5	Barclays Capital Euro Government Bond 5 Year Term Index has been renamed Barclays Euro Government Bond 5 Year Term Index
iShares Barclays Euro Government Bond 7-10	Barclays Capital Euro Government Bond 10 Year Term Index has been renamed Barclays Euro Government Bond 10 Year Term Index
iShares Barclays Euro Government Bond 15-30	Barclays Capital Euro Government Bond 15-30 Year Term Index has been renamed Barclays Euro Government Bond 30 Year Term Index
iShares Barclays \$ TIPS	Barclays Capital US Government Inflation-Linked Bond Index has been renamed Barclays US Government Inflation-Linked Bond Index
iShares Barclays \$ Treasury Bond 7-10	Barclays Capital US Treasury 10 Year Term Index has been renamed Barclays US Treasury 10 Year Term Index
iShares Barclays £ Index-Linked Gilts	Barclays Capital UK Government Inflation-Linked Bond Index has been renamed Barclays UK Government Inflation-Linked Bond Index
iShares Barclays US Aggregate Bond	Barclays Capital US Aggregate Bond Index has been renamed Barclays US Aggregate Bond Index
iShares J.P. Morgan \$ Emerging Markets Bond Fund	JP Morgan EMBI Global Core Index has been renamed J.P. Morgan EMBI Global Core Index

iShares II plc

Background (continued)

Changes to the Company (continued)

On 3 December 2012 the following Fund names were also changed:

Fund	Amended Fund Name
iShares Barclays Capital Euro Government Bond 3-5	iShares Barclays Euro Government Bond 3-5
iShares Barclays Capital Euro Government Bond 7-10	iShares Barclays Euro Government Bond 7-10
iShares Barclays Capital Euro Government Bond 15-30	iShares Barclays Euro Government Bond 15-30
iShares Barclays Capital \$ TIPS	iShares Barclays \$ TIPS
iShares Barclays Capital \$ Treasury Bond 7-10	iShares Barclays \$ Treasury Bond 7-10
iShares Barclays Capital £ Index-Linked Gilts	iShares Barclays £ Index-Linked Gilts
iShares Barclays Capital US Aggregate Bond	iShares Barclays US Aggregate Bond
iShares JPMorgan \$ Emerging Markets Bond Fund	iShares J.P. Morgan \$ Emerging Markets Bond Fund

The Memorandum and Articles of Association of the Company were amended by special resolution on 26 April 2013.

An updated prospectus was issued on 1 July 2013. For a full list of all amendments made please refer to the prospectus. The following Fund names were changed:

Fund	Amended Fund Name
iShares Barclays \$ TIPS	iShares \$ TIPS UCITS ETF
iShares Barclays \$ Treasury Bond 7-10	iShares \$ Treasury Bond 7-10yr UCITS ETF
iShares Barclays £ Index-Linked Gilts	iShares £ Index-Linked Gilts UCITS ETF
iShares Barclays Euro Government Bond 3-5	iShares Euro Government Bond 3-5yr UCITS ETF
iShares Barclays Euro Government Bond 7-10	iShares Euro Government Bond 7-10yr UCITS ETF
iShares Barclays Euro Government Bond 15-30	iShares Euro Government Bond 15-30yr UCITS ETF
iShares Barclays US Aggregate Bond	iShares US Aggregate Bond UCITS ETF
iShares Dow Jones Europe Sustainability Screened	iShares Dow Jones Europe Sustainability Screened UCITS ETF
iShares Dow Jones Global Sustainability Screened	iShares Dow Jones Global Sustainability Screened UCITS ETF
iShares EURO STOXX 50	iShares EURO STOXX 50 UCITS ETF (Inc)
iShares FTSE BRIC 50	iShares BRIC 50 UCITS ETF
iShares FTSE EPRA/NAREIT Asia Property Yield Fund	iShares Asia Property Yield UCITS ETF
iShares FTSE EPRA/NAREIT Developed Markets Property Fund	iShares Developed Markets Property Yield UCITS ETF
iShares FTSE EPRA/NAREIT UK Property Fund	iShares UK Property UCITS ETF
iShares FTSE EPRA/NAREIT US Property Yield Fund	iShares US Property Yield UCITS ETF
iShares FTSE MIB	iShares FTSE MIB UCITS ETF (Inc)
iShares FTSE UK All Stocks Gilt	iShares UK Gilts UCITS ETF
iShares FTSE/Macquarie Global Infrastructure 100	iShares Global Infrastructure UCITS ETF
iShares JPMorgan \$ Emerging Markets Bond Fund	iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF
iShares Markit iBoxx \$ High Yield Capped Bond	iShares \$ High Yield Corporate Bond UCITS ETF
iShares MSCI AC Far East ex-Japan SmallCap	iShares MSCI AC Far East ex-Japan SmallCap UCITS ETF
iShares MSCI EM Latin America	iShares MSCI EM Latin America UCITS ETF (Inc)
iShares MSCI Emerging Markets Islamic	iShares MSCI Emerging Markets Islamic UCITS ETF
iShares MSCI Europe	iShares MSCI Europe UCITS ETF (Inc)
iShares MSCI Turkey	iShares MSCI Turkey UCITS ETF
iShares MSCI USA Islamic	iShares MSCI USA Islamic UCITS ETF
iShares MSCI World Islamic	iShares MSCI World Islamic UCITS ETF
iShares S&P Emerging Market Infrastructure	iShares Emerging Market Infrastructure UCITS ETF
iShares S&P Global Clean Energy	iShares Global Clean Energy UCITS ETF
iShares S&P Global Timber & Forestry	iShares Global Timber & Forestry UCITS ETF
iShares S&P Global Water	iShares Global Water UCITS ETF
iShares S&P Listed Private Equity	iShares Listed Private Equity UCITS ETF
iShares STOXX Europe 50	iShares STOXX Europe 50 UCITS ETF

iShares II plc

Background (continued)

Changes to the Company (continued)

An addendum to the prospectus was issued on 14 October 2013.

iShares EURO STOXX 50 ex-Financials UCITS ETF launched on 12 December 2013.

There were 33 Funds in operation at 31 October 2013. The investment objective of the Funds is to track or replicate the benchmark indices listed in the table below:

Fund	Benchmark Index
iShares \$ High Yield Corporate Bond UCITS ETF	Markit iBoxx USD Liquid High Yield Capped Index
iShares \$ TIPS UCITS ETF	Barclays US Government Inflation-Linked Bond Index
iShares \$ Treasury Bond 7-10yr UCITS ETF	Barclays US Treasury 10 Year Term Index
iShares £ Index-Linked Gilts UCITS ETF	Barclays UK Government Inflation-Linked Bond Index
iShares Asia Property Yield UCITS ETF	FTSE EPRA/NAREIT Developed Asia Dividend + Index
iShares BRIC 50 UCITS ETF	FTSE BRIC 50 Index
iShares Developed Markets Property Yield UCITS ETF	FTSE EPRA/NAREIT Developed Dividend + Index
iShares Dow Jones Europe Sustainability Screened UCITS ETF	Dow Jones Sustainability Europe Index ex Alcohol, Tobacco, Gambling, Armaments & Firearms and Adult Entertainment
iShares Dow Jones Global Sustainability Screened UCITS ETF	Dow Jones Sustainability World Enlarged Index ex Alcohol, Tobacco, Gambling, Armaments & Firearms and Adult Entertainment
iShares Emerging Market Infrastructure UCITS ETF	S&P Emerging Market Infrastructure Index
iShares Euro Government Bond 3-5yr UCITS ETF	Barclays Euro Government Bond 5 Year Term Index
iShares Euro Government Bond 7-10yr UCITS ETF	Barclays Euro Government Bond 10 Year Term Index
iShares Euro Government Bond 15-30yr UCITS ETF	Barclays Euro Government Bond 30 Year Term Index
iShares EURO STOXX 50 UCITS ETF (Inc)	EURO STOXX® 50 Index
iShares FTSE MIB UCITS ETF (Inc)	FTSE MIB Index
iShares Global Clean Energy UCITS ETF	S&P Global Clean Energy Index
iShares Global Infrastructure UCITS ETF	Macquarie Global Infrastructure 100
iShares Global Timber & Forestry UCITS ETF	S&P Global Timber and Forestry Index
iShares Global Water UCITS ETF	S&P Global Water Index
iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF	J.P. Morgan EMBI Global Core Index
iShares Listed Private Equity UCITS ETF	S&P Listed Private Equity Index
iShares MSCI AC Far East ex-Japan SmallCap UCITS ETF	MSCI AC Far East ex-Japan SmallCap Index
iShares MSCI EM Latin America UCITS ETF (Inc)	MSCI EM Latin America 10/40 Index
iShares MSCI Emerging Markets Islamic UCITS ETF	MSCI EM (Emerging Markets) Islamic Index
iShares MSCI Europe UCITS ETF (Inc)	MSCI Europe Index
iShares MSCI Turkey UCITS ETF	MSCI Turkey Index
iShares MSCI USA Islamic UCITS ETF	MSCI USA Islamic Index
iShares MSCI World Islamic UCITS ETF	MSCI World Islamic Index
iShares STOXX Europe 50 UCITS ETF	STOXX® Europe 50 Index
iShares UK Gilts UCITS ETF	FTSE Actuaries Government Securities UK Gilts All Stock Index
iShares UK Property UCITS ETF	FTSE EPRA/NAREIT UK Index
iShares US Aggregate Bond UCITS ETF	Barclays US Aggregate Bond Index
iShares US Property Yield UCITS ETF	FTSE EPRA/NAREIT United States Dividend + Index

iShares II plc

Background (continued)

PEA Eligibility (Plan d'Epargne en Actions)

The Plan d'Epargne en Actions ("PEA") is a French equity savings plan intended to encourage French tax resident individuals to invest in European equities. Due to their eligibility to the PEA, the Funds listed below invest on a permanent basis at least 75% of their assets in securities and rights eligible to the PEA, issued by companies established in a Member State of the European Union or in Iceland and Norway and subject to corporate income, or an equivalent, tax.

As at 31 October 2013, the below Funds had the following percentage of their assets invested in eligible PEA assets:

Fund	% Invested in European PEA eligible shares
iShares EURO STOXX 50 UCITS ETF (Inc)	93.50
iShares FTSE MIB UCITS ETF (Inc)	96.29
iShares UK Property UCITS ETF	94.47

The following Funds are no longer eligible to be held within a French PEA as a result of (i) the increase in the number of Swiss components in the underlying benchmark, and (ii) the strength of the Swiss Franc against the Euro (the base currency of the Funds). As a consequence of no longer being PEA eligible, shares in these Funds can no longer be held through a PEA without risking the immediate closure of the entire PEA.

Fund	Effective Date
iShares STOXX Europe 50 UCITS ETF	28 November 2012
iShares MSCI Europe UCITS ETF (Inc)	4 February 2013

iShares II plc

Background (continued)

Stock exchange listings

The Company maintained a primary listing on the London Stock Exchange ("LSE").

As of 31 October 2013, the Funds are traded on the following exchanges:

Fund	Base Currency*	London Stock Exchange	Borsa Italiana	Deutsche Börse**	NYSE Euronext Amsterdam	NYSE Euronext Paris	SIX Swiss Exchange	SIC List***
iShares \$ High Yield Corporate Bond UCITS ETF	\$	✓	✓	✓	-	-	✓	-
iShares \$ TIPS UCITS ETF	\$	✓	✓	✓	✓	✓	✓	✓
iShares \$ Treasury Bond 7-10yr UCITS ETF	\$	✓	✓	✓	✓	✓	✓	✓
iShares £ Index-Linked Gilts UCITS ETF	£	✓	-	-	-	-	-	-
iShares Asia Property Yield UCITS ETF	\$	✓	✓	✓	✓	✓	✓	-
iShares BRIC 50 UCITS ETF	\$	✓	✓	✓	✓	✓	✓	-
iShares Developed Markets Property Yield UCITS ETF	\$	✓	✓	✓	✓	✓	✓	✓
iShares Dow Jones Europe Sustainability Screened UCITS ETF	€	✓	-	✓	✓	-	-	-
iShares Dow Jones Global Sustainability Screened UCITS ETF	\$	✓	-	✓	✓	-	-	-
iShares Emerging Market Infrastructure UCITS ETF	\$	✓	✓	✓	✓	-	✓	-
iShares Euro Government Bond 3-5yr UCITS ETF	€	✓	✓	✓	✓	✓	✓	✓
iShares Euro Government Bond 7-10yr UCITS ETF	€	✓	✓	✓	✓	✓	✓	✓
iShares Euro Government Bond 15-30yr UCITS ETF	€	✓	✓	✓	✓	✓	✓	✓
iShares EURO STOXX 50 UCITS ETF (Inc)	€	✓	✓	✓	✓	✓	✓	✓
iShares FTSE MIB UCITS ETF (Inc)	€	✓	✓	-	-	-	✓	-
iShares Global Clean Energy UCITS ETF	\$	✓	✓	✓	✓	✓	✓	-
iShares Global Infrastructure UCITS ETF	\$	✓	✓	✓	✓	✓	✓	-
iShares Global Timber & Forestry UCITS ETF	\$	✓	✓	✓	✓	✓	-	-
iShares Global Water UCITS ETF	\$	✓	✓	✓	✓	✓	✓	-
iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF	\$	✓	✓	✓	-	-	✓	-
iShares Listed Private Equity UCITS ETF	\$	✓	✓	✓	✓	✓	✓	-
iShares MSCI AC Far East ex-Japan SmallCap UCITS ETF	\$	✓	-	✓	-	-	✓	-
iShares MSCI EM Latin America UCITS ETF (Inc)	\$	✓	✓	✓	✓	✓	✓	-
iShares MSCI Emerging Markets Islamic UCITS ETF	\$	✓	-	✓	✓	✓	-	-
iShares MSCI Europe UCITS ETF (Inc)	€	✓	✓	✓	✓	✓	✓	-
iShares MSCI Turkey UCITS ETF	\$	✓	✓	✓	✓	✓	✓	-
iShares MSCI USA Islamic UCITS ETF	\$	✓	-	✓	✓	✓	-	-
iShares MSCI World Islamic UCITS ETF	\$	✓	-	✓	✓	✓	-	-
iShares STOXX Europe 50 UCITS ETF	€	✓	✓	✓	✓	✓	✓	-
iShares UK Gilts UCITS ETF	£	✓	✓	-	-	-	-	-
iShares UK Property UCITS ETF	£	✓	✓	-	-	-	✓	-
iShares US Aggregate Bond UCITS ETF	\$	✓	-	✓	-	-	-	-
iShares US Property Yield UCITS ETF	\$	✓	✓	✓	✓	✓	✓	-

* All €, \$ and £ base currency Funds are Euro, United States Dollar and British Pounds respectively.

** Funds trade on the Deutsche Börse Xetra XTF Funds Platform of the Frankfurt Stock Exchange.

*** SIC list (Sistema Internacional de Cotizaciones) is an international platform of the Mexican Stock Exchange.

All figures relating to each Fund are shown in the relevant functional currency. The financial statements of the Company are presented in Euro. These Funds are Exchange Traded Funds ("ETFs"), which provide the flexibility of a share with the diversification of a Fund. They can be bought and sold like any other share listed on a stock exchange, but provide instant exposure to many companies or various financial instruments relevant to the Fund and its benchmark index.

iShares II plc

Background (continued)

Total expense ratio and portfolio turnover rate

The total expense ratio ("TER") shown below expresses the sum of all costs and commissions, with the exception of portfolio rebalancing costs, charged to each Fund's assets as a percentage of the average Fund assets during the year.

The portfolio turnover rate ("PTR") is an indication of the level of trading conducted by the Fund based on a twelve month period ended 31 October 2013.

Fund	TER %	Annual PTR (%)
iShares \$ High Yield Corporate Bond UCITS ETF	0.50	53.00
iShares \$ TIPS UCITS ETF	0.25	55.56
iShares \$ Treasury Bond 7-10yr UCITS ETF	0.20	120.16
iShares £ Index-Linked Gilts UCITS ETF	0.25	29.05
iShares Asia Property Yield UCITS ETF	0.59	29.00
iShares BRIC 50 UCITS ETF	0.74	30.50
iShares Developed Markets Property Yield UCITS ETF	0.59	28.18
iShares Dow Jones Europe Sustainability Screened UCITS ETF	0.45	34.17
iShares Dow Jones Global Sustainability Screened UCITS ETF	0.60	31.24
iShares Emerging Market Infrastructure UCITS ETF	0.74	44.50
iShares Euro Government Bond 3-5yr UCITS ETF	0.20	149.02
iShares Euro Government Bond 7-10yr UCITS ETF	0.20	108.75
iShares Euro Government Bond 15-30yr UCITS ETF	0.20	56.32
iShares EURO STOXX 50 UCITS ETF (Inc)	0.35	12.01
iShares FTSE MIB UCITS ETF (Inc)	0.35	18.31
iShares Global Clean Energy UCITS ETF	0.65	50.85
iShares Global Infrastructure UCITS ETF	0.65	22.77
iShares Global Timber & Forestry UCITS ETF	0.65	42.00
iShares Global Water UCITS ETF	0.65	16.71
iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF	0.45	72.11
iShares Listed Private Equity UCITS ETF	0.75	46.32
iShares MSCI AC Far East ex-Japan SmallCap UCITS ETF	0.74	76.84
iShares MSCI EM Latin America UCITS ETF (Inc)	0.74	44.39
iShares MSCI Emerging Markets Islamic UCITS ETF	0.85	78.45
iShares MSCI Europe UCITS ETF (Inc)	0.35	10.01
iShares MSCI Turkey UCITS ETF	0.74	10.83
iShares MSCI USA Islamic UCITS ETF	0.50	29.11
iShares MSCI World Islamic UCITS ETF	0.60	26.58
iShares STOXX Europe 50 UCITS ETF	0.35	15.60
iShares UK Gilts UCITS ETF	0.20	30.70
iShares UK Property UCITS ETF	0.40	9.79
iShares US Aggregate Bond UCITS ETF	0.25	977.74
iShares US Property Yield UCITS ETF	0.40	20.09

iShares II plc

Investment Manager's report

FUND PERFORMANCE*

The performance of the Funds for the year under review is shown below:

Fund	Fund return for the year ended 31/10/2013 %	Benchmark return for the year ended 31/10/2013 %	Fund return for the year ended 31/10/2012 %	Benchmark return for the year ended 31/10/2012 %
iShares \$ High Yield Corporate Bond UCITS ETF	7.52	7.55	12.98	11.68
iShares \$ TIPS UCITS ETF	(7.09)	(6.93)	8.22	8.45
iShares \$ Treasury Bond 7-10yr UCITS ETF	(3.21)	(3.13)	6.58	6.78
iShares £ Index-Linked Gilts UCITS ETF	7.08	7.32	4.25	4.47
iShares Asia Property Yield UCITS ETF	4.85	5.60	22.44	23.50
iShares BRIC 50 UCITS ETF	5.22	6.13	(2.81)	(1.92)
iShares Developed Markets Property Yield UCITS ETF	8.10	8.49	15.63	15.85
iShares Dow Jones Europe Sustainability Screened UCITS ETF	22.34	22.69	14.51	14.86
iShares Dow Jones Global Sustainability Screened UCITS ETF	23.46	24.02	5.58	6.12
iShares Emerging Market Infrastructure UCITS ETF	9.79	10.33	10.77	11.33
iShares Euro Government Bond 3-5yr UCITS ETF	3.92	4.11	7.40	7.61
iShares Euro Government Bond 7-10yr UCITS ETF	4.23	4.45	8.79	8.94
iShares Euro Government Bond 15-30yr UCITS ETF	5.80	6.00	15.22	15.39
iShares EURO STOXX 50 UCITS ETF (Inc)	26.15	26.08	9.90	9.22
iShares FTSE MIB UCITS ETF (Inc)	27.72	27.93	0.29	0.40
iShares Global Clean Energy UCITS ETF	65.34	64.65	(31.30)	(32.63)
iShares Global Infrastructure UCITS ETF**	10.75	10.97	4.33	4.36
iShares Global Timber & Forestry UCITS ETF	25.82	25.90	9.85	10.08
iShares Global Water UCITS ETF	27.15	27.80	9.68	10.09
iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF	(3.86)	(2.96)	15.88	16.47
iShares Listed Private Equity UCITS ETF	33.85	34.44	15.96	15.93
iShares MSCI AC Far East ex-Japan SmallCap UCITS ETF	17.69	17.70	5.03	4.94
iShares MSCI EM Latin America UCITS ETF (Inc)	(3.87)	(2.49)	(4.14)	(3.13)
iShares MSCI Emerging Markets Islamic UCITS ETF	0.58	1.07	(2.93)	(1.86)
iShares MSCI Europe UCITS ETF (Inc)	21.63	21.72	14.32	14.28
iShares MSCI Turkey UCITS ETF	(4.17)	(3.67)	31.65	32.28
iShares MSCI USA Islamic UCITS ETF	24.81	25.07	9.94	10.02
iShares MSCI World Islamic UCITS ETF	20.12	20.59	5.82	6.15
iShares STOXX Europe 50 UCITS ETF	17.70	17.85	13.47	13.35
iShares UK Gilts UCITS ETF	(1.88)	(1.70)	6.12	6.33
iShares UK Property UCITS ETF	26.79	28.05	14.99	16.18
iShares US Aggregate Bond UCITS ETF	(1.43)	(1.08)	5.03	5.25
iShares US Property Yield UCITS ETF	9.91	9.48	13.48	13.27

* Fund performance is shown net of fees and expenses (TER).

** Effective from 2 July 2012 this Fund changed its benchmark index from gross to total net index series.

The Company was notified in January 2012 that FTSE had found it necessary to amend the FTSE EPRA/NAREIT Dividend + indices due to an issue with the yield screening formula used in the index review in September 2011. This issue resulted in a number of incorrect constituent deletions and missing constituent additions in the affected indices. In order to amend the affected indices to reflect the correct index membership, FTSE announced that it would rebalance the affected indices and would implement the rebalance in three stages so as to minimise transaction costs. The first stage was carried out on 20 January 2012, the second stage was carried out on 3 February 2012 and the third stage was carried out on 20 February 2012.

Investment Manager's report (continued)

FUND PERFORMANCE (continued)

The Funds of the Company affected by the index rebalances were the iShares Asia Property Yield UCITS ETF and the iShares Developed Markets Property Yield UCITS ETF. Each time FTSE rebalanced their benchmark indices, the portfolios of the iShares Asia Property Yield UCITS ETF and the iShares Developed Markets Property Yield UCITS ETF were rebalanced accordingly to bring their portfolios in line with their respective benchmarked indices.

The Fund return figures are the aggregated net monthly returns and are based on the average published pricing net asset value ("NAV") for the financial year under review. Due to accounting policy requirements under Irish accounting standards which apply to the financial statements, there may be slight differences between the NAV per share as recorded in the financial statements and the published pricing NAV per share. The returns are net of management fees.

Past performance may not necessarily be repeated and future performance may vary.

TRACKING DIFFERENCE

Tracking difference is defined as the difference in returns between a Fund and its benchmark index.

For physically replicating funds, the investment management approach aims to buy all or almost all securities in the benchmark index, at the weights represented in the benchmark index.

For non-replicating funds, the investment management approach aims to match the main risk characteristics of the benchmark index by investing in a portfolio that is primarily made up of securities that represent the benchmark index. The objective is to generate the total return of the index as close as reasonably possible net of transaction costs and gross of fees.

Cash management, efficient portfolio management techniques including securities lending, transaction costs from rebalancing and currency hedging can have an impact on tracking difference. Importantly, these impacts can be either positive or negative depending on the underlying circumstances.

In addition to the above, the Funds may also have a tracking difference due to withholding tax suffered by the Funds on any income received from its investments. The level and quantum of tracking difference arising due to withholding taxes depends on various factors such as any reclaims filed on behalf of the Funds with various tax authorities, any benefits obtained by the Funds under a tax treaty or any securities lending activities carried out by the Funds.

The table below compares the realised Fund performance against the performance of the relevant benchmark index during the year ended 31 October 2013. An explanation for the difference gross of TER is provided:

Fund	Fund return for the year ended 31/10/2013 %	Benchmark return for the year ended 31/10/2013 %	Tracking difference net of TER %	TER %	Tracking difference gross of TER %	Explanation of the tracking difference
iShares \$ High Yield Corporate Bond UCITS ETF	7.52	7.55	(0.03)	0.50	0.47	The outperformance of the Fund was due to sampling techniques employed.
iShares \$ TIPS UCITS ETF	(7.09)	(6.93)	(0.16)	0.25	0.09	The outperformance of the Fund was predominately due to securities lending activity.
iShares \$ Treasury Bond 7-10yr UCITS ETF	(3.21)	(3.13)	(0.08)	0.20	0.12	The outperformance of the Fund was predominately due to securities lending activity.
iShares £ Index-Linked Gilts UCITS ETF	7.08	7.32	(0.24)	0.25	0.01	The Fund performed in line with the index before costs (TER).
iShares Asia Property Yield UCITS ETF	4.85	5.60	(0.75)	0.59	(0.16)	The underperformance of the Fund was due to differences in the tax rates applied to dividends received in the Fund versus the tax rate assumed in the total return calculation of the benchmark.
iShares BRIC 50 UCITS ETF	5.22	6.13	(0.91)	0.74	(0.17)	The underperformance of the Fund was due to cash and cash equivalents held in the Fund for liquidity purposes.

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Investment Manager's report (continued)

TRACKING DIFFERENCE (continued)

Fund	Fund return for the year ended 31/10/2013 %	Benchmark return for the year ended 31/10/2013 %	Tracking difference net of TER %		Tracking difference gross of TER %	Explanation of the tracking difference
iShares Developed Markets Property Yield UCITS ETF	8.10	8.49	(0.39)	0.59	0.20	The outperformance of the Fund was due to differences in the tax rates applied to dividends received in the Fund versus the tax rate assumed in the total return calculation of the benchmark.
iShares Dow Jones Europe Sustainability Screened UCITS ETF	22.34	22.69	(0.35)	0.45	0.10	The outperformance of the Fund was due to differences in the tax rates applied to dividends received in the Fund versus the tax rate assumed in the total return calculation of the benchmark.
iShares Dow Jones Global Sustainability Screened UCITS ETF	23.46	24.02	(0.56)	0.60	0.04	The Fund performed in line with the index before costs (TER).
iShares Emerging Market Infrastructure UCITS ETF	9.79	10.33	(0.54)	0.74	0.20	The outperformance of the Fund was due to the effects of trading the semi-annual rebalance of the benchmark.
iShares Euro Government Bond 3-5yr UCITS ETF	3.92	4.11	(0.19)	0.20	0.01	The Fund performed in line with the index before costs (TER).
iShares Euro Government Bond 7-10yr UCITS ETF	4.23	4.45	(0.22)	0.20	(0.02)	The Fund performed in line with the index before costs (TER).
iShares Euro Government Bond 15-30yr UCITS ETF	5.80	6.00	(0.20)	0.20	0.00	The Fund performed in line with the index before costs (TER).
iShares EURO STOXX 50 UCITS ETF (Inc)	26.15	26.08	0.07	0.35	0.42	The outperformance of the Fund was due to differences in the tax rates applied to dividends received in the Fund versus the tax rate assumed in the total return calculation of the benchmark and due to securities lending activity.
iShares FTSE MIB UCITS ETF (Inc)	27.72	27.93	(0.21)	0.35	0.14	The outperformance of the Fund was predominately due to securities lending activity.
iShares Global Clean Energy UCITS ETF	65.34	64.65	0.69	0.65	1.34	The outperformance of the Fund was due to trading the semi-annual rebalance of the benchmark, differences between the Fund and the benchmark in the way corporate actions are recognised, securities lending activity and differences in the tax rates applied to dividends received in the Fund versus the tax rate assumed in the total return calculation of the benchmark.
iShares Global Infrastructure UCITS ETF	10.75	10.97	(0.22)	0.65	0.43	The outperformance of the Fund was due to differences in the tax rates applied to dividends received in the Fund versus the tax rate assumed in the total return calculation of the benchmark.

Investment Manager's report (continued)

TRACKING DIFFERENCE (continued)

Fund	Fund return for the year ended	Benchmark return for the year ended	Tracking difference net of		Tracking difference gross of	Explanation of the tracking difference
	31/10/2013 %	31/10/2013 %	TER %	TER %	TER %	
iShares Global Timber & Forestry UCITS ETF	25.82	25.90	(0.08)	0.65	0.57	The outperformance of the Fund is due to the differences in the tax rates applied to dividends received in the Fund versus the tax rate assumed in the total return calculation of the benchmark; the effects of trading the semi-annual rebalance of the benchmark and securities lending activity.
iShares Global Water UCITS ETF	27.15	27.80	(0.65)	0.65	0.00	The Fund performed in line with the index before costs (TER).
iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF	(3.86)	(2.96)	(0.90)	0.45	(0.45)	The underperformance of the Fund was due to sampling techniques employed.
iShares Listed Private Equity UCITS ETF	33.85	34.44	(0.59)	0.75	0.16	The outperformance of the Fund was due to differences in the tax rates applied to dividends received in the Fund versus the tax rate assumed in the total return calculation of the benchmark. Also differences in performance between the benchmark and cash and cash equivalents held in the Fund for liquidity purposes.
iShares MSCI AC Far East ex-Japan SmallCap UCITS ETF	17.69	17.70	(0.01)	0.74	0.73	The outperformance of the Fund was due to sampling techniques employed.
iShares MSCI EM Latin America UCITS ETF (Inc)	(3.87)	(2.49)	(1.38)	0.74	(0.64)	The underperformance of the Fund was due to sampling techniques employed.
iShares MSCI Emerging Markets Islamic UCITS ETF	0.58	1.07	(0.49)	0.85	0.36	The outperformance of the Fund versus benchmark was due to sampling techniques and the differences in the way dividends are accounted for in the Fund versus the benchmark.
iShares MSCI Europe UCITS ETF (Inc)	21.63	21.72	(0.09)	0.35	0.26	The outperformance of the Fund was due to differences in the tax rates applied to dividends received in the Fund versus the tax rate assumed in the total return calculation of the benchmark and due to securities lending activity.
iShares MSCI Turkey UCITS ETF	(4.17)	(3.67)	(0.50)	0.74	0.24	The outperformance of the Fund was predominately due to securities lending activity.
iShares MSCI USA Islamic UCITS ETF	24.81	25.07	(0.26)	0.50	0.24	The outperformance of the Fund was due to the difference between the Fund and the benchmark in the way dividends are accounted.
iShares MSCI World Islamic UCITS ETF	20.12	20.59	(0.47)	0.60	0.13	The outperformance of the Fund was due to the difference between the Fund and the benchmark in the way dividends are accounted.

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Investment Manager's report (continued)

TRACKING DIFFERENCE (continued)

Fund	Fund return for the year ended 31/10/2013 %	Benchmark return for the year ended 31/10/2013 %	Tracking difference net of TER TER % %		Tracking difference gross of TER %	Explanation of the tracking difference
iShares STOXX Europe 50 UCITS ETF	17.70	17.85	(0.15)	0.35	0.20	The outperformance of the Fund was due to differences in the tax rates applied to dividends received in the Fund versus the tax rate assumed in the total return calculation of the benchmark and due to securities lending activity.
iShares UK Gilts UCITS ETF	(1.88)	(1.70)	(0.18)	0.20	0.02	The Fund performed in line with the index before costs (TER).
iShares UK Property UCITS ETF	26.79	28.05	(1.26)	0.40	(0.86)	The underperformance of the Fund was due to differences in the tax rates applied to dividends received in the Fund versus the tax rate assumed in the total return calculation of the benchmark.
iShares US Aggregate Bond UCITS ETF	(1.43)	(1.08)	(0.35)	0.25	(0.10)	The underperformance of the Fund was due to sampling techniques employed.
iShares US Property Yield UCITS ETF	9.91	9.48	0.43	0.40	0.83	The outperformance of the Fund was due to differences in the tax rates applied to dividends received in the Fund versus the tax rate assumed in the total return calculation of the benchmark.

TRACKING ERROR

Realised tracking error is the annualised standard deviation of the difference in monthly returns between a Fund and its benchmark index. Tracking error shows the consistency of the returns relative to the benchmark index over a defined period of time.

Anticipated tracking error is based on the expected volatility of differences between the returns of a Fund and the returns of its benchmark index.

For physically replicating funds, the investment management approach aims to buy all or almost all securities in the benchmark index, at the weights represented in the benchmark index.

For non-replicating funds, the investment management approach aims to match the main risk characteristics of the benchmark index by investing in a portfolio that is primarily made up of securities that represent the benchmark index. The objective is to generate the total return of the index as close as reasonably possible net of transaction costs and gross of fees.

Cash management, efficient portfolio management techniques including securities lending, transaction costs from rebalancing and currency hedging can have an impact on tracking error as well as the return differential between a Fund and its benchmark index. Importantly, these impacts can be either positive or negative depending on the underlying circumstances.

In addition to the above, the Funds may also have a tracking error due to withholding tax suffered by the Funds on any income received from its investments. The level and quantum of tracking error arising due to withholding taxes depends on various factors such as any reclaims filed by the Funds with various tax authorities, any benefits obtained by the Funds under a tax treaty or any securities lending activities carried out by the Funds.

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Investment Manager's report (continued)

TRACKING ERROR (continued)

The table below compares the anticipated tracking error of the Funds (disclosed in the prospectus on an ex ante basis) against the actual realised tracking error of the Funds as at 31 October 2013. An explanation of the difference is provided. The realised tracking error is annualised and calculated using data from the preceding 36 month observation period. Where a Fund has not been trading for 36 months, the annualised tracking error since inception has been presented.

Fund	Anticipated Tracking Error %	Realised Tracking Error %	Explanation for difference
iShares \$ High Yield Corporate Bond UCITS ETF*	Up to 0.50	0.37	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares \$ TIPS UCITS ETF	Up to 0.05	0.03	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares \$ Treasury Bond 7-10yr UCITS ETF	Up to 0.10	0.05	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares £ Index-Linked Gilts UCITS ETF	Up to 0.50	0.03	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares Asia Property Yield UCITS ETF	Up to 0.50	0.46	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares BRIC 50 UCITS ETF	Up to 0.70	0.78	The tracking error of the Fund was due to cash held for liquidity purposes.
iShares Developed Markets Property Yield UCITS ETF	Up to 0.20	0.17	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares Dow Jones Europe Sustainability Screened UCITS ETF*	Up to 0.10	0.17	The Fund's return history is too short to be statistically significant.
iShares Dow Jones Global Sustainability Screened UCITS ETF*	Up to 0.15	0.16	The Fund's return history is too short to be statistically significant.
iShares Emerging Market Infrastructure UCITS ETF	Up to 0.50	0.41	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares Euro Government Bond 3-5yr UCITS ETF	Up to 0.10	0.05	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares Euro Government Bond 7-10yr UCITS ETF	Up to 0.15	0.06	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares Euro Government Bond 15-30yr UCITS ETF	Up to 0.08	0.05	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares EURO STOXX 50 UCITS ETF (Inc)	Up to 0.25	0.23	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares FTSE MIB UCITS ETF (Inc)	Up to 0.15	0.13	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares Global Clean Energy UCITS ETF	Up to 0.70	0.61	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares Global Infrastructure UCITS ETF	Up to 0.15	0.12	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares Global Timber & Forestry UCITS ETF	Up to 0.70	0.38	The Fund has tracked its benchmark index within its anticipated tracking error.

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Investment Manager's report (continued)

TRACKING ERROR (continued)

Fund	Anticipated Tracking Error %	Realised Tracking Error %	Explanation for difference
iShares Global Water UCITS ETF	Up to 0.20	0.14	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF	Up to 0.25	0.49	The tracking error of the Fund was due to sampling techniques employed.
iShares Listed Private Equity UCITS ETF	Up to 0.40	0.35	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares MSCI AC Far East ex-Japan SmallCap UCITS ETF	Up to 1.70	1.53	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares MSCI EM Latin America UCITS ETF (Inc)	Up to 0.90	0.92	The tracking error of the Fund was due to sampling techniques employed.
iShares MSCI Emerging Markets Islamic UCITS ETF	Up to 0.90	0.72	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares MSCI Europe UCITS ETF (Inc)	Up to 0.20	0.13	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares MSCI Turkey UCITS ETF	Up to 0.25	0.18	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares MSCI USA Islamic UCITS ETF	Up to 0.15	0.10	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares MSCI World Islamic UCITS ETF	Up to 0.35	0.26	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares STOXX Europe 50 UCITS ETF	Up to 0.20	0.14	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares UK Gilts UCITS ETF	Up to 0.08	0.06	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares UK Property UCITS ETF	Up to 0.20	0.15	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares US Aggregate Bond UCITS ETF*	Up to 0.25	0.20	The Fund has tracked its benchmark index within its anticipated tracking error.
iShares US Property Yield UCITS ETF	Up to 0.20	0.22	The tracking error of the Fund was due to differences in tax rates applied on dividends between the Fund and benchmark.

* This Fund has been trading for less than 36 months and as a result, the annualised tracking error since inception has been presented.

iShares II plc

Investment Manager's report (continued)

CALENDAR YEAR PERFORMANCE

The performance of the Funds, on a calendar year basis, is shown below:

Fund	Launch Date	2013		2012		2011		2010	
		01/01/2013		01/01/2012		01/01/2011		01/01/2010	
		Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
		%	%	%	%	%	%	%	%
iShares \$ High Yield Corporate Bond UCITS ETF*	Sep-11	5.21	5.12	11.87	11.13	5.80	4.94	N/A	N/A
iShares \$ TIPS UCITS ETF	Dec-06	(6.83)	(6.71)	7.32	7.52	13.76	13.98	6.13	6.33
iShares \$ Treasury Bond 7-10yr UCITS ETF	Dec-06	(3.13)	(3.07)	3.73	3.89	15.20	15.46	9.28	9.43
iShares £ Index-Linked Gilts UCITS ETF	Dec-06	2.98	3.16	(3.50)	(3.34)	19.98	20.31	8.50	8.75
iShares Asia Property Yield UCITS ETF	Oct-06	0.56	1.01	31.37	31.77	(17.49)	(16.74)	19.90	20.94
iShares BRIC 50 UCITS ETF	Apr-07	(1.33)	(0.54)	4.77	5.62	(20.00)	(19.46)	8.13	9.14
iShares Developed Markets Property Yield UCITS ETF	Oct-06	4.31	4.58	18.94	19.05	(2.39)	(1.95)	21.14	22.71
iShares Dow Jones Europe Sustainability Screened UCITS ETF*	Feb-11	16.64	16.94	14.79	15.09	(12.85)	(13.06)	N/A	N/A
iShares Dow Jones Global Sustainability Screened UCITS ETF*	Feb-11	18.60	19.06	10.06	10.56	(12.52)	(12.32)	N/A	N/A
iShares Emerging Market Infrastructure UCITS ETF	Feb-08	4.92	5.30	17.41	17.77	(15.67)	(15.20)	16.42	17.29
iShares Euro Government Bond 3-5yr UCITS ETF	Dec-06	2.57	2.72	6.00	6.17	3.69	3.75	2.71	2.82
iShares Euro Government Bond 7-10yr UCITS ETF	Dec-06	2.20	2.39	6.89	7.00	9.63	9.76	5.63	5.77
iShares Euro Government Bond 15-30yr UCITS ETF	Dec-06	1.23	1.38	11.30	11.45	5.50	5.67	4.16	4.34
iShares EURO STOXX 50 UCITS ETF (Inc)	Apr-00	19.73	19.59	12.62	11.97	(13.58)	(14.10)	(2.74)	(2.81)
iShares FTSE MIB UCITS ETF (Inc)	Jul-07	21.80	21.97	6.04	6.11	(23.07)	(22.91)	(10.99)	(10.75)
iShares Global Clean Energy UCITS ETF	Jul-07	48.90	48.38	(23.26)	(24.63)	(43.05)	(44.57)	(27.40)	(27.70)
iShares Global Infrastructure UCITS ETF	Oct-06	12.00	12.16	4.72	4.70	(0.26)	(0.07)	0.79	2.02
iShares Global Timber & Forestry UCITS ETF	Oct-07	15.38	15.42	11.70	11.86	(17.29)	(16.95)	14.99	16.44
iShares Global Water UCITS ETF	Mar-07	19.96	20.47	13.44	13.79	(7.28)	(7.20)	14.92	15.43
iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF	Feb-08	(5.64)	(4.99)	15.71	16.13	7.43	8.02	11.66	12.24
iShares Listed Private Equity UCITS ETF	Mar-07	28.14	28.69	23.81	23.83	(19.87)	(20.16)	29.70	29.93
iShares MSCI AC Far East ex-Japan SmallCap UCITS ETF	May-08	10.53	10.49	12.71	13.82	(20.92)	(24.00)	25.93	24.89
iShares MSCI EM Latin America UCITS ETF (Inc)	Oct-07	(8.21)	(7.05)	2.75	4.46	(17.42)	(19.25)	14.46	14.66

* For Funds launched in prior periods, returns are shown from the launch date to the end of the calendar year.

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Investment Manager's report (continued)

CALENDAR YEAR PERFORMANCE (continued)

Fund	Launch Date	2013 01/01/2013 to 31/10/2013		2012 01/01/2012 to 31/12/2012		2011 01/01/2011 to 31/12/2011		2010 01/01/2010 to 31/12/2010	
		Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
		%	%	%	%	%	%	%	%
iShares MSCI Emerging Markets Islamic UCITS ETF	Dec-07	(4.61)	(3.98)	5.06	6.34	(17.35)	(17.18)	15.35	16.48
iShares MSCI Europe UCITS ETF (Inc)	Jul-07	17.36	17.40	13.19	13.13	(8.00)	(8.08)	10.66	11.10
iShares MSCI Turkey UCITS ETF	Nov-06	(10.54)	(10.16)	52.62	53.16	(35.62)	(35.41)	20.88	20.81
iShares MSCI USA Islamic UCITS ETF	Dec-07	23.24	23.51	8.78	8.84	3.35	3.56	13.81	14.06
iShares MSCI World Islamic UCITS ETF	Dec-07	17.34	17.73	7.79	8.10	(4.01)	(3.67)	12.49	13.17
iShares STOXX Europe 50 UCITS ETF	Apr-00	15.02	15.10	10.47	10.34	(5.04)	(5.11)	3.03	3.13
iShares UK Gilts UCITS ETF	Dec-06	(2.12)	(1.99)	2.24	2.40	15.30	15.57	6.98	7.20
iShares UK Property UCITS ETF	Mar-07	22.40	23.44	24.06	25.21	(8.77)	(7.94)	4.08	4.94
iShares US Aggregate Bond UCITS ETF*	Sep-11	(1.37)	(1.10)	3.97	4.20	1.39	1.27	N/A	N/A
iShares US Property Yield UCITS ETF	Nov-06	6.57	6.17	12.98	12.82	10.80	10.60	25.88	27.35

* For Funds launched in prior periods, returns are shown from the launch date to the end of the calendar year.

The Fund return figures are the aggregated net monthly returns and are based on the average published pricing net asset value ("NAV") for the financial year/period under review. Due to accounting policy requirements under Irish accounting standards which apply to the financial statements, there may be slight differences between the NAV per share as recorded in the financial statements, and the published pricing NAV per share. The returns are net of management fees.

Past performance may not necessarily be repeated and future performance may vary.

Investment Manager's report (continued)

MARKET REVIEW

Equities

This market background summary covers iShares BRIC 50 UCITS ETF (Inc), iShares EURO STOXX 50 UCITS ETF (Inc), iShares FTSE MIB UCITS ETF (Inc), iShares MSCI AC Far East ex Japan SmallCap UCITS ETF, iShares MSCI EM Latin America UCITS ETF (Inc), iShares MSCI Emerging Markets Islamic UCITS ETF, iShares MSCI Europe UCITS ETF (Inc), iShares MSCI Turkey UCITS ETF, iShares MSCI USA Islamic UCITS ETF, iShares MSCI World Islamic UCITS ETF and iShares STOXX Europe 50 UCITS ETF.

European equities

European stocks delivered very strong gains during the Company's review period, reflecting an easing in eurozone tensions and an improvement in the global economic backdrop.

Although the eurozone remained in recession early in the review period, optimism grew that global central banks, particularly the European Central Bank (ECB), would continue to provide support for the economy, thereby underpinning the corporate earnings environment. Despite the broadly positive overall tone of the market in early 2013 amid signs that the US economic recovery was strengthening, European equities suffered brief setbacks in February and March in response to the contributory nature of the Cyprus bailout and the strong performance by anti-euro parties at Italy's general election. However, sentiment was subsequently underpinned by further evidence of the ECB's determination to support economic activity, with interest rates falling by 0.25% to 0.50% in June, while the formation of a broadly pro-euro coalition government in Italy eased some political tensions. Meanwhile, optimism that the improving global economic environment would gradually feed through to boost the European trading backdrop was subsequently vindicated by news the 17 nation eurozone had emerged from recession during the second quarter, with Gross Domestic Product growing by 0.30%. In particular, encouraging purchasing managers' survey data, notably in Germany and, to a lesser extent, France, suggested that the eurozone economy was benefitting from rising demand as the global economic backdrop continued to improve. Nevertheless, describing the recovery as 'fragile', ECB President Mario Draghi reiterated the central bank's willingness to continue to support the economy, in contrast to the US Federal Reserve's (Fed) bias towards reducing its stimulus programme as the economy recovered. In the days immediately following the end of the Company's review period, the ECB's determination to underpin European economic activity was demonstrated by the surprise decision to cut interest rates to record lows of 0.25% in the first week of November.

Latin American equities

Despite a positive start, Latin American equities delivered broadly disappointing returns during the Company's review period.

The resource rich Brazilian market made progress during the early months of the review period, helped by optimism that demand from China could increase as the emerging Asian giant's economic growth rate appeared to have bottomed out. Sectors such as materials performed well, with mining giant Vale S.A. benefitting from hopes that China's demand for iron ore would increase. Meanwhile, the Mexican market also delivered solid returns, underpinned by optimism that the improving US economy would drive demand for Mexican made goods.

However, Latin American markets underwent a period of volatility from late May as the Fed outlined a plan to wind down its Quantitative Easing (QE) plan should the economy continue to recover in line with forecasts, a move that undermined sentiment towards assets regarded as higher risk. The Brazilian market suffered from concerns over the impact of a succession of interest rate rises implemented in the battle against inflation, while protests over perceived inequalities in society also weighed on sentiment towards Brazilian equities. Meanwhile, despite the resilience of the US economy, the Mexican market also struggled as the underperforming construction sector dragged on wider economic activity. Although Latin American equity markets subsequently performed strongly as the Fed backtracked on its QE tapering plan, the region's markets generally ended the Company's review period with disappointing overall returns.

Turkish equities

The Turkish market delivered negative returns over the Company's review period. Despite the country's improving economic fundamentals and the prospect of rising demand for Turkish exports resulting from the eurozone's return to growth, the country's stock market performed poorly relative to Europe's main stock markets. Although rising levels of domestic consumption and the ongoing robust performance of the manufacturing sector underpinned sentiment to some extent, the Fed's outlining of a QE exit strategy weighed on global investors' appetite for market regarded as higher risk. Meanwhile, some concerns over potential political risks also had a negative effect on sentiment towards the Turkish market amid some signs that resistance to the policies of long-serving hardline Prime Minister Tayyip Erdogan could potentially threaten the country's long term economic reform programme.

Investment Manager's report (continued)

MARKET REVIEW (continued)

Equities (continued)

Other emerging markets

Emerging markets broadly ended the Company's review period higher. Signs that the Chinese economy had averted a sharp slowdown and optimism that growth would bottom out at around 7.50% on a year on year basis were largely vindicated early in the review period, helping emerging markets to move higher in early 2013. However, markets perceived as higher risk lost ground in May as investors were unsettled by signs that the Fed was considering an exit from its \$85 billion/month QE programme, a development that weakened sentiment towards emerging markets.

Emerging markets remained volatile in mid-2013, as investors balanced the potential implications of a gradual winding down of US QE and the consequent reduction in many investors' appetite for risk in return for higher potential rewards with signs that the global economic recovery was already gathering some momentum. However, late in the Company's review period, emerging markets rallied on signs that the Fed was delaying its mooted gradual phasing out of QE, citing the sluggish recovery in the jobs market, rising mortgage rates and the effects of US domestic political uncertainties.

Over the review period as a whole, Asia Pacific emerging markets performed relatively well, cheered by signs that growth in China had generally beaten consensus forecasts. Eastern European markets also performed relatively well, enhanced by the eurozone's returns to growth.

Islamic

iShares MSCI World Islamic UCITS ETF, iShares MSCI USA Islamic UCITS ETF and iShares MSCI Emerging Markets Islamic UCITS ETF continued to provide investors with exposure to equities while offering compliance with Shar'iah principles.

iShares MSCI World Islamic UCITS ETF and iShares MSCI USA Islamic UCITS ETF both delivered strong positive returns during the Company's review period. However, the Funds generated returns that lagged those of their non-Shar'iah compliant peers during the review period. In an environment of improving global economic growth expectations, Islamic funds' larger relative exposure to traditionally defensive market sectors typically those offering more dependable, consistent earnings, such as health care impaired their performance relative to conventional funds. Meanwhile, the iShares MSCI Emerging Markets Islamic UCITS ETF delivered disappointing returns during the review period. While the Fed's airing of a plan to wind down QE weighed on sentiment towards higher risk markets, the Fund also underperformed conventional non-Islamic funds which have greater exposure to sectors with earnings more directly linked to the economic cycle, such as financials or entertainment companies.

Fixed income

This market background summary covers iShares \$ High Yield Corporate Bond UCITS ETF, iShares \$ TIPS UCITS ETF, iShares \$ Treasury Bond 7-10yr UCITS ETF, iShares £ Index-Linked Gilts UCITS ETF, iShares Euro Government Bond 3-5yr UCITS ETF, iShares Euro Government Bond 7-10yr UCITS ETF, iShares Euro Government Bond 15-30yr UCITS ETF, iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF, iShares UK Gilts UCITS ETF and iShares US Aggregate Bond UCITS ETF.

Euro Government bonds

Euro denominated government bonds generated solid returns during the Company's review period, due largely to the strong returns generated early in the reporting period. Signs that the economic malaise that had previously centred on peripheral eurozone economies, such as Greece, Italy and Spain, was increasingly impairing core eurozone economies, such as Germany and France, coupled with a reduction in inflationary pressures, highlighted the attractions of European fixed interest assets. During the first half of the Company's review period, the strong levels of support for anti-euro parties at the inconclusive Italian elections and the poorly handled Cyprus rescue that involved substantial contributions from larger bank depositors helped to underpin sentiment towards lower risk European government debt. However, global bond yields subsequently rose in May and June as the Fed revealed plans to pare down its QE programme. Nevertheless, although hopes that economic conditions were gradually improving were subsequently vindicated by confirmation that the eurozone had finally emerged from recession during the second quarter of 2013, signs that inflation was on the wane highlighted the ongoing attractions of fixed interest assets. With the ECB sanctioning a 0.25% interest rate cut in June, taking rates to all-time lows of 0.50%, European government bonds subsequently delivered solid investment returns, underpinned by indications that the pace of the 17 nation eurozone bloc's economic recovery is set to remain muted, as economic activity in France remained subdued. Following the end of the Company's review period, the ECB surprised investors by cutting interest rates to new all-time lows of 0.25%, following ECB President Mario Draghi's earlier pledge to continue supporting the recovery.

Investment Manager's report (continued)

MARKET REVIEW (continued)

Fixed income (continued)

Euro Government bonds (continued)

Longer-dated European government bonds broadly outperformed their shorter-dated peers during the Company's review year, reflecting receding concerns over the outlook for inflation as the single currency zone returned to subdued economic growth.

UK Government bonds

Gilt prices fell over the Company's review period, reflecting both the attractions of perceived 'safe haven' assets, as earlier worries over the eurozone sovereign debt crisis eased, and the UK economy's improved performance.

The gilt market lost ground early in the review period amid signs that inflation was remaining stubbornly above the official 2.00% target following the economy's recent recovery from recession. However, although gilt prices would subsequently find some support as investors sought the security of 'low-risk core' government bonds in the aftermath of inconclusive Italian elections and the poorly handled Cyprus bailout, the gilt market subsequently fell sharply alongside its international peers on news that the Fed was planning to wind down its bond buying QE programme. Increasingly bright signs from the domestic economy put further pressure on gilt prices, with data released in August showing that the economy grew by 0.70% during the second quarter. Surveys suggested that the growth was relatively broad based with the construction, production and services sectors all growing strongly. Stoked by government backed mortgage incentives, the housing market showed further signs of recovery. Against this backdrop, the Bank of England kept its own QE programme on hold. New Bank Governor Mark Carney's forward guidance policy was met with mixed reaction from investors; although official forecasts suggested that a relatively slow improvement in the jobs market would see Base Rate on hold at historic lows of 0.50% until 2016, speculation grew that a faster than expected improvement in the jobs market could see the first increase result in higher rates by the end of 2015.

UK Index-linked issues outperformed conventional gilts during the Company's review period. In addition to concerns over the resilience of UK inflation, news in January that proposed changes to the retail price index inflation calculation, a development that could have been detrimental to index-linked gilt holders, would not be implemented boosted sentiment towards index-linked gilts.

US Treasury bonds

US Government bonds fell in value over the course of the Company's review period as the steady improvement in the US economy raised the prospect that the Fed would begin the process of phasing out the QE stimulus.

Having lost ground early in the review period amid signs that the outlook for the world's largest economy was improving, US Treasuries subsequently delivered positive returns during the first quarter of 2013, with worries over the 'fiscal cliff' of spending cuts and Bush era tax concessions abated. Although the economic environment continued to broadly improve with the jobless rate falling from 7.90% in January to 7.50% in April, the consensus view was that the trading backdrop would need to show further improvement to persuade policymakers to pare back the bond buying programme. However, US debt markets fell sharply in May as rhetoric from Fed officials changed to suggest that the winding down of the \$85billion/month QE programme was set to begin before the end of the year, with the programme likely to end completely by mid-2014, assuming the economy continued to recover in line with forecasts. Amid volatile market conditions, with emerging market debt and equities hit by the prospect of an end to 'easy money', Fed chairman Ben Bernanke subsequently sought to reassure investors that an end to QE would not necessarily trigger higher interest rates.

With US 10 year bond yields rising from just over 1.60% in April to almost 3.00% in August, the Fed subsequently adopted a more cautious tone while maintaining the stimulus programme throughout the Company's review period. Officials cited the disappointing pace of improvement in the jobs market, the rise in mortgage rates since QE tapering was first mooted in May and uncertainty over the political stalemate that threatened to take the US into default while triggering the partial shutdown of the government. Although a short term political fix was subsequently agreed, helping US Treasuries to rally during the final weeks of the Company's review period, signs of ongoing strength in the US economy raised the prospect that the tapering of QE could yet be announced by early 2014. Over the Company's review period as a whole, inflation-protected US Treasury Bonds underperformed their conventional peers as the prospect of a potential winding down of QE allayed some fears that continuing the stimulus programme could heighten medium-term inflationary risks.

Investment Manager's report (continued)

MARKET REVIEW (continued)

Fixed income (continued)

US Investment grade bonds

iShares US Aggregate Bond UCITS ETF seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the total United States investment grade bond market as defined by the Barclays U.S. Aggregate Bond Index. In addition to US government bonds, the Fund also holds other securities, including investment grade corporate bonds and commercial mortgage backed securities. The Fund delivered negative returns over the course of the Company's review period but outperformed US government bonds as investment grade credit outperformed US government bonds. Against the backdrop of supportive central bank policies, investors' ongoing appetite for risk, as they searched for higher returns, helped credit markets to outperform the struggling US government bond market.

US High Yield Corporate bonds

Investors' ongoing appetite for attractive levels of income continued to drive demand for high yield debt during the Company's review period. Helped by central bank stimulus measures, investors continued to favour risk based assets, particularly lower-rated, higher-risk bonds, emboldened by signs that the US economic recovery was gaining traction. Although a downgrade to US fourth-quarter growth briefly weighed on sentiment towards high yield debt in late January, the uptrend soon re-exerted itself, underpinned by more encouraging payrolls and confidence data. Although high yield bonds made further progress at the start of the second quarter, the Fed's plans to wind down QE subsequently removed a prop from underneath higher risk markets as investors' appetite for risk was tested. However, although economic data remained positive, signs that the Fed was pushing back on its timescale for QE tapering boosted sentiment towards risk-based assets, with high yield debt a major beneficiary. Despite some volatility as the debt ceiling deadline loomed in mid-October, the stopgap political solution reassured investors, with high yields markets ending the Company's review period on a firm note.

Emerging markets bonds

Emerging market bonds ended the Company's review period lower, weighed by a fall in investors' appetite for risk in the wake of the Fed QE tapering plan.

Emerging market debt began the review period relatively well, as investors' appetite for risk was underpinned by confidence that ongoing QE would help to sustain inflows for assets perceived as offering higher return potential. While many regions, particularly Europe, struggled with low or negative rates of growth and high levels of debt, in contrast, many Asian economies continued to demonstrate more robust levels of activity and more positive debt dynamics. However, sentiment towards emerging markets deteriorated markedly during the second quarter of 2013. Although the corporate trading environment in emerging markets remained broadly positive as many economies performed relatively well, the announcement that the Fed was planning to phase out QE raised fears that inflows to emerging market debt and equity markets would be reversed as increased uncertainty persuaded investors to seek out safer havens in developed markets. In Europe, instability in neighbouring Syria and some concerns over the government's handling of security related issues weighed on sentiment towards Turkish debt.

However, although markets remained volatile, emerging market debt staged a partial recovery late in the review period amid some hopes that the US QE programme could be maintained for longer than some investors had feared when the possibility of an end to QE was first raised during the second quarter of 2013.

Property

This market background summary covers iShares Asia Property Yield UCITS ETF, iShares Developed Markets Property Yield UCITS ETF, iShares UK Property UCITS ETF and iShares US Property Yield UCITS ETF,

Property markets generated very strong returns over the Company's review period, underpinned by optimism over the demand outlook for office and retail space as the global economic outlook improved. Asian property markets generated disappointing returns; although most regional economies continued to perform relatively well, with Chinese economic growth picking up slightly late in the review period, the prospect of an end to QE and some concerns over the health of some parts of China's banking system weight on investors' risk appetite.

Investment Manager's report (continued)

MARKET REVIEW (continued)

Property (continued)

However, UK property assets performed strongly, cheered by signs that the domestic economy was growing strongly, potentially driving demand for office and retail space. A reduced volume of forced selling from the banking sector also helped prices. However, mainland European markets performed less strongly. Despite an easing of eurozone tensions and the single currency zone's emergence from recession, the prospects of subdued demand for commercial property, as the region's recovery lagged that of its US and UK peers, limited the upside. Meanwhile, US property generated solid returns but lagged those of the UK market during the review period. Although the economic recovery gathered some momentum, concerns over ongoing political risks following the temporary raising of the debt ceiling limited the US market's gains.

Other speciality areas

This market background summary covers iShares Emerging Market Infrastructure UCITS ETF, iShares Global Clean Energy UCITS ETF, iShares Global Infrastructure UCITS ETF, iShares Global Timber and Forestry UCITS ETF, iShares Global Water UCITS ETF and iShares Listed Private Equity UCITS ETF.

Global infrastructure

Infrastructure related investments delivered solid returns over the Company's review period, albeit that the gains marginally lagged behind gains of wider global markets. The bulk of the gains were achieved during the early half of the review period, cheered by optimism that the global economic recovery would help to stimulate demand for infrastructure. However, the sector fell sharply in tandem with wider equity markets during the second quarter of 2013 amid concerns that the Fed was preparing to scale back its stimulus programme. Infrastructure related equities in both the developed and developing markets endured a volatile final few months of the Company's review period as investors sought to balance the uplift to corporate profits from the ongoing global economic upturn with concerns that some of the US stimulus was likely to be withdrawn over the next few months as the US economy improved.

Private equity

Private equity shares generated exceptionally strong returns over the Company's review period. Asset prices were boosted by the massive scale of central measures to underpin the global economy, while rising stock markets also significantly increased the value of listed assets held by private equity companies. Although the bank lending environment remained tight in some markets, many companies were able to take advantage of historically low borrowing costs in corporate bond markets, where yield spreads over government bonds have continued to tighten. Such was the growth of investor interest in private equity that the sector suffered only a relatively limited setback in the wake of the Fed QE tapering announcement during the second quarter. The prospect of further improvements in global merger & acquisition (M&A) activity also served to drive the value of many private equity companies' assets higher. With investor interest in private equity rising, speculation of consolidation within the private equity industry also served to bolster some share prices within the sector.

Timber

Forestry and timber industry equities ended the Company's review period with very robust gains, reflecting the improving demand outlook both from the paper and packaging industries as the global economic recovery gathered further traction. The recovery in the US housing market lent further support to timber related equities, with the S&P/Case Shiller house price index extending its rise. Although sentiment briefly weakened toward the end of the second quarter as the Fed's plans to taper QE prompted a steady rise in mortgage rates, a development that could have impacted on both house sales and new home construction, robust demand from the house building industry helped to push timber industry equities higher towards the end of the Company's review period.

Water

Water industry equities generated very strong returns during the Company's review period, broadly outperforming wider global equity markets. Early in the review period a further easing of tensions in the eurozone, where several of the water sector's larger companies are based, underpinned the sector's returns. Although water industry equities subsequently suffered short term underperformance during sporadic periods when confidence in the strength of the global economic recovery saw cyclical sectors find favour, the reliable, defensive nature of water companies' earnings became more attractive during periods of market tensions. Having fallen in line with wider equity markets late in the second quarter as Fed QE tapering concerns deepened, water industry shares subsequently rallied to set new highs for the review period. The relative security of the water sector's earnings in the face of rising uncertainties related to the future of QE supported prices. Meanwhile, M&A speculation also served to underpin some valuations, with the UK's Severn Trent rebuffing a takeover offer from a consortium including large Kuwaiti investors.

Investment Manager's report (continued)

MARKET REVIEW (continued)

Other speciality areas (continued)

Clean energy

Although conventional energy companies broadly delivered disappointing returns over the Company's review period, the environmentally friendly energy sector delivered very strong returns. Despite the broad improvement in the global economic outlook, concerns over the lack of clear earnings drivers for many conventional energy majors hindered their performance over the year. However, in stark contrast, the clean energy sector produced exceptional gains over the Company's review period, outperforming both the conventional energy sector and wider global equity markets by a considerable margin. Following poor returns in 2011 and much of 2012 amid concerns that faltering global economic growth and the eurozone sovereign debt crisis would weigh on governments' commitment to clean energy, optimism over the improving demand outlook as the economic outlook improved lifted clean energy stocks sharply higher for much of 2013.

Stocks such as Danish based wind turbine maker Vestas Wind Systems and US listed photovoltaic panel maker First Solar delivered very strong gains amid hopes that the improved rates of economic growth and an easing of eurozone tensions are feeding through to enhance the trading outlook for green energy companies.

Sustainability Funds

This market background summary covers iShares Dow Jones Global Sustainability Screened UCITS ETF and iShares Dow Jones Europe Sustainability Screened UCITS ETF.

iShares Dow Jones Global Sustainability Screened UCITS ETF and iShares Dow Jones Europe Sustainability Screened UCITS ETF invest in companies based on long term economic, environmental and social criteria, across sectors excluding the alcohol, tobacco, gambling, armaments, firearms and adult entertainment industries.

Sustainability funds generated strong returns over the Company's review period, delivering returns close to those of wider equity markets. Although sustainability funds' lack of exposure to companies involved in tobacco and alcohol weighed to some extent on their performance as sectors with reliable, relatively secure earnings found favour during a period of market uncertainty, the effect was largely offset by sustainability funds' large relative exposure to sectors such as financials and information technology which performed well during periods of greater optimism over the economic cycle. iShares Dow Jones Global Sustainability Screened UCITS ETF outperformed iShares Dow Jones Europe Sustainability Screened UCITS ETF over the Company's review period. The latter's returns were weighed to some extent towards the end of the year by the underperformance of leading European listed food and consumer products companies that reported weaker than expected earnings amid disappointing demand growth in emerging markets.

**BlackRock Advisors (UK) Limited
November 2013**

Investment Manager's report (continued)

SHARI'AH COMPLIANT FUNDS

iShares II plc has 3 Shari'ah compliant funds, namely:

- iShares MSCI Emerging Markets Islamic UCITS ETF;
- iShares MSCI USA Islamic UCITS ETF;
- iShares MSCI World Islamic UCITS ETF.

These Funds are the subject of additional controls and procedures that enable them to achieve their investment objective as set out below. The Funds aim to reflect the performance of emerging markets, US equities and global equities respectively, screening the individual constituents of the relevant stock indices for compliance with Shari'ah investment principles.

RISK FACTORS

The benchmark index and its constituent holdings will be retrospectively determined as being Shari'ah compliant by the MSCI Shari'ah Board. The performance of the Funds is measured against the specific benchmark index which is stated by this index provider to be compliant with Shari'ah. The Funds will gain exposure to the component securities of the benchmark index in accordance with the guidance and advice provided by the Shari'ah Panel appointed by the Investment Manager. As a consequence, this may mean that the Funds underperform other investment funds with comparable investment objectives that do not seek to adhere to Islamic investment criteria (for example the inability to invest in interest bearing securities or participate in securities lending).

Neither the Funds, the Manager nor the Investment Manager makes any representation or warranty either expressly or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of such determination. In the event that the status of such Shari'ah compliance should change, neither the Funds, the Manager nor the Investment Manager accepts liability in relation to such change, but will endeavour to inform each investor as soon as reasonably practicable following such change.

Although the Funds intend to observe Shari'ah at all times, no such assurance can be given as, for example, there may be occasions when the Funds' Investments do not fully comply with such criteria for factors outside the control of the Funds.

Compliance with Shari'ah may result in the benchmark index changing its component securities with limited notice in which case the Investment Manager may be required to dispose of Investments in circumstances that are less advantageous than might otherwise be the case. Similarly, cash balances held by the Funds from time to time may be deposited on terms which shall grant no return on the sum deposited for the benefit of the Funds.

INVESTMENT AND BORROWING RESTRICTIONS

Shari'ah investment principles do not allow investment in companies which are directly active in, or derive more than 5% of their revenue (cumulatively) from, the following activities:

- alcohol: distillers, vintners and producers of alcoholic beverages, including producers of beer and malt liquors, owners and operators of bars and pubs;
- tobacco: cigarettes and other tobacco products manufacturers and retailers;
- pork related products: companies involved in the manufacture and retail of pork products;
- financial services: commercial banks involved in retail banking, corporate lending, investment banking; companies involved in mortgage and mortgage related services; providers of financial services, including insurance, capital markets and specialised finance; credit agencies; stock exchanges; specialty boutiques; consumer finance services, including personal credit, credit cards, lease financing, travel related money services and pawn shops; financial institutions primarily engaged in investment management, related custody and securities fee-based services; companies operating mutual funds, closed-end funds and unit investment trusts; financial institutions primarily engaged in investment banking and brokerage services, including equity and debt underwriting, mergers and acquisitions; securities lending and advisory services institutions; and insurance and reinsurance brokerage firms, including companies providing property, casualty, life disability, indemnity or supplemental health insurance;
- defence/weapons: manufacturers of military aerospace and defence equipment, parts or products, including defence electronics and space equipment;

Investment Manager's report (continued)

SHARI'AH COMPLIANT FUNDS (continued)

INVESTMENT AND BORROWING RESTRICTIONS (continued)

- (f) gambling/casino: owners and operators of casinos and gaming facilities, including companies providing lottery and betting services;
- (g) music: producers and distributors of music, owners and operators of radio broadcasting systems;
- (h) hotels: owners and operators of hotels;
- (i) cinema: companies engaged in the production, distribution and screening of movies and television shows, owners and operators of television broadcasting systems and providers of cable or satellite television services; and/or
- (j) adult entertainment: owners and operators of adult entertainment products and activities.

The Shari'ah Funds will also not invest in any company:

- (a) having a ratio of interest-bearing debt to equity (book value of interest-bearing debt to market value of equity) of more than 33.33%;
- (b) whose cash (including balances with banks) and interest-bearing securities is more than 33.33% of total market capitalisation;
- (c) whose receivables are equal to or greater than 70% of total assets; and/or
- (d) whose total assets are made up solely of cash, including balances with banks, non-tangible assets and/or accounts receivables.

In addition, the Shari'ah Funds will not make use of any of the following financing methods and instruments:

- (a) fixed income instruments such as bonds;
- (b) interest-based instruments or accounts;
- (c) derivatives;
- (d) short selling; or
- (e) securities lending.

SHARI'AH PANEL

Compliance with Shari'ah in the operations of the Shari'ah Funds shall be determined by the Shari'ah Panel. The Shari'ah Panel consists of Shari'ah scholars with expertise in Islamic investment. The Shari'ah Panel's primary duties and responsibilities are to:

- (i) advise on the Shari'ah aspects of the Shari'ah Funds,
- (ii) issue an opinion, by way of a Fatwa, ruling or guidelines as to whether the activities of the Shari'ah Funds comply with Shari'ah and
- (iii) make recommendations or issue guidance as to how the Shari'ah Funds could be made Shari'ah compliant. The Investment Manager may also, from time to time, utilise alternative methods for gaining exposure to the component securities of the Benchmark Index (e.g. ADRs/GDRs or other collective investment schemes) and may request the Shari'ah Panel to assess the proposed method of investment for compliance with Shari'ah law. The Investment Manager relies on the Shari'ah Panel's advice and guidance in ensuring that the Shari'ah Funds operate in a manner which is Shari'ah compliant.

The Shari'ah Panel will not be responsible for matters relating to:

- (i) the management and supervision of the Company and its Funds, operations or vendors (not pertaining to Shari'ah),
- (ii) the application of Irish or other jurisdictional law,
- (iii) determining which securities form the underlying constituents of any index which acts as the benchmark of the Shari'ah Funds or any other Fund of the Company,
- (iv) determining what is the appropriate method to calculate dividend purification of the underlying securities in any such index and
- (v) determining in individual cases what form of security is appropriate to be held in order to match the return of the underlying securities in any such index (equity, depository or otherwise) provided always that the MSCI Shari'ah Board has determined generally that such form of security is compliant with Shari'ah.

Investment Manager's report (continued)

SHARI'AH COMPLIANT FUNDS (continued)

SHARI'AH PANEL (continued)

Following guidance of the Shari'ah Panel, the Investment Manager will ensure that any provisions or references to investment methods or techniques in the prospectus, which would otherwise be available to the Shari'ah Funds in pursuing their investment policies, are not availed of to the extent they are not Shari'ah compliant. The Shari'ah Panel will advise on alternative investment techniques for the Shari'ah Funds which comply with the Shari'ah Funds' investment policies and are Shari'ah compliant.

The Shari'ah Panel has issued a Fatwa in respect of the Shari'ah Funds. The Shari'ah Panel has issued an annual Shari'ah compliance certificate for the Shari'ah Funds.

Conflicts of interest relating to the investment of the Shari'ah Funds' assets may arise between members of the Shari'ah Panel and the Shari'ah Funds. In the event that a conflict of interest does arise, members of the Shari'ah Panel will endeavour, so far as they are reasonably able, to ensure that it is resolved fairly and that investment opportunities are allocated on a fair and equitable basis. Subject to this, members of the Shari'ah Panel may effect transactions where those conflicts arise and shall not be liable to account for any profit, commission or other remuneration arising.

Remuneration of the Shari'ah Panel is paid by the Investment Manager of the Shari'ah Funds.

PURIFICATION OF DIVIDENDS

Investors are responsible for ensuring the purification of dividends received from the Funds where such dividends include prohibited income (e.g. interest earnings). Investors shall be notified on the dividend declaration date of the percentage of prohibited income in any dividend to be paid to them which will require purification. Pure and impure dividend amounts reported to investors will be based on MSCI's calculation to ensure consistency with the benchmark index. Neither the Funds, the Manager nor the Investment Manager is responsible for MSCI's calculation of the pure and impure dividend amounts.

BlackRock Advisors (UK) Limited
November 2013

iShares II plc

Chairman's Statement

The Board of iShares II plc (the "Company") considers corporate governance matters and adherence to codes of best practice to be of upmost importance. As Chairman of the Board, I believe that it has operated effectively throughout my time on the board and throughout the year and that its role and its composition are well defined, appropriate and supports the long-term development of the Company.

Overview of the Company

The Company is incorporated in Ireland as a public limited company pursuant to the Companies Acts 1963 to 2013 (the "Companies Acts") and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 as amended (the "UCITS Regulations") and is regulated by the Central Bank of Ireland.

The Company is an exchange traded fund ("ETF"). The Funds of the Company pursue strategies of either tracking or replicating the performance of a benchmark index in order to deliver the objectives of each fund.

The Company's sole objective is the collective investment in transferable securities and by its nature it operates a delegated model under which the Board exercises overall central management and control over its activities. The management and administration is delegated to BlackRock Asset Management Ireland Limited (the "Manager") which, in turn has appointed BlackRock Advisors (UK) Limited (the "Investment Manager") as the Investment Manager. The Manager has delegated the administration of the Company and its funds to State Street Fund Services (Ireland) Limited (the "Administrator") including the calculation of the daily net asset value, and the preparation of the accounts of the Company subject to the overall supervision of the Directors and the Manager, while Computershare Investor Services Limited has been appointed registrar of the Company. The Company has appointed State Street Custodial Services (Ireland) Limited (the "Custodian") as Custodian of the assets with responsibility for the safe keeping of such assets, pursuant to the UCITS Regulations. As part of its fiduciary responsibility to the Company the Custodian provides a certain level of ongoing oversight of the Company as well as reporting on the conduct of the Company in each annual accounting period. (see page 49).

In accordance with Guidance Note 4/07 on the Organisation of Management Companies issued by the Central Bank of Ireland, the Board of the Manager has identified BlackRock personnel who monitor and control the management functions as outlined therein. These BlackRock personnel report to the Board of the Manager and the Company on a regular basis. The management functions delegated by the Directors of the Company are subject to appropriate reporting and ratification procedures, which are designed to ensure that the appropriate reports are received in a timely fashion such that the Board can discharge its duties, as part of the governance framework put in place by the Company. The Board reviews risk reporting on a regular basis together with an annual review of internal controls and risk management from the Manager.

The Board

Following the 2012 Board performance evaluations, in the interest of renewal and in the pursuit of increased governance a decision was made to reorganise the Board, so that the Board of the Company and the Board of the Manager would be separate. As a result of this reorganisation the Board changed substantially during the year, please see further details in the Board Composition section of the Corporate Governance Statement on page 34.

The revised Board comprises five Directors, two of whom are independent. The members of the revised Board were chosen for their range of skills and experience - Paul McGowan has extensive experience in the area of tax, financial services and corporate governance, Karen Prooth has over twenty years' experience in the asset management industry, Cora O'Donohoe has considerable experience in the area of portfolio management, Barry O'Dwyer has extensive knowledge and experience in corporate governance and I have over 25 years' experience in the banking and finance, fund management and securities processing industries.

Matters relating to the Company during the period

There were 33 funds within the Company as at 31 October 2013. It is the opinion of the Board that all of these funds have performed in line with their benchmarks and that any tracking differences have been explained in the Investment Manager's Report on pages 11 to 14.

The number of funds and shares classes in operation during the year has remained unchanged. There were a number of Fund and benchmark index name changes made during the year and details can be found in the Background section on pages 4 and 5.

Chairman's Statement (continued)

Matters relating to the Company during the period (cont)

Effective 3 December 2012, the Company changed the method by which it monitors, measures and manages Global Exposure from the Commitment Approach to Value at Risk (VaR). As such, VaR has been used for risk disclosure purposes in the financial statements.

The European Securities and Markets Authority ("ESMA") consolidated Guidelines on ETFs and other UCITS issues (the "Guidelines") entered into force on 18 February 2013. The Guidelines introduce disclosure requirements applicable to UCITS ETFs, index-tracking by UCITS, the use of efficient portfolio management ("EPM") techniques and over-the-counter ("OTC") derivatives by UCITS, the management of collateral received by UCITS in this context, and the eligibility of financial indices for investments by UCITS. As a result, additional disclosures have been made in the financial statements in order to meet these requirements.

Additional information on the Company can be found in the Background section on pages 4 to 9 and in the Investment Manager's Report on pages 10 to 27.

Paul McNaughton
Chairman
27 February 2014

iShares II plc

Board of Directors

Paul McNaughton (Irish) Chairman of the Board, Independent non-executive Director, member of the Audit Committee and Nomination Committee (appointed 31 March 2013): Mr McNaughton has over 25 years' experience in the Banking/Finance, Fund Management & Securities Processing Industries. In addition Mr McNaughton spent 10 years with IDA (Ireland) both in Dublin and in the USA marketing Ireland as a location for multinational investment. He went on to establish Bank of Ireland's IFSC Fund's business before joining Deutsche Bank to establish their funds business in Ireland. He was overall Head of Deutsche Bank's Offshore Funds business, including their hedge fund administration businesses primarily based in Dublin and the Cayman Islands, before assuming the role of Global Head of Deutsche's Fund Servicing business worldwide. Mr McNaughton left Deutsche Bank in August 2004 after leading the sale of Deutsche's Global Custody and Funds businesses to State Street Bank and now acts as an advisor and non-executive Director for several investment companies and other financial entities in Ireland including several alternative/hedge fund entities. Mr McNaughton holds an Honours Economics Degree from Trinity College Dublin. He was the founding Chairman of the Irish Funds Industry Association ("IFIA") and a member of the Irish Government Task Force on Mutual Fund Administration. He was instrumental in the growth of the funds business in Ireland both for traditional and alternative asset classes.

Paul McGowan (Irish) Chairman of the Audit Committee, Independent non-executive Director, Senior Independent Director and Member of the Nomination Committee (appointed 31 March 2013): Mr McGowan was a financial services tax partner in KPMG (Ireland) for more than 25 years and was Global Head of Financial Services Tax for KPMG (International). He is a former Chairman of the Irish Funds Industry Association. He currently holds a number of non-executive directorships including Chairman of AEGON Ireland PLC and a Director of Milestone Aviation Limited. He is also Chairman of the IFSC Funds Group established by the Department of the Taoiseach and was appointed to the EU Arbitration Panel on transfer pricing by the Irish Government. Mr McGowan is a Fellow of the Institute of Chartered Accountants in Ireland and holds a business studies degree from Trinity College Dublin and a Diploma in Corporate Financial Management from Harvard Business School.

Cora O'Donohoe (Irish nationality, British resident) Non-Executive Director (appointed 31 March 2013): Mrs O'Donohoe is a Managing Director of BlackRock. She was, until recently, head of the portfolio management team in BlackRock's Index Equity Group in Europe where she was responsible for the portfolio management teams that manage the institutional and iShares product range. She is currently involved in supporting the Index business in EMEA and represents the business in a number of areas including being responsible for the integration of the investment technology platform and product operating model. Mrs O'Donohoe's service with the firm dates back to 1995, including her years with Barclays Global Investors (BGI), which merged with BlackRock in 2009.

At BGI, she was head of portfolio management for the Index Equity team. Previously, Mrs O'Donohoe was an Executive Director at Goldman Sachs. Mrs O'Donohoe earned a BA degree in History and English from University College Dublin.

Barry O'Dwyer (Irish) Non-Executive Director and member of the Nomination Committee (appointed 24 June 2008): Mr O'Dwyer is a Managing Director of BlackRock and is responsible for oversight of Corporate Governance for BlackRock's European open-ended fund range. He is the Chief Operating Officer for BlackRock's Irish business and serves as a Director on a number of BlackRock corporate, fund, and management companies in Ireland, Luxembourg, and Germany and on BlackRock's UK Life company. He is a governing council member of the Irish Funds Industry Association and a Board Director of Financial Services Ireland. He joined BlackRock Advisors (UK) Limited in 1999 as head of risk management and moved to his present role in 2006. Prior to joining BlackRock Advisors (UK) Limited, Mr O'Dwyer worked as risk manager at Gartmore Investment Management and at HypoVereinsbank and National Westminster Bank. Mr O'Dwyer graduated from Trinity College Dublin with a degree in Business Studies and Economics in 1991. He holds a Chartered Association of Certified Accountants qualification and an MBA from London City University Business School.

Karen Prooth (British) Non-Executive Director (appointed 31 March 2013): Ms Prooth is a Managing Director at BlackRock and is the Chief Operating Officer ("COO") of iShares in EMEA, BlackRock's Exchange Traded Funds (ETF) business. She has over twenty years' experience in the asset management industry. Ms Prooth joined Barclays Global Investors ("BGI" now Blackrock) in 2007. Prior to joining BGI, Ms Prooth spent 17 years at JP Morgan Asset Management ("JP Morgan") where she was a Managing Director in a number of roles including COO of the International Equity and Balanced business and Head of Risk for EMEA. She was also a Trustee Director of the JP Morgan Chase Pension Plan and a member of the Pension Plan Investment Committee. Prior to her time at JP Morgan, she was a quantitative analyst at Prudential Portfolio Managers. Ms Prooth graduated from the University of Leeds with first class honours in Mathematics and Operational Research in 1986.

Nicholas C.D. Hall (British) Non-Executive Director (resigned 31 December 2012): Mr Hall was, until he retired in May 2009, General Counsel of BlackRock International (previously known as Merrill Lynch Investment Managers International) based in London which position he held from his appointment in August 1998. He joined the Group in 1983. He was educated at St. Catharine's College, Cambridge graduating with a MA (Law) degree in 1975. He qualified as a solicitor in England and Wales in 1978 and in Hong Kong in 1987. He is a non-executive Director of BlackRock Investment Management (UK) Limited, BlackRock Advisors (UK) Limited, BlackRock International Limited, BlackRock Life Limited, Chairman of the Board of BlackRock Global Funds and serves on the Boards of a number of other BlackRock entities and sponsored funds.

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Board of Directors (continued)

Geoffrey D. Radcliffe (British nationality, Luxembourg resident) – member of the Audit and Risk Committee – Non-Executive Director (resigned 31 December 2012): Mr Radcliffe is a Managing Director of BlackRock and is based in Luxembourg. He is a Fellow of The Institute of Chartered Accountants in England & Wales and an Associate of The Chartered Institute of Bankers. Mr Radcliffe has 30 years of banking, accounting and fund experience in the Isle of Man, London, Bermuda and Luxembourg. Mr Radcliffe joined the BlackRock Group in 1998. He is responsible for BlackRock EMEA and Asia Pacific Fund Administration and is also a Director of a number of BlackRock funds and group companies.

Mark Stockley (British) Non-Executive Director (resigned 28 November 2012): Mr Stockley joined BlackRock in 2005 and before leaving BlackRock in 2013 he was Head of International Cash Sales. He has 25 years of experience in the financial services industry and has held senior positions with major industry participants in London, Luxembourg and Hong Kong. He was previously the Treasurer and Deputy Chairman of the Institutional Money Market Funds Association and has attended executive development programs run by the International Institute for Management Development and Wharton University of Pennsylvania.

William Roberts, (British nationality, Irish resident) Chairman of the Board, Independent non-executive Director (resigned 31 March 2013): Mr Roberts was admitted as a lawyer in Scotland, Hong Kong, Bermuda and the Cayman Islands. From 1990 to 1999, he was Senior Assistant (1990-1994) and then Partner (1994-1999) with W.S. Walker & Company where he concentrated on collective investment vehicle formation and provided ongoing vehicle advice with particular focus on hedge and private equity funds. From 1996 to 1999 he served as a Director of the Cayman Islands Stock Exchange. Between 1998 and 2000, he was Secretary to the International Bar Associations' sub-committee on specialised investment funds. Currently Mr Roberts serves as a Director to a number of investment companies and investment management companies domiciled in Ireland and the Cayman Islands.

Graham Bamping (British) Non-Executive Director (resigned 31 March 2013): Mr Bamping is a Managing Director of BlackRock and was until May 2012 Retail Investment Director for BlackRock EMEA and is now acting solely as a Director on BlackRock and Fund Management Company Boards. As Retail Investment Director he was responsible for establishing and monitoring investment expectations for all BlackRock's Retail Funds in the EMEA region. He was also responsible for BlackRock's relationships with mutual fund rating agencies. He serves as a Director of BlackRock Fund Managers Limited, BlackRock (Channel Islands) Limited and BlackRock (Luxembourg) SA, the management company for BlackRock's Luxembourg-domiciled UCITS Funds.

Mr Bamping's service with the firm dates back to 1999, including his years with Merrill Lynch Investment Managers (MLIM), which merged with BlackRock in 2006. He joined MLIM as Director of Investment Communications, and assumed the role of Retail Investment Director in December 2001. Prior to joining MLIM, his career spanned more than 20 years in various capacities at Morgan Grenfell Asset Management (Deutsche Asset Management). He holds an MA in Economics from Cambridge University.

John Donohoe (Irish) Independent Non-Executive Director – member of the Audit and Risk Committee (resigned 31 March 2013): Mr Donohoe is CEO and Principal of Carne Global Financial Services Limited, a leading Funds Governance specialist within the global asset management industry. He has over twenty years experience in the financial services industry holding senior positions with Deutsche Bank (a managing director), State Street and KPMG. He has served as an executive/non-executive Director on various Deutsche Bank boards, including Deutsche International (Ireland) Limited, Morgan Grenfell & Co Limited (Deutsche's UK investment bank), Deutsche Trustees (UK) Limited and The WM Company Limited. Mr Donohoe spent 12 years with Deutsche Bank, where he rose to become CEO, Europe, Asia and Offshore, Deutsche Global Fund Services. Prior to establishing Carne, Mr Donohoe was a Senior Vice-President of State Street. Mr Donohoe qualified as a Chartered Accountant with KPMG. He is a Fellow of the Institute of Chartered Accountants and holds a First Class Honours Degree in Accounting & Finance from Dublin City University.

Liam Miley (Irish) Non-Executive Director – member of the Audit and Risk Committee (resigned 31 March 2013): Mr Miley joined BlackRock in January 2012 and is a Managing Director within the Financial Markets Advisory Group EMEA region, with a focus on BlackRock's business in Ireland. Prior to joining BlackRock, Mr Miley served with LBBW Asset Management (Ireland) plc for 12 years, initially as Head of Credit, and since 2002 as Managing Director. LBBWI, which was a MiFID authorised firm, was involved in the provision of investment management, risk analytics, valuations and administration services to funds and conduit structures. Prior to joining LBBWI, he held a variety of positions with Industrial Credit Corporation, Barclays Bank-BZW and Smurfit Paribas Bank over a period of 18 years. Mr Miley is a Fellow of the Chartered Association of Certified Accountants, a graduate of the Advanced Management Program, Harvard Business School and is a Chartered Director.

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Board of Directors (continued)

Desmond Murray (Irish) Independent Non-Executive Director – member of the Audit and Risk Committee (resigned 31 March 2013):

Mr Murray is a company Director and business consultant based in Dublin. Mr Murray was educated at University College, Dublin, graduating with a Bachelor of Commerce degree in 1976. He is a Fellow of the Irish Institute of Chartered Accountants and the Hong Kong Society of Accountants. Mr Murray was an Audit Partner in PricewaterhouseCoopers Hong Kong from 1987 until June 2000, initially specialising in Financial Services, and he was the lead Partner of the firm's Internal Audit and Corporate Governance practice until the same date. Mr Murray previously worked with Price Waterhouse in Dublin from 1976 to 1984. Mr Murray is a Director of a number of other investment funds domiciled in Ireland and the Cayman Islands. He is also a Director of a number of Irish domiciled companies and two Hong Kong listed companies in which he acts as chairman of their audit committees and as an independent non-executive Director.

iShares II plc

Corporate Governance Statement

Introduction

The Board of the Company (an umbrella open-ended investment company with variable capital and having segregated liability between its funds (an “Investment Company”)), is committed to maintaining the highest standards of corporate governance and is accountable to shareholders for the governance of the Company’s affairs. The Company is subject to the United Kingdom Listing Authority Listing Rules (the “UKLA Listing Rules”) as they apply to overseas open-ended investment funds under Chapter 16 of the UKLA Listing Rules, and applicable chapters of the Financial Conduct Authority (“FCA”) Disclosure and Transparency Rules; available at <http://www.fca.org.uk> (the “DTR Rules”). The Company is subject to the governance standards set out in the UK Corporate Governance Code (the “Code”) issued by the Financial Reporting Council in September 2012, which is applicable to accounting periods beginning on or after 1 October 2012. The Company is also subject to corporate governance practices imposed by the Central Bank of Ireland (the “Central Bank”) in their UCITS Notices and Guidance Notes which can be obtained from the Central Bank’s website at <http://www.centralbank.ie/regulation/industry-sectors/funds/ucits/Pages/default.aspx> and are available for inspection at the registered office of the Company.

The Board has considered the principles and recommendations of the Code and has put in place a framework for corporate governance which it believes both adheres to best practice and is appropriate for the Company, given the nature of its structure as an Investment Company.

The Code is published by the Financial Reporting Council (FRC) and is available to download from <http://www.frc.org.uk>. The Company has also voluntarily adopted the Irish Funds Industry Association Corporate Governance Code for Collective Investment Schemes and Management Companies (Dec 2011) (the “IFIA Code”) and, in addition, refers to this Code for the period under review. The IFIA Code can be obtained from the IFIA website at <http://www.irishfunds.ie/media-centre/news-archive/67-corporate-governance-code-and-faqs/>.

The Company’s sole objective is the collective investment in transferable securities and/or other liquid financial assets referred to in Regulation 68 of the Regulations of capital raised from the public and which operates on the principle of risk spreading. The Articles of Association of the Company provide that the Company may offer separate classes of shares, each representing interests in a fund comprising a distinct portfolio of investments. The shares of each fund are issued on different terms and conditions to those of the other funds. The specific investment objectives and policies of each fund are formulated by the Directors at the time of the creation of the fund and any change to a fund’s investment objective and/or material change to the investment policy of a fund is subject to the prior consent of Shareholders evidenced by either a majority vote at a meeting of Shareholders of a fund or by written consent of all the Shareholders. The Company is an exchange traded fund. The funds of the Company pursue strategies of either tracking or replicating the performance of a benchmark index in order to deliver the objectives of each fund.

This statement summarises the corporate governance structure and processes in place for the Company for the period under review, i.e. from 1 November 2012 to 31 October 2013.

Compliance

The Board has made the appropriate disclosures in this report to ensure the Company meets its continuing obligations pursuant to the UKLA Listing Rules and the DTR Rules. It should be noted that as an Investment Company all of the Company’s day-to-day management and administration is delegated to BlackRock group companies such as the Manager and the Investment Manager and other third party service providers. The Company has no employees and the Directors are all non-executive. The Board recognises that the shareholders of the Company invest into a regulated Investment Company and considers that the governance structure and operational processes in place for the Company are suitable for an Investment Company.

The Board considers that the Company has complied with the relevant provisions contained within the Code throughout this accounting period except, as explained below, where departure from the Code is considered appropriate given the Company’s position as an Investment Company. This Corporate Governance Statement, together with the Statement of Directors’ Responsibilities set out on pages 45 and 46, describes how the main principles of the Code are applied to the Company.

The Code includes provisions relating to:-

- (i) the appointment and role of the Chief Executive;
- (ii) executive Directors’ remuneration;
- (iii) the need for an internal audit function; and
- (iv) the need to establish a Remuneration Committee.

Corporate Governance Statement (continued)

Compliance (continued)

The Board does not consider these provisions appropriate to the Company. Therefore the Company was not compliant with these provisions during and post the period under review.

In addition, the Code includes provisions relating to:

- (i) the need to designate a Director as a Senior Independent Director; and
- (ii) the need to establish Audit and Nominations Committees.

The Company was not compliant with these provisions for part of the period under review and outlines below the changes to ensure full compliance in the future.

The Code also includes provisions for the re-election of Directors by shareholders with which the Company was not in compliance during the period under review. The Board is currently considering a re-election policy in line with the Code.

The Board considers that the Company has complied with each of the provisions contained within the IFIA Code throughout this accounting period except in relation to the requirement to document the time commitment expected from those Directors who are also employees of the BlackRock group, in a letter of appointment. The Company has been in compliance with this requirement since 31 March 2013.

Board Composition

The Board currently consists of five non-executive Directors, two of whom are deemed to be independent. The Board is committed to maintaining an appropriate balance of skills, experience, independence and knowledge amongst its members.

The composition of the Board changed substantially during the period under review. As part of a planned renewal, Mr Mark Stockley resigned from the board with effect from 28 November 2012 and Mr Nicholas Hall and Mr Geoffrey Radcliffe resigned from the Board with effect from 31 December 2012. In the final stage of this planned board renewal, the following Directors resigned from the Company (and continue as Directors of the Manager) with effect from 31 March 2013: Mr William Roberts (Chairman), Mr Graham Bamping, Mr John Donohoe, Mr Liam Miley and Mr Desmond Murray. Following receipt of approval by the Central Bank of Ireland, the following Directors were appointed on the same date: Mr Paul McNaughton (Chairman), Mr Paul McGowan, Ms Karen Prooth and Ms Cora O'Donohoe. Mr Barry O'Dwyer remains a Director of the Company and also continues as a Director of the Manager.

In accordance with the Code, the Board has carried out an assessment based on the independence requirements set out therein and has determined that, in its judgment the Chairman, Paul McNaughton, and Paul McGowan are independent within the meaning of those requirements. They are independent of the Manager, the Investment Manager and other third party service providers such as the Administrator and Custodian. The Board has also considered and is satisfied that the presence of two non-executive independent Directors (including the Chairman) is an appropriate balance for the Board. Effective 31 March 2013, the Board appointed Mr Paul McGowan as the Senior Independent Director.

The Directors' biographies (incorporating the incoming Directors), on pages 30 to 32, collectively demonstrate a breadth of investment knowledge, business and financial skills which enables them to provide effective strategic leadership, oversight and proper governance of the Company.

Delegation of responsibilities

The Directors of the Company have delegated the following areas of responsibility:

Management and Administration

The Directors of the Company have delegated the investment management, distribution and administration of the Company and its Funds to the Manager. The Manager has delegated the management of the investment portfolio to the Investment Manager. The Investment Manager operates under guidelines determined by the Company and as detailed in the Company's prospectus and the various supplementary prospectuses relating to the Company's Funds. The Investment Manager has direct responsibility for the decisions relating to the day-to-day running of the Company's Funds and is accountable to the Board of the Manager and the Company for the investment performance of the Funds.

Corporate Governance Statement (continued)

Delegation of responsibilities (continued)

The Company has appointed the Custodian, as custodian of its assets, which has responsibility for safe-keeping of such assets, pursuant to the Regulations. The Custodian is a subsidiary of State Street Bank & Trust Co.

The Manager has delegated the administration of the Company and its funds to the Administrator including the calculation of the daily net asset value, and the preparation of the accounts of the Company subject to the overall supervision of the Board and the Manager.

During the period, the Board of the Company established a Nominations Committee and an Audit Committee and the Board of the Manager continued to operate an Audit and Risk Committee. The Directors of the Company have delegated certain functions to these committees. Please see “Committees of the Board” pages 36 to 38 below for further details.

Insurance

The Company has maintained appropriate Directors’ and Officers’ liability insurance cover throughout the period.

Board’s Responsibilities

The Board meets monthly and also on an ad hoc basis as required. All Directors are expected to attend each meeting and the attendance at board and committee meetings during the period is set out below. Directors are provided with relevant papers in advance of each meeting. In addition, electronic copies of meeting papers and other relevant information are available to Directors. If a Director is unable to attend a meeting, they will still receive the supporting papers. During the period, the ad hoc meetings were arranged at short notice and it was not always possible for all Directors to attend.

The Board reserves to itself decisions relating to the determination of investment policy and objectives, any change in investment strategy, the appointment and removal of the Company Secretary and entering into any material contracts. The Board also approves the prospectus, circulars to shareholders, listing particulars and other relevant legal documentation. A formal schedule of matters specifically reserved for decision by the Board is maintained.

Any Director who resigns his/her position is obliged to confirm to the Board and the Central Bank that the resignation is not connected with any issues with or claims against the Company. Furthermore, any Director who has concerns about the running of the Company or a proposed course of action may provide a written statement to the Chairman outlining his/her concerns for circulation to the Board or alternatively may have his/her concerns formally recorded in the minutes of a board meeting. There were no issues identified by the Directors on resignation during the period under review.

The Board has responsibility for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable it to ensure that the financial statements comply with the Companies Acts and relevant accounting standards. It is the Board’s responsibility to present a balanced and understandable assessment of the Company’s financial position, which extends to interim financial statements and other reports made available to shareholders and the public. The Board is also responsible for safeguarding the assets of the Company and for taking reasonable steps in the prevention and detection of fraud and other irregularities.

The Directors have access to the advice and services of the Company Secretary, external counsel and the resources of the Investment Manager should they be needed. Where necessary, in the furtherance of their duties, the Board and individual Directors may seek independent professional advice at the expense of the Manager.

Directors’ induction and training

Prior to his/her appointment, each new Director receives a full and formal tailored induction incorporating relevant information regarding the Company and his/her duties and responsibilities as a Director. In addition, a new Director is required to spend some time with representatives of the Investment Manager so that the new Director will become familiar with the various processes which the Investment Manager considers necessary for the performance of his/her duties and responsibilities to the Company.

Corporate Governance Statement (continued)

Directors' induction and training (continued)

The Company's policy is to encourage Directors to keep up to date with developments relevant to the Company. The Directors have attended and will continue to attend updates and briefings run by the Investment Manager and which are relevant to the Company. The Directors also receive regular briefings from, amongst others, PricewaterhouseCoopers Ireland (the "External Auditors"), investment strategists, custodians and legal advisors regarding any proposed product developments or changes in laws or regulations that could affect the Company. The Board is supplied with information in a timely manner and in a form and of a quality appropriate to enable it to discharge its duties. The training needs of the Directors are evaluated as part of the annual performance evaluation of the Board. Further information in respect of performance evaluation is provided on page 36.

Performance Evaluation

The Board formally reviews its performance on an annual basis and an appraisal system has been implemented for the Board, its supporting Committees and the individual Directors, including the Chairman. This evaluation process assists in identifying individual Directors training and development needs. The 2012 evaluation for the year ending 30 June 2012 took the form of detailed questionnaires, which were completed by each Director, followed by discussions by the Board to identify how the effectiveness of its activities, policies or processes might be enhanced. The results of this evaluation process were presented to and discussed by the Board. While the results of this evaluation noted that the Board of the Company functioned to a high level it also highlighted potential benefits of the planned renewal of the Board and assisted in acting as an impetus for this as of 31 March 2013. The Board is satisfied with the robustness of the appraisal system and considers the current review and evaluation process adequate. As the composition of the Board and its Committees changed substantially on 31 March 2013, the Board has rescheduled Board and Committee evaluations to be undertaken for the period ending to 31 December 2013.

Committees of the Board

Nominations Committee

Effective 31 March 2013, the Board established a Nominations Committee comprising a majority of independent Directors. The Nominations Committee comprises of Mr Paul McNaughton (Chairman), Mr Paul McGowan and Mr Barry O'Dwyer. The key objective of the Nominations Committee is to ensure the Board comprises individuals with the appropriate balance of skills, experience, independence and knowledge appropriate to the Company to ensure that it is effective in discharging its responsibilities and oversight of all matters relating to corporate governance.

No Director has exceeded the term of six years tenure on the Board of the Company during the period under review.

The terms of reference of the Nominations Committee are available upon request.

Prior to the establishment of the Nominations Committee the Board performed this function by scrutinising the suitability of candidates nominated to fill any vacancies which arose from time to time. Candidates for appointment to the Board were initially identified and reviewed by the Investment Manager. The Investment Manager applied a rigorous selection process in selecting candidates who might be suitable for presentation to the Board for consideration. Candidates were subject to interview before being submitted for approval to the Chairman. If the candidate was deemed suitable then he/she was presented to the Board for due consideration. Given the robust selection process in place, during the period under review the Board did not consider it necessary to engage an external search consultancy or openly advertise in order to fill vacancies in the Board.

As the Nominations Committee was only formed on 31 March 2013 it did not meet during the period under review. The Board has, subject to the approval of the Central Bank, the final decision on the appointment of new Directors.

In respect of existing Directors, the Articles of Association provide that retiring Directors are eligible for re-appointment by the other Directors every three years. The Board is currently reviewing its policy on director re-election. A number of the Directors intend to seek re-appointment in accordance with section B.7.1 of the UK Corporate Governance Code October, 2012, which provides that all Directors should be subject to election by shareholders at the first annual general meeting after their appointment in 2014.

Corporate Governance Statement (continued)

Committees of the Board (continued)

Board Diversity

The Nominations Committee, together with the Board, acknowledges the importance of diversity to enhance its operation. During the selection process the Board and Nominations Committee are committed to selecting those with diversity of business skills, experience and gender and candidates for appointment are considered based on these attributes. They will ensure that all selection decisions are based on merit and that recruitment is fair and non-discriminatory. The Board has not set specific targets in respect of gender diversity but acknowledges its importance. As of 31 March 2013, following the appointments of Ms Karen Prooth and Ms Cora O'Donohoe, the Board has a female representation of 40%.

Audit Committee

Effective 31 March 2013, the Company established an Audit Committee which reports directly to the Board and meets regularly throughout the year in order to discharge its duties. Prior to the Board resolving to establish an Audit Committee, the Audit and Risk Committee of the Manager oversaw the review of the interim and annual financial statements of the Company, the review of the audit reports of the External Auditors, together with other matters including operations, compliance and risk elements of the Company. Further information on how the Audit Committee carried out its duties during the period under review is contained in the Audit Committee Report on pages 41 to 44.

The Board considered that all of the members of the Audit Committee were suitably qualified and had sufficient experience to discharge their responsibilities effectively. Furthermore, Paul McGowan is a qualified accountant with relevant experience in financial matters as they pertain to investment companies.

The number of Board, ARC and Audit Committee meetings and their attendance by members are set out on the table below:

Attendance Record

	Board 1 November 2012 to 31 October 2013		ARC of the Manager 1 November 2012 to 31 March 2013		Audit Committee of the Company 31 March 2013 to 31 October 2013	
	A*	B*	A*	B*	A*	B*
William Roberts	5	5	-	-	-	-
John Donohoe	5	5	5	5	-	-
Desmond Murray	5	5	5	5	-	-
Graham Bamping	5	5	-	-	-	-
Nicholas C.D. Hall	2	2	-	-	-	-
Liam Miley	5	5	5	4	-	-
Barry O'Dwyer	12	11	4	3	-	-
Geoffrey D. Radcliffe	2	2	2	1	-	-
Mark Stockley	1	1	-	-	-	-
Paul McNaughton	7	7	-	-	5	5
Paul McGowan	7	7	-	-	5	5
Karen Prooth	7	6	-	-	-	-
Cora O'Donohoe	7	7	-	-	-	-
Patrick Boylan	-	-	5	5	-	-
Dominic Critchley	-	-	4	2	-	-
Declan Cronin	-	-	5	5	-	-
Dervilla Lannon	-	-	5	4	-	-
Tom McGrath	-	-	2	2	-	-
Alan Sievwright	-	-	4	2	-	-

* Column A indicates the number of meetings held during the period the Director was a member of the Board or Committee and was eligible to attend. Column B indicates the number of meetings attended.

Corporate Governance Statement (continued)

Committees of the Board (continued)

Attendance Record (continued)

- (1) There were five scheduled and no ad-hoc Audit Committee meetings held during the period. There were five scheduled and no ad-hoc ARC meetings held during the period.

Directors of the Company

- (2) In preparation for a planned Board renewal, Mark Stockley resigned as a non-executive Director of the Company effective 28 November 2012 and Nicholas Hall and Geoffrey Radcliffe resigned as non-executive Directors of the Company effective 31 December 2012. Geoffrey Radcliffe also resigned as a member of the ARC Committee of the Manager effective 31 December 2012
- (3) The following Directors resigned from the Company (and continue as Directors of the Manager – BlackRock Asset Management Ireland Limited) on 31st March 2013: William Roberts (Chairman), Graham Bamping, John Donohoe, Liam Miley and Desmond Murray. Following receipt of approval by the Central Bank of Ireland, the following Directors were appointed on the same date: Paul McNaughton (Chairman), Paul McGowan, Karen Prooth and Cora O'Donohoe. Barry O'Dwyer remains a Director of the Company and also the Manager

Membership of the Board – 31 March 2013 to 31 October 2013

Paul McNaughton	Chairman and Independent Non-executive Director
Paul McGowan	Independent Non-executive Director and Senior Independent Director
Cora O'Donohoe	Non-executive Director
Barry O'Dwyer	Non-executive Director
Karen Prooth	Non-executive Director

Membership of the Audit Committee – 31 March 2013 to 31 October 2013

Paul McGowan	Chairman of the Committee
Paul McNaughton	

Membership of the Nomination Committee – 31 March 2013 to 31 October 2013

Paul McNaughton	Chairman of the Committee
Paul McGowan	
Barry O'Dwyer	

Membership of the ARC Committee of the Manager – 1 November 2012 to 31 March 2013

John Donohoe	Chairman of the Committee and Independent Non-executive Director of the Company
Desmond Murray	Independent Non-executive Director of the Company
Liam Miley	Non-executive Director of the Company
Barry O'Dwyer*	Non-executive Director of the Company
Geoffrey D. Radcliffe**	Non-executive Director of the Company
Patrick Boylan	Member (Director, Risk & Quantitative Analysis)
Dominic Critchley*	Member (Director, Global Fund Services)
Declan Cronin	Member (Vice President, Global Fund Services)
Dervilla Lannon	Member (Director, Compliance)
Tom McGrath	Member (Vice President, Global Fund Services)
Alan Sievwright*	Member (Director, Corporate Accounting)

* Resigned 31 March 2013

** Resigned 31 December 2012

Corporate Governance Statement (continued)

Internal Control and Risk Management

The Board is responsible for the risk management and internal controls of the Company and for reviewing their effectiveness, for ensuring that financial information published or used within the business is reliable, and for regularly monitoring compliance with regulations governing the operation of the Company. Certain of these responsibilities have been delegated to the Audit Committee as outlined on page 41. The system is designed to manage rather than eliminate the risk of failure to achieve the Company's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss and relies on the operating controls established by the service providers. The Board is also responsible for overseeing the management of the most significant risks through the regular review of risk exposures and related key controls.

The Board reviews the Company's principal risks and the control processes over the risks identified. The control processes cover financial, operational, compliance and risk management, and are embedded in the operations of the Manager, the Investment Manager and other third party service providers including the Administrator and the Custodian. There is a monitoring and reporting process to review these controls, which has been in place throughout the period under review and up to the date of this report.

The Board is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. The Company has procedures in place to ensure all relevant accounting records are properly maintained and are readily available, including production of annual and half-yearly financial statements. These procedures include appointing the Administrator to maintain the accounting records of the Company independently of the Investment Manager and the Custodian. The annual and half-yearly financial statements of the Company are required to be approved by the Board of Directors of the Company and filed with the Central Bank of Ireland and the London Stock Exchange. The financial statements are prepared in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland. The accounting information given in the annual report is required to be audited. The External Auditor's report, including any qualifications, is reproduced in full in the annual report of the Company.

Monitoring and review activities

There are procedures designed for monitoring the system of internal control and risk management and to capture and evaluate any failings or weaknesses. Should a case be categorised by the Board as significant, procedures exist to ensure that necessary action is taken to remedy the failings.

During the financial year under review the Custodian reported to the Board on an annual basis and to the ARC on a quarterly basis.

The Board receives a report from the Custodian on the internal controls of the custodial operations of the Company. The Manager receives a report from the Administrator on the internal controls of the administrative operations of the Company and the Administrator reports to the Board on an annual basis.

Review of effectiveness

The Board has reviewed the effectiveness of the internal control and risk management systems (including financial, operational and compliance controls) in accordance with the Code for the year under review and up to the date of approval of the financial statements. The Board is not aware of any significant failings or weaknesses in internal control arising during this review. Had there been any such failings or weaknesses, the Board confirms that necessary action would have been taken to remedy them.

Going Concern

The going concern statement is set out in the Directors' Report on page 47.

Corporate Governance Statement (continued)

Remuneration

The Company is an Investment Company and has no employees or executive Directors. The Board believes that the principles of Section D of the Code relating to remuneration do not apply to the Company, except as outlined below, as the Company has no executive Directors. No Director past or present has any entitlement to pensions, and the Company has not awarded any share options or long-term performance incentives to any of them. No element of Directors' remuneration is performance-related. Those Directors who are also employees of the BlackRock group are not entitled to receive a Director's fee. All other Directors have fees paid to them which are set out in service contracts with the Investment Manager. The Board believes that the level of remuneration for those Directors who take a fee properly reflects the time commitment and responsibilities of their roles. The maximum amount of remuneration payable to the Directors is determined by the Board and is set out in the prospectus of the Company.

The terms of the aforementioned service contracts are for one year and include an assessment of the time commitment expected of each Director. The Directors also have a continuing obligation to ensure they have sufficient time to discharge their duties. The detail of each Director's, including the Chairman's, other appointments and commitments are made available to the Board for inspection and all new appointments or significant commitments require the prior approval of the Investment Manager. The incoming Directors, who are employees of the BlackRock group, have executed letters of appointment which include an assessment of the time commitment expected. Extracts of the service contracts as they relate to the Company and letters of appointment are available for inspection on request and at each AGM. The Chairman of the Company, changed during the period under review, but there have been no substantial changes to the new Chairman's significant commitments since his appointment.

Communication with Shareholders

The Company is an Investment Company and the shareholders invest in its range of funds in order to, *inter alia*, gain exposure to the expertise of the Investment Manager and its investment strategies. Given the nature of the Company, it is not necessary or desirable for the Chairman or any of the other Directors to discuss investment strategy with shareholders. Furthermore, the Manager has appointed the Investment Manager as distributor and it is this entity which is tasked with actively managing the relationship between the Company and its shareholders.

The Board reviews monthly reports on shareholder communications and in addition, since 31 March 2013, the Board reviews reports from the Manager's compliance function which include updates on shareholder complaints.

The Board is responsible for convening the annual general meeting (the "AGM") and all other general meetings of the Company. All shareholders have the opportunity to attend and vote at general meetings. Notice of general meetings is issued in accordance with the Companies Acts and the Articles of Association of the Company and notice of the annual general meeting is sent out at least 20 business days in advance of the meeting and any item not of an entirely routine nature is explained in a covering circular. All substantive matters put before a general meeting are dealt with by way of separate resolution. Proxy voting figures are noted by the chairman of the general meeting and the results of each general meeting, including the number of votes withheld, will be announced and made available on the iShares website shortly after the meeting.

General meetings are managed and run by the Company Secretary. Strategic issues and all operational matters of a material nature are determined by the Board. If the shareholders wish to engage on matters relating to the management of the Company then invariably they will wish to discuss these matters or meet with the Investment Manager. However, the Board will accept requests to make individual Directors available to major shareholders. One of the independent Directors is always available to attend general meetings if required. The Chairman of the Audit and Nominations Committees will be available to attend general meetings and to answer questions, if required while the Senior Independent Director will be also available to liaise with shareholders, where required.

Every holder of participating shares or non-participating shares present in person or by proxy who votes on a show of hands is entitled to one vote. On a poll, every holder of participating shares present in person or by proxy is entitled to one vote in respect of each share held by him and every holder of non-participating shares is entitled to one vote in respect of all non-participating shares held by him. The chairman of a general meeting or at least five members present in person or by proxy or any holder or holders of shares present in person or by proxy representing at least one tenth of the shares in issue having the right to vote at such meeting may demand a poll.

iShares II plc

Audit Committee Report

The Company's sole objective is the collective investment in transferable securities and by its nature it operates a delegated model under which the Board exercises overall central management and control over its activities. The management and administration is delegated to BlackRock Asset Management Ireland Limited (the "Manager") which, in turn has appointed BlackRock Advisors (UK) Limited (the "Investment Manager") as the Investment Manager. The Manager has delegated the administration of the Company and its funds to State Street Fund Services (Ireland) Limited (the "Administrator") including the calculation of the daily net asset value, and the preparation of the accounts of the Company subject to the overall supervision of the Directors and the Manager, while Computershare Investor Services Limited has been appointed registrar of the Company. The Company has appointed State Street Custodial Services (Ireland) Limited (the "Custodian") as Custodian of the assets which has responsibility for the safe keeping of such assets, pursuant to the UCITS Regulations and as part of its fiduciary responsibility to the Company the Custodian provides a certain level of ongoing oversight of the Company as well as reporting on the conduct of the Company in each annual accounting period (see page 49).

In accordance with Guidance Note 4/07 on the Organisation of Management Companies issued by the Central Bank of Ireland, the Board of the Manager has identified BlackRock personnel who monitor and control the management functions as outlined therein. These BlackRock personnel report to the Board of the Manager and the Company on a regular basis. The management functions delegated by the Directors are subject to appropriate reporting and ratification procedures, which are designed to ensure that the appropriate reports are received in a timely fashion such that the Board can discharge its duties, as part of the governance framework put in place by the Company. The Board reviews risk reporting on a regular basis together with an annual review of internal controls and risk management from the Manager.

Prior to the Board resolving to establish an Audit Committee, the Audit and Risk Committee (the "ARC") of the Manager oversaw the review of the interim and annual financial statements of the Company, the review of the External Auditors' report thereon, together with other matters including operations, compliance and risk elements of the Company. Effective 31 March 2013, the Board established an Audit Committee whose roles and responsibilities are detailed below. The Audit Committee comprises of Paul McGowan (Chairman) and Paul McNaughton.

Roles and Responsibilities

The main responsibilities of the Audit Committee include considering and recommending to the Board for approval the contents of the interim and annual financial statements, and providing an opinion as to whether the annual financial statements, taken as a whole, are fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy. The Audit Committee also reviews related information presented within the financial statements, including statements concerning internal controls and risk management from its delegates. In addition, the Audit Committee is responsible for approving the audit fees of the External Auditor, conducting a review of the External Auditors report on the annual financial statements and reviewing and forming an opinion on the effectiveness of the external audit process and audit quality. Other duties include reviewing the appropriateness of the Company's accounting policies, reviewing the requirement for an internal audit function and reviewing the Investment Managers internal audit activities.

There are formal terms of reference in place for the Audit Committee. The terms of reference of the Audit Committee and the ARC are available to shareholders on request.

The Audit Committee meets at least three times a year and has met five times in the period since inception. The ARC met five times during the financial year. These additional meetings were to consider various items including updates in the regulatory environment as they relate to the financial statements of the Company, updates on the Company's accounting policies and progress reports on the audit. The significant issues considered by the Audit Committee in relation to the financial statements are discussed below and overleaf.

Financial Statements

The Audit Committee reviewed the interim financial statements, annual financial statements and the audit findings presentation from the External Auditors.

Significant issues considered in relation to the financial statements

During the year, the Audit Committee considered the following significant issues in relation to the financial statements.

1. Valuation

The Board has in place a hierarchical structure for the pricing of every asset class of the Company which details the primary, secondary and tertiary pricing sources (the "Pricing Hierarchy"). The Administrator has been appointed for the purposes of valuing each asset class of the Company.

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Audit Committee Report (continued)

Roles and Responsibilities (continued)

Financial Statements (continued)

1. Valuation (continued)

The Administrator follows the Pricing Hierarchy in this regard. During the year under review, monthly reporting was provided by the Investment Manager in which any exceptions to this process were identified and investigated and referred to the Audit Committee. No significant exceptions to valuation of the assets were noted during the year under review.

2. Existence

In order to gain comfort on the existence of the assets of the Company, a daily reconciliation of all asset classes is performed between the Administrator, the Custodian and the Investment Manager. A further daily reconciliation is performed between the Investment Manager and the Custodian. During the year under review, any material exceptions identified by these reconciliations were reported on a monthly basis by the Investment Manager and quarterly by the Administrator and Custodian. The Custodian also provided a report in relation to the oversight of its global sub-custodian and global custody network and any exceptional items regarding existence of assets of the Company were referred for consideration by the Audit Committee. No significant exceptions to existence of the assets were noted during the year under review.

3. Investment Performance

The Board received and considered regular presentations from the Investment Manager throughout the year which detailed the performance of the Funds. In addition the Manager has appointed BlackRock personnel with responsibility for monitoring the investment policies, investment strategies and performance of the Company. Reporting in respect of this is provided to the Board on a monthly basis. Any exceptional items regarding investment performance were referred to the Audit Committee. The performance of the Funds together with the tracking difference and tracking error is detailed on pages 10 to 18 of the financial statements. No significant exceptions in respect of the investment performance of the Funds were noted during the year under review.

4. Risk of Management Override

The Custodian and Administrator provided reports to the Board on an annual basis on the controls in place to minimise the risk of management override. In addition to this, the Manager has reviewed the Statement on Standards for Attestation Engagements No. 16 (the “SSAE16”) prepared by the Custodian and Administrator to further ensure that the relevant control procedures were in place to minimise the risk of management override. The SSAE 16 of the Investment Manager is also presented annually for review. Any exceptions noted were referred to the Audit Committee for further review. No significant exceptions in respect of the risk of management override were noted during the year under review.

5. Financial Instruments and Risks

The Board receives quarterly risk summary reports from the Manager on the risks faced by the Company. In addition the Manager has appointed BlackRock personnel, who monitor and report to the Manager on a monthly basis, and who have responsibility for risk management and operational risks. Any exceptions noted were referred to the Audit Committee for further review. No significant exceptions in respect of financial instruments and risks were noted during the year under review.

6. Developments in Corporate Governance

The Board and the Audit Committee have considered the updated Code and the implications thereof for the Company. As a result, the financial statements have been enhanced to reflect the requirements of the Code.

Fair, Balanced and Understandable

The production and audit of the financial statements is a comprehensive process requiring input from a number of different contributors. Following the adoption by the Company of the revised version of the Code, which applies to financial years commencing on or after 1 October 2012, the Board requested that the Audit Committee advise on whether it believes the financial statements, taken as a whole, are fair, balanced and understandable and provides the information necessary for shareholders to assess the Company’s performance, business model and strategy. In so doing the Audit Committee has given consideration to the following:

- The comprehensive reviews that are undertaken at different levels in the production process of the financial statements, by the Manager and the Administrator;

Audit Committee Report (continued)

Fair, Balanced and Understandable (continued)

- The comprehensive review also undertaken during the production process by the Investment Manager;
- The comprehensive review undertaken by the Audit Committee that aimed to ensure consistency, overall balance and appropriate disclosure;
- The controls that are in place at the Investment Manager, the Administrator and Custodian, to ensure the completeness and accuracy of the Company's financial records and the security of the Company's assets;
- The existence of satisfactory SSAE16 control reports reviewing the effectiveness of the internal controls of the Investment Manager, the Administrator and the Custodian; and
- The timely identification and resolution of any significant audit risks, process errors or control breaches that may have impacted the Company's Net Assets Value ("NAV") and accounting records and how successfully any issues in respect of areas of accounting judgement were identified and resolved.

As a result of the work performed, the Audit Committee has concluded that the financial statements for the year ended 31 October 2013, taken as a whole, are fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy, has reported on these findings to the Board and recommended the approval of the financial statements to the Board. The Board's conclusions in this respect are set out in the Statement of Directors' Responsibilities on pages 45 and 46.

External Auditor

To assess the effectiveness of the external audit, members of the Audit Committee work closely with the Investment Manager and the Manager to obtain a good understanding of the progress and efficiency of the audit.

Feedback in relation to the audit process and also the efficiency of the Investment Manager and the Manager in performing their role is also sought from relevant involved parties, notably the audit partner and audit team. The External Auditor is invited to attend the Audit Committee meetings at which the annual financial statements are considered.

PricewaterhouseCoopers Dublin, in their capacity as statutory auditor, has acted as the External Auditor since the Company was incorporated in December 1999 and the lead audit partner rotates every five years to assure independence. The Company is not a FTSE350 entity and thus the requirement to put the external audit contract out to tender at least every ten years does not apply. To form a conclusion with regard to the independence of the External Auditor, the Audit Committee considers whether their skills and experience make them a suitable supplier of non-audit services and whether there are safeguards in place to ensure that there is no threat to their objectivity and independence in the conduct of the audit resulting from the provision of such services. The audit fees are disclosed in note 5 on page 102 of the financial statements. The External Auditor has not been engaged by the Company to provide any non-audit services.

On an annual basis, the External Auditor reviews the independence of its relationship with the Company and reports this to the Board. The Audit Committee also receives information about policies and processes for maintaining independence and monitoring compliance with relevant requirements from the Company's External Auditors, including information on the rotation of audit partners and staff details of any relationships between the audit firm and its staff and the Company as well as an overall confirmation from the External Auditors' of their independence and objectivity. For the period under review, this reporting was received by the ARC. As a result of its review, the Audit Committee has concluded that PricewaterhouseCoopers Dublin, as External Auditor is independent of the Company. The Audit Committee has therefore recommended to the Board that a resolution be put to shareholders for the re-appointment of the External Auditor, at the Annual General Meeting of the Company.

The Audit Committee has conducted a review of independence of the External Auditor and has in place a pre-approval policy on the engagement of the External Auditor to supply non-audit services.

Internal Audit

Post 31 March 2013, the Investment Manager's internal audit function report to the Board through the Audit Committee (previously this reporting was provided to the ARC) on a quarterly basis. The Board considers it appropriate for the Company not to have its own internal audit function as all of the management and administration of the Company is delegated to the Manager, Investment Manager, Administrator and Custodian.

iShares II plc

Audit Committee Report (continued)

Whistleblowing Policy

The Investment Manager has a “Whistleblowing” policy under which its staff, in confidence, may raise concerns about possible improprieties in matters of financial reporting or other matters insofar as they may affect the Company. As the Company does not have any employees, the Board review this policy on an annual basis and have adopted this policy as the Company’s “Whistleblowing” policy.

Audit Committee Effectiveness

The performance of the Audit Committee will be reviewed at least annually. As the Audit Committee was formed on 31 March 2013 the next Committee evaluation is scheduled for the period ended 30 June 2014.

Paul McGowan
Chairman of the Audit Committee
27 February 2014

Statement of Directors' responsibilities

The Directors are responsible for preparing the financial statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland and comply with the Irish Companies Acts, 1963 to 2013 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (the "UCITS Regulations").

Irish Company law requires the Directors to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the Company for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis, unless it is appropriate to presume that the Company will not continue in business.

The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with the Irish Companies Acts, 1963 to 2013 and the UCITS Regulations. In this regard State Street Fund Services (Ireland) Limited have been appointed for the purpose of maintaining proper books of accounts. Accordingly, the books of accounts are kept at the following address:

State Street Fund Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors have entrusted the assets of the Company to the Custodian for safekeeping in accordance with the Memorandum and Articles of Association of the Company. In this regard the Directors have appointed State Street Custodial Services (Ireland) Limited as Custodian pursuant to the terms of a Custodian Agreement. The address at which this business is conducted is as follows:

State Street Custodial Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' report and a corporate governance statement that comply with that law and those regulations.

The financial statements are published on the www.iShares.com website. The Directors, together with the Manager and BlackRock Advisors (UK) Limited are responsible for the maintenance and integrity of the financial information included on this website. Legislation in the Republic of Ireland governing the presentation and dissemination of the financial statements may differ from legislation in other jurisdictions.

The Directors confirm to the best of their knowledge, that:

- The financial statements are prepared in accordance with accounting standards generally accepted in Ireland, the Irish Companies Acts, 1963 to 2013 and the UCITS Regulations disclose with reasonable accuracy the financial position of the Company and give a true and fair view of the state of affairs of the Company;
- The financial statements include a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that it faces.

Statement of Directors' responsibilities (continued)

The UK Corporate Governance Code (the "Code") also requires Directors to ensure that the financial statements are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy. In order to reach a conclusion on this matter, the Board of Directors have requested that the Audit Committee advise on whether they consider that the financial statements fulfil these requirements. The process by which the Audit Committee has reached these conclusions is set out in the Audit Committee report on pages 41 to 44. As a result, the Directors have concluded that the financial statements for the year ended 31 October 2013, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

On behalf of the Board of Directors

Paul McNaughton
Director

Date: 27 February 2014

Paul McGowan
Director

Date: 27 February 2014

iShares II plc

Directors' Report

The Directors present the financial statements for the year from 1 November 2012 to 31 October 2013.

The financial statements have been prepared in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland and comply with the Irish Companies Acts, 1963 to 2013 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (the "UCITS Regulations").

Review of Business and Future Developments

The Company is an umbrella Fund with segregated liability between its Funds. The sole object for which the Company is established is the collective investment under UCITS Regulations.

The specific investment objectives and policies, as set out on page 6, of each Fund are formulated by Directors at the time of the creation of the Fund. Investors in a Fund are expected to be informed investors who have taken professional advice, are able to bear capital and income risk, and should view investment in a Fund as a medium to long term investment. A description of the Funds, market review and market outlook can be found on pages 4 to 9 and 10 to 27. Market review encompasses tracking error and tracking difference disclosures which are key metrics as to how well the Funds have been managed against their benchmark indices.

The financial instruments and risks facing the Company are set out on pages 59 to 98. The Company's corporate governance statement is set out on pages 33 to 40.

Results and Dividends

The results and dividends for the year are set out in the income statement on page 99.

Subsequent Events

The subsequent events which have occurred since the balance sheet date are set out in note 23 of the notes to the financial statements of the Company.

Directors' and Company Secretary's Interests and Related Party Transactions

The Directors and Company Secretary had no interest in the shares of the Company during the year ended 31 October 2013 other than those disclosed in the related party transactions note on pages 106 to 108 of the financial statements.

No Director had at any time during the year, a material interest in any contract of significance, during or at the end of the year in relation to the business of the Company.

All related party transactions are set out in note 19 of the notes to the financial statements of the Company.

Board of Directors

The Board of Directors of the Company and their biographies are set out on pages 30 to 32.

Statement of Directors Responsibilities

The Statement of Directors' Responsibilities in respect of the financial statements is set out on pages 45 and 46.

Going Concern

The financial statements of the Company have been prepared on a going concern basis. The Company is able to meet all of its liabilities from its assets. The performance, marketability and risks of the Funds are reviewed on a regular basis throughout the year to ensure that the Funds will continue on a going concern basis. Therefore the Directors believe that the Company will continue in operational existence for the foreseeable future and is financially sound. The Directors are satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements.

Independent Auditors

The Directors recommend the re-appointment of the auditors, PricewaterhouseCoopers, in accordance with section 160(2) of the Companies Acts, 1963.

On behalf of the Board of Directors

Paul McNaughton
Director

Date: 27 February 2014

Paul McGowan
Director

Date: 27 February 2014

Statement of the Custodian's Responsibilities

As outlined in UCITS Notice 4, the Custodian is required, under the Companies Act, 1990 Part XIII (the "Act") to:

1. Ensure that the sale, issue, repurchase, redemption and cancellation of shares effected by or on behalf of the Company are carried out in accordance with the Act including conditions imposed by the Central Bank of Ireland and in accordance with the Articles of Association;
2. Ensure that the value of shares is calculated in accordance with the Articles of Association;
3. Carry out the instructions of the Company unless they conflict with the Act and/or the Memorandum and Articles of Association;
4. Ensure that in transactions involving the Company's assets, any consideration is remitted to it within time limits which are acceptable market practice in the context of a particular transaction;
5. Ensure that the Company's income is applied in accordance with the Articles of Association; and
6. Enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders. The Custodian's report shall be delivered to the Company in good time to enable the Company to include a copy of the report in its Annual Report. The Custodian's report shall state whether, in the Custodian's opinion, the Company has been managed in that period:
 - i) In accordance with the limitations imposed on the investment and borrowing powers of the Company and the Custodian by the Memorandum and Articles of Association and by the Central Bank of Ireland under its powers granted to the Central Bank of Ireland by the Act; and
 - ii) Otherwise in accordance with the provisions of the Memorandum and Articles of Association and the Act.

If the Company does not comply with (i) or (ii) above, the Custodian must state why this is the case and outline the steps which the Custodian has taken to rectify the situation.
7. Notify the Central Bank of Ireland promptly of any material breach of the UCITS Regulations, conditions imposed by the Central Bank of Ireland or provisions of the prospectus with regard to the Company.

The duties provided for above may not be delegated by the Custodian to a third party. These duties must be carried out in the State.

iShares II plc

Custodian's report to the shareholders

We have enquired into the conduct of iShares II plc ('the Company') for the year ended 31 October 2013, in our capacity as Custodian to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company as a body, in accordance with the Central Bank's UCITS Notice 4, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Custodian

Our duties and responsibilities are outlined in the Central Bank's UCITS Notice 4. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that period in accordance with the provisions of the Company's Memorandum and Articles of Association and the UCITS Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Custodian must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Custodian opinion

The Custodian conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in UCITS Notice 4 and to ensure that, in all material respects, the Company has been managed:

- (i) In accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate Regulations; and
- (ii) Otherwise in accordance with the Company's constitutional documentation and the appropriate Regulations.

Opinion

In our opinion, the Company has been managed during the year, in all material respects:

- (i) In accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum & Articles of Association and by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended), and
- (ii) Otherwise in accordance with the provisions of the Memorandum & Articles of Association and the UCITS Regulations.

For and on behalf of

State Street Custodial Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

Date: 27 February 2014

iShares II plc

Shari'ah council certification

Annual Shari'ah Pronouncement given to BlackRock Advisors (UK) by the panel of Shariah scholars with regard to the iShares II plc Fund

*In the name of Allah, the Most Gracious, the Most Merciful
All praise is due to Allah, the Cherisher of the Worlds
Peace and blessings be upon the Prophet of Allah, on his Family and all his companions.*

1. Introduction

- 1.1 The panel of independent Shariah scholars appointed by BlackRock Advisors (UK) Limited have conducted the annual review of the iShares II plc funds (**Products**). The Products were initially approved by the Shariah scholars on 14 November 2007, and launched on the London Stock Exchange on 10 December 2007.
- 1.2 The Products are designed to offer investors a long-term return by tracking closely the performance of: (i) the MSCI Emerging Markets Islamic Index, (ii) the MSCI USA Islamic Index; or (iii) the MSCI World Islamic Index (each an "**Index**", together, "**the Indices**") by investing in a portfolio of Shariah compliant equities that as far as practicable mirrors the component constituents of the relevant index.

2. The Products

The Products reflect the fact that the constituents of the Indices are likely to change from time to time. Potential investors may obtain a breakdown of the constituents of the Products from the official iShares website (www.ishares.net) or from BlackRock Advisors (UK) Limited (as Investment Manager). The securities held by the Products are traded from time to time for efficient portfolio management and to maintain replication of the respective indices.

3. Limitations

- 3.1 The purpose of this Annual Shariah Pronouncement is to confirm the on-going Shariah compliance of the Products only, the names of which are:
- i. iShares MSCI Emerging Markets Islamic UCITS ETF;
 - II. iShares MSCI USA Islamic UCITS ETF; and
 - iii. iShares MSCI World Islamic UCITS ETF.
- 3.2 This Annual Shariah Pronouncement does not approve the structure of any underlying fund other than those named in section 3.1. Any such fund which intends to utilize the Product must obtain its own Shariah pronouncement as to the overall compliance of its establishment and the principles and methods by which it will operate.

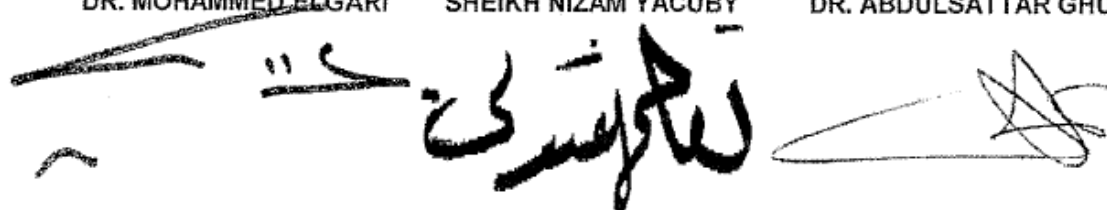
4. Pronouncement

The Shariah Panel, having conducted the annual review of the Products as set out above and having deliberated on such matters as the Shariah Panel considered material, hereby rules that the Products which aim to achieve a long-term return by tracking the performance of the Indices by investing in a portfolio of Shariah compliant equities within a Shariah compliant framework are in compliance with Shariah.

And Allah knows best.

Approved on 18 January 2014 by:

DR. MOHAMMED ELGARI SHEIKH NIZAM YACUBY DR. ABDULSATTAR GHUDDAH



Independent Auditors' report to the members of iShares II plc (the "Company")

Our opinion

In our opinion the financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the Company's and Funds' (as listed on page 6) affairs as at 31 October 2013 and of their results for the year then ended and;
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2013 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended).

This opinion is to be read in the context of what we say below

What we have audited

The financial statements, which are prepared by the Directors of iShares II plc, comprise:

- the Company and Funds' Balance sheets as at 31 October 2013;
- the Company and Funds' Income statements for the year then ended;
- the Company and Funds' Statements of changes in net assets attributable to redeemable participating shareholders for the year then ended;
- the Schedule of investments for each of the Funds as at 31 October 2013; and
- the Financial instruments and risks, accounting policies and Notes to the financial statements for the year then ended.

The financial reporting framework that has been applied in their preparation comprises Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (ISAs (UK & Ireland)). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Overview of our audit approach

Materiality

We set certain thresholds for materiality. These helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for each Fund to be 50 basis points of its Net Asset Value ("NAV") at 31 October 2013. We viewed this as an appropriate benchmark because the main objective of the Company is to provide investors with a total return at a Fund level, taking into account the capital and income returns.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above 5 basis points of each fund's NAV, for NAV per share impacting differences, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Overview of the scope of our audit

The Company is an open-ended investment Company with variable capital. As at the year end there are 33 Funds operating. The Company's Balance sheet, Income statement and Statement of changes in net assets attributable to redeemable participating shareholders are an aggregation of the results of the 33 Funds.

The Directors control the affairs of the Company and are responsible for the overall investment policy which is determined by them. The Directors have delegated certain duties and responsibilities to BlackRock Asset Management Ireland Limited (the "Manager") with regards to the day-to-day management of the Company.

The Manager has delegated certain of these responsibilities to BlackRock Advisors (UK) Limited (the "Investment Manager") and to State Street Fund Services (Ireland) Limited (the "Administrator"). State Street Custodial Services (Ireland) Limited (the "Custodian") has been appointed the Custodian. The financial statements, which remain the responsibility of the Directors, are prepared on their behalf by the Administrator.

Independent Auditors' report to the members of iShares II plc (the "Company") (continued)

Overview of the scope of our audit (cont)

In establishing the overall approach to our audit we assessed the risk of material misstatement at a Fund level, taking into account the nature, likelihood and potential magnitude of any misstatement. We look at each Fund at an individual level. As part of our risk assessment, we considered the Company's interaction with the Administrator, and we assessed the control environment in place at this entity.

Areas of particular audit focus

In preparing the financial statements, the Directors made a number of subjective judgements, for example the selection of pricing sources to value the investment portfolio. We primarily focused our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

In our audit, we tested and examined information, using sampling and other auditing techniques, to the extent we considered necessary to provide a reasonable basis for us to draw conclusions. We obtained audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

We considered the following areas to be those that required particular focus in the current year. This is not a complete list of all risks or areas of focus identified by our audit. We discussed these areas of focus with the Audit Committee. Their report on those matters that they considered to be significant issues in relation to the financial statements is set out on pages 41 to 44.

<i>Area of focus</i>	<i>How the scope of our audit addressed the area of focus</i>
<i>Existence of financial assets at fair value through profit or loss</i> The financial assets at fair value through profit or loss included in the Balance sheet of each Fund are held in the fund's name at 31 October 2013. We focused on this area because it represents the principal element of the financial statements.	We obtained independent confirmation from the custodian or counterparties of the investment portfolio held at 31 October 2013, agreeing them to the books and records.

Valuation of financial assets at fair value through profit or loss

The financial assets at fair value through profit or loss included in the Balance sheet of each Fund at 31 October 2013 are valued at fair value in line with Generally Accepted Accounting Practice in Ireland.

We focused on this area because it represents the principal element of the financial statements.

Risk of management override of internal controls

ISAs (UK & Ireland) require that we consider this.

The investment portfolios include listed equity investments and debt securities at 31 October 2013. We tested these investment portfolios by agreeing the valuation of investments to independent third party sources.

We assessed the overall control environment of the Company and each of the Funds. We tested key reconciliations and certain manual journal entries. We considered whether there was evidence of bias by the Directors in the significant accounting estimates and judgements relevant to the financial statements.

Matters on which we are required to report by the Companies Acts 1963 to 2013

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the Company.
- The financial statements are in agreement with the books of account.
- In our opinion the information given in the Directors' report is consistent with the financial statements

Matters on which we are required to report by exception

Directors' remuneration and transactions

Under the Companies Acts 1963 to 2013 we are required to report if, in our opinion, the disclosure of Directors' remuneration and transactions specified by law have not been made. We have nothing to report arising from these responsibilities.

Independent Auditors' report to the members of iShares II plc (the "Company") (continued)

Matters on which we are required to report by exception (cont)

Corporate Governance Statement

Under the United Kingdom Listing Authority Listing Rules we are required to review the part of the Corporate governance statement relating to the Company's compliance with nine provisions of the UK Corporate Governance Code ('the Code'). We have nothing to report having performed our review.

On page 46 of the Annual Report, as required by the Code Provision C.1.1, the Directors state that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the Company and Funds' performance, business model and strategy. On pages 41 to 44, as required by C3.8 of the Code, the Audit Committee has set out the significant issues that it considered in relation to the financial statements, and how they were addressed. Under ISAs (UK & Ireland) we are required to report to you if, in our opinion:

- the statement given by the Directors is materially inconsistent with our knowledge of the Company acquired in the course of performing our audit; or
- the section of the Annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

We have no exceptions to report arising from this responsibility.

Other information in the Annual Report

Under ISAs (UK & Ireland), we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- is otherwise misleading.

We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Directors' responsibilities statement set out on pages 45 and 46, the Directors are responsible for the preparation of the financial statements giving a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Section 193 of the Companies Act, 1990 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Marie O'Connor
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin

27 February 2014

The financial statements are published at www.ishares.com. The Directors together with the Manager and Investment Manager are responsible for the maintenance and integrity of the website as far as it relates to iShares funds. The work carried out by the auditors does not involve consideration of the maintenance and integrity of the website and accordingly, the auditors accept no responsibility for any changes that have occurred to the financial statements presented on the website. Legislation in the Republic of Ireland governing the presentation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Accounting policies*

The financial statements are prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2013 and the provisions of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) (the "UCITS Regulations"). Accounting standards generally accepted in Ireland in preparing financial statements which present a true and fair view are those published by Chartered Accountants Ireland (the "Institute") and issued by the Financial Reporting Council.

The financial statements are prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss.

The preparation of the financial statements in accordance with Irish Generally Accepted Accounting Policies ("Irish GAAP") requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the reported amount of income and expenses during the year. Actual results could differ from those estimates. Details of any critical accounting estimates and judgements are set out in section b) on page 56.

The information required by Financial Reporting Standard ("FRS") 3, "Reporting Financial Performance", to be included in a statement of total recognised gains and losses and reconciliation of movements in shareholders' funds, is, in the opinion of the Directors, contained in the income statement on page 99 and the statement of changes in net assets attributable to redeemable participating shareholders on page 99.

The Company has availed of the exemption available to open-ended investment funds under FRS 1 (revised) and is not presenting a cash flow statement.

All references to net assets throughout this document refer to net assets attributable to redeemable participating shareholders unless otherwise stated.

The significant accounting policies adopted by the Company are:

a) Investments

Classification of investments

The Company classifies its investments as financial assets at fair value through profit or loss. The category of financial assets through profit or loss comprises financial instruments designated by the Investment Manager, at inception, as being at fair value through profit or loss.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the documented investment strategy.

Recognition/derecognition of investments

Purchases and sales of investments are accounted for on the date the trade transaction takes place. Investments are derecognised when the rights to receive cashflows from the investments have expired or the risks and rewards of ownership have all been substantially transferred. Realised gains and losses on disposals are calculated using the average cost method and are reflected as net gains/(losses) on financial assets/liabilities at fair value through profit or loss in the income statement.

Initial measurement of investments

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities are presented in the income statement in the year in which they arise. Transaction costs on purchases and sales of investments are included in the net gains/(losses) on financial assets/liabilities at fair value through profit or loss in the income statement.

Valuation of investments

The estimation of fair value, after initial recognition, is determined as follows:

i) Listed investments

Investments which are quoted, listed, traded or dealt on a market or exchange are based on quoted prices which, for the purpose of the financial statements, is the closing bid-market price for financial assets and the closing ask market price for financial liabilities, as at the year end date, on the relevant market or exchange which is normally the principal market or exchange for such investments.

ii) Mortgage-backed securities/To Be Announced ("TBA") "Mortgage-backed" securities

Investments in mortgage-backed securities are the purchase of an interest in pools of loans. The investment characteristics of mortgage-backed securities are such that principal payments are made more frequently than traditional debt securities (usually monthly). The principal may be repaid at any time because the underlying mortgage loans or other assets generally may be repaid at any time. The Fund records these principal repayments as they arise and realises a gain or loss in the income statement in the period in which they occur.

* The accounting policies are an integral part of the notes to the financial statements.

Accounting policies* (continued)

a) Investments (continued)

Valuation of investments (continued)

ii) Mortgage-backed securities/To Be Announced (“TBA”) “Mortgage-backed” securities (continued)

The Funds may enter into TBA purchase commitments, pursuant to which it agrees to purchase mortgage-backed securities for a fixed unit price, with payment and delivery at a scheduled future date beyond the customary settlement period for that security. With TBA transactions, the particular securities to be delivered are not identified at trade date; however, delivered securities must meet specified terms, including issuer, rate and mortgage term, and be within industry-accepted “good delivery” standards. The Funds generally enter into TBAs with the intention of taking possession of the underlying mortgage securities. Until settlement, the Funds maintain cash reserves and liquid assets sufficient to settle their TBAs.

TBA securities are purchased and sold on a forward commitment basis with an approximate principal amount and maturity date. The actual principal amount and maturity date will be determined upon settlement when the specific mortgage pools are assigned.

Mortgage-backed securities and TBA Mortgage backed securities are generally valued using vendor prices. Depending on market activity levels and whether quotations or other data are used, these securities are typically categorised in level 2 of the fair value hierarchy.

iii) Collective investment schemes (“CIS”)

The Investment Manager may also pursue the Fund's investment objective by allocating the Fund's assets to other collective investment vehicles that are managed by the Investment Manager or one of its affiliates.

The fair value of any investment which is a unit of participation in a CIS shall be calculated by reference to the unaudited net asset value, on the valuation date of such unit of participation as calculated by the administrator of the CIS and in accordance with the requirements of the scheme of which the relevant investment is a unit of participation.

There is no management fee attributable to any investments that are made into CISs that are managed by the Investment Manager or one of its affiliates. The investments are either made through a non-fee paying share class or there is a rebate of management fee attributable to the CIS.

iv) Futures contracts

A futures contract is a contract, traded on an exchange, to buy or sell a certain underlying instrument at a certain date in the future, at a specified price.

Initial margin deposits are made to the relevant brokers upon entering into future contracts and are generally made in margin cash. The cash balances held as margin at the reporting date are included in current assets/liabilities in the balance sheet.

The changes in value of futures contracts are recognised as unrealised gains or losses by marking-to-market the value of the contract at the balance sheet date. Changes in the futures contracts' value are settled daily with the exchange by paying or receiving a variation margin amount. Changes in unrealised gains or losses are recognised in the income statement.

When the contract is closed, the difference between the proceeds from (or cost of) the closing transactions and the original transaction is recorded as a realised gain or loss in the income statement.

v) Warrants

Warrants are financial instruments that convey the right, but not the obligation, to engage in a future transaction on an underlying security, within a certain time frame.

Warrants which are quoted, listed, traded or dealt on a market or exchange are valued based on quoted prices which, for the purpose of the financial statements are the closing bid-market price as at the year end date, on the relevant market or exchange which is normally the principal market or exchange for such investments.

vi) Contracts for difference

A contract for difference (“CFD”) is an agreement between the Fund and a CFD counterparty to pay or receive the change in the value of an underlying security.

In a long CFD contract, the counterparty agrees to pay the Fund the amount, if any, by which the notional amount of the CFD contract would have increased in value had it been invested in the underlying security or securities, plus any dividends that would have been received on those stocks. The Fund pays the counterparty a floating rate of interest on the notional amount of the CFD. The return to the Fund on a CFD contract will be the gain or loss on the notional amount plus any dividends accrued less the interest paid on the notional amount.

In a short CFD contract, the counterparty agrees to pay the Fund the amount, if any, by which the notional amount of the CFD contract would have decreased in value had it been invested in the underlying security or securities. The Fund must also pay the counterparty the value of any dividends that would have been received on those stocks. The Fund receives from the counterparty a floating rate of interest on the notional amount of the CFD.

* The accounting policies are an integral part of the notes to the financial statements.

Accounting policies* (continued)

a) Investments (continued)

Valuation of investments (continued)

vi) Contracts for difference (continued)

At each valuation point the difference in price between the opening price of the CFD and the market price of the underlying equity is recorded as the fair value (unrealised gain or loss) of the CFD in the balance sheet. Changes in the CFD contract value are settled daily with the CFD counterparty by paying or receiving collateral. Changes in unrealised gains or losses are recognised in the income statement.

When the CFD is closed the difference between the opening price of the CFD and the closing price is recorded as a realised fair value gain or loss in the income statement. The interest and dividends received or paid are recorded in the income statement as interest or dividend income/expense.

b) Critical accounting estimates and judgements

The preparation of financial statements in conformity with Irish GAAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The estimates and associated judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results.

c) Income

i) Dividend income

Dividend income is recognised when the securities are declared ex-dividend. UK franked investment income is shown net of any tax credits. Dividend income is shown gross of any non-reclaimable withholding tax, which is disclosed separately in the income statement. Dividends received or receivable in relation to securities on loan are "manufactured dividends" under UK and Irish tax legislation. No UK or Irish withholding tax is deducted from such receipts from securities lending counterparties. However, securities lending counterparties may have been obliged to deduct local withholding tax (e.g. on non-UK and non-Irish issued securities) from the gross manufactured dividend where applicable and agreed between the Fund and the securities lending counterparties.

ii) Bond income

Bond interest income is accrued on a daily basis using the effective yield method.

iii) Bank interest income

Bank interest income is recognised as income on an effective yield basis.

iv) Amortisation/accretion of premium/discounts on purchase of interest-bearing investments

Premiums or discounts on the purchase of fixed and variable interest rate investments are amortised over the life of the investment on an effective yield basis.

v) Securities lending income

Securities lending income is earned from lending securities owned by the Fund to a number of third party borrowers. Securities lending income is accounted for on an accruals basis.

d) Fees and expenses

Expenses are accounted for on an accruals basis with the exception of transaction charges relating to the acquisition and realisation of investments which are charged as incurred. Bank interest expense is accrued on a daily basis using the effective yield method.

e) Transaction costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument. When a financial asset or financial liability is recognised initially, an entity shall measure it at its fair value through profit or loss, plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Transaction costs on purchases or sales of financial assets or financial liabilities are included in net gains/(losses) on financial assets at fair value through profit or loss in the income statement of the Fund. Separately identifiable transaction costs are disclosed in note 10 of the notes to the financial statements of the Company on page 103.

Custody transaction costs are not separately identifiable as they form part of the total expense ratio of the Fund. The Manager is responsible for discharging all operational expenses of the Fund, see note 5 of the notes to the financial statements of the Company on pages 101 and 102 for more details.

* The accounting policies are an integral part of the notes to the financial statements.

iShares II plc

Accounting policies* (continued)

f) Distributions

Dividend expenses are accounted for as finance costs. The Directors may declare distributions for each distributing Fund, in respect of each financial period. Dividends will normally be declared quarterly, semi-annually or such other times as the Directors deem appropriate. With the exception of iShares \$ TIPS UCITS ETF, iShares Dow Jones Europe Sustainability Screened UCITS ETF and iShares Dow Jones Global Sustainability Screened UCITS ETF, which are accumulating Funds, in respect of each financial year, all funds are distributing.

As of 31 October 2013, all of the Funds have adopted UK Reporting Fund Status.

g) Redeemable participating shares

Subscriptions and redemptions are accounted for on the day the trade transaction takes place.

Redeemable participating shares are redeemable at the option of the shareholders and are classified as financial liabilities. Any distributions on these shares are recognised in the income statement as finance costs.

The redeemable participating shares can be redeemed for cash equal to a proportionate share of the NAV calculated in accordance with the Company's prospectus. The redeemable participating share is valued at the redemption amount that is payable at the balance sheet date if the shareholder exercised their right to put the shares back to the Company.

The fair value of the financial liabilities for the redeemable participating shares is the redemption amount per share, calculated as the NAV per share less any associated duties and charges and any redemption fee which is payable on the shares redeemed. Any potential duties and charges are at the discretion of the Board of Directors.

h) Foreign currency

i) Functional and presentation currency

The presentation currency of the Company's financial statements is Euro.

Foreign currency items included in the Funds' financial statements are measured in the Funds' functional currency which is shown in the following table. The presentation currency of the Funds' financial statements is the same as the functional currency.

Fund	Currency
iShares \$ High Yield Corporate Bond UCITS ETF	\$
iShares \$ TIPS UCITS ETF	\$
iShares \$ Treasury Bond 7-10yr UCITS ETF	\$
iShares £ Index-Linked Gilts UCITS ETF	£
iShares Asia Property Yield UCITS ETF	\$
iShares BRIC 50 UCITS ETF	\$
iShares Developed Markets Property Yield UCITS ETF	\$
iShares Dow Jones Europe Sustainability Screened UCITS ETF	€
iShares Dow Jones Global Sustainability Screened UCITS ETF	\$
iShares Emerging Market Infrastructure UCITS ETF	\$
iShares Euro Government Bond 3-5yr UCITS ETF	€
iShares Euro Government Bond 7-10yr UCITS ETF	€
iShares Euro Government Bond 15-30yr UCITS ETF	€
iShares EURO STOXX 50 UCITS ETF (Inc)	€
iShares FTSE MIB UCITS ETF (Inc)	€
iShares Global Clean Energy UCITS ETF	\$
iShares Global Infrastructure UCITS ETF	\$
iShares Global Timber & Forestry UCITS ETF	\$
iShares Global Water UCITS ETF	\$
iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF	\$
iShares Listed Private Equity UCITS ETF	\$
iShares MSCI AC Far East ex-Japan SmallCap UCITS ETF	\$
iShares MSCI EM Latin America UCITS ETF (Inc)	\$
iShares MSCI Emerging Markets Islamic UCITS ETF	\$
iShares MSCI Europe UCITS ETF (Inc)	€
iShares MSCI Turkey UCITS ETF	\$
iShares MSCI USA Islamic UCITS ETF	\$
iShares MSCI World Islamic UCITS ETF	\$
iShares STOXX Europe 50 UCITS ETF	€
iShares UK Gilts UCITS ETF	£
iShares UK Property UCITS ETF	£
iShares US Aggregate Bond UCITS ETF	\$
iShares US Property Yield UCITS ETF	\$

ii) Transactions and balances

Transactions in foreign currencies are translated into the functional currency of each Fund at the foreign currency exchange rate in effect at the date of the transaction.

Subscriptions and redemptions of shares in foreign currencies are translated at the foreign currency exchange rate in effect at the date of the transaction. Foreign currency assets and liabilities, including investments, are translated at the exchange rate prevailing at year end. The foreign exchange gain or loss based on the translation of the investments, as well as the gain or loss arising on the translation of other assets and liabilities, is included in net gains/(losses) on financial assets/liabilities at fair value through profit or loss in the income statement.

* The accounting policies are an integral part of the notes to the financial statements.

Accounting policies* (continued)

i) Receivables

Receivables are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition. They are subsequently measured at amortised cost using the effective interest method less provision for impairment.

The carrying amount of receivables approximates to their fair value.

j) Payables

Payables are recognised initially at fair value and subsequently stated at amortised cost. The difference between proceeds and the amount payable is recognised over the period of the payable using the effective interest method.

The carrying amount of payables approximates to their fair value.

k) Cash and cash equivalents

Cash and cash equivalents may include deposits held on call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are classified as liabilities.

l) Collateral

Cash collateral provided by the Company is identified on the balance sheet as pledged cash collateral and is not included as a component of cash and cash equivalents.

Cash collateral received by the Company from counterparties is identified on the balance sheet as cash collateral payable. The Company may reinvest this cash collateral and the assets purchased are included in financial assets at fair value through profit or loss on the balance sheet.

m) Adjustment to align to the valuation methodology as set out in the prospectus

The accounting policy of the Company, for the purpose of compliance with FRS 26, is to value its investments at the relevant fair value at the balance sheet date. Fair value is considered to be the relevant closing bid market price on the balance sheet date.

Any difference between the valuation methodology stated in the financial statements and the valuation methodology indicated in the prospectus results in an adjustment between the net assets as per the financial statements and the dealing net asset value.

Net assets attributable to redeemable participating shareholders represent a liability on the balance sheet, and are reflected at the redemption amount that would be payable at the balance sheet date, if the shareholder exercised their right to redeem shares in the Funds. The redemption amount is based on the number of shares in issue at the balance sheet date multiplied by the price per share.

Consequently, the differences described above adjust the carrying amount of the net assets attributable to shareholders and the cumulative differences are included in "Adjustment to align to the valuation methodology as set out in the prospectus" on the balance sheet. Further details are set out in note 9 on page 103 in the financial statements of the Company.

n) Equalisation on distributions

Equalisation arrangements are applied in the case of shares in the Company. These arrangements are intended to ensure that the income distribution per share is not affected by changes in the number of shares in issue during the year.

To ensure that each shareholder receives the same rate of distribution per share, the buying price of each share contains an amount called equalisation. This is equivalent to the net of distributable income less expenses accrued in the Company at the time of purchase/sale.

As part of the distribution payment, the average amount of this equalisation is returned to shareholders who subscribed to or redeemed from the Company during the year. The equalisation element of the distribution is treated as a repayment of capital.

For tax and accounting purposes, the Manager implements income and equalisation arrangements, to ensure that the level of income derived from investments is not affected by the issue, conversion or redemption of units during the accounting period.

Equalisation income and/or expense amounts are included in note 6 in the notes to the financial statements of the Company.

o) Comparative period

Certain prior year figures have been reclassified to correspond to current year presentation.

* The accounting policies are an integral part of the notes to the financial statements.

Financial instruments and risks*

The Company's investment activities expose it to the various types of risk which are associated with the financial instruments and markets in which it invests. The following information is not intended to be a comprehensive summary of all risks and investors should refer to the prospectus and supplements for a more detailed discussion of the risks inherent in investing in the Company.

The Directors of the Company review quarterly investment performance reports and receive semi-annual presentations in person from the Investment Manager, which covers the Company's performance and risk profile during the year. The Directors have delegated certain duties and responsibilities to the Manager with regard to the day-to-day management of the Company. The Manager has in turn delegated the day-to-day administration of the investment programme to the Investment Manager. The Investment Manager is also responsible for ensuring that the Company is managed within the terms of its investment guidelines and limits set out in the prospectus and supplements. The Board reserves to itself the investment performance and product risk monitoring and oversight and delegates to the Manager responsibility for the monitoring and oversight of regulatory and operational risk for the Company. The Manager has delegated the responsibility of the daily risk management to key risk management personnel of the Manager. The Manager has appointed a Risk Manager who has responsibility for the daily risk management process with assistance from key risk management personnel of the Investment Manager, including members of the Risk and Quantitative Analysis Group ("RQA Group") which is a centralised group which performs an independent risk management function. The group independently identifies, measures and monitors investment risk. RQA track the actual risk management practices being deployed across the different funds. By breaking down the components of the process, RQA have the ability to determine if the appropriate risk management processes are in place across the funds. This captures the risk management tools employed, how the levels of risk are controlled, ensuring risk/return is considered in portfolio construction and reviewing outcomes.

Change in Risk Management Process

Effective 1 July 2011 under UCITS notices issued by the Central Bank of Ireland, the Manager is required to employ a risk management process which enables it to accurately monitor and manage the exposure of the Company to risk and to manage the potential loss to the Fund.

Previously the Company disclosed sensitivity analysis to explain the effect of changes in market risk (including other price risk, foreign currency risk, and interest rate risk). With effect from 3 December 2012 the Company adopted a methodology known as Value at Risk ("VaR"). VaR encompasses other price risk, foreign currency risk and interest rate risk. Therefore sensitivity analysis across these risk categories is no longer disclosed. Further information is included below (including comparative information).

The risk exposure of the Company is set out as follows:

a) Market risk

Market risk arises mainly from uncertainty about future values of financial instruments influenced by other price, currency and interest rate movements. It represents the potential loss the Company may suffer through holding market positions in the face of market movements.

The Company is exposed to market risk by virtue of its investments in equities, warrants, rights, corporate bonds, government bonds, mortgage backed securities ("MBS"), to be announced contracts ("TBA"), CISs, CFDs and futures contracts.

There is no assurance that each benchmark index will continue to be calculated on the basis described in the prospectus or that they will not be amended significantly. The past performance of each benchmark index is not necessarily a guide to future performance.

A key metric the Risk and Quantitative Analysis Group ("RQA Group") use to measure market risk is VaR which encompasses price, currency and interest rate risk. The RQA Group is a centralised group which performs an independent risk management function. The group independently identifies measures and monitors investment risk.

VaR is a statistical risk measure that estimates the potential portfolio loss from adverse market moves in an ordinary market environment. VaR analysis reflects the interdependencies between risk variables, unlike a traditional sensitivity analysis.

The VaR calculations are based on a confidence level of 99% with a holding period of not greater than 1 month (20 days) and a historical observation period of not less than 1 year (250 days) where relevant. A VaR number is defined at a specified probability and a specified time horizon. A 99% 1 month VaR means that the expectation is that 99% of the time over a 1 month period the Fund will lose less than this number in percentage terms. Therefore, higher VaR numbers indicate higher risk.

It is noted that the use of VaR methodology has limitations, namely assumptions that risk factor returns are normally distributed and that the use of historical market data as a basis for estimating future events does not encompass all possible scenarios, particularly those that are of an extreme nature and that the use of a specified confidence level (e.g. 99%) does not take into account losses that occur beyond this level.

There is some probability that the loss could be greater than the VaR amounts. These limitations and the nature of the VaR measure mean that the Fund can neither guarantee that losses will not exceed the VaR amounts indicated, nor that losses in excess of the VaR amounts will not occur more frequently.

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

iShares II plc

Financial instruments and risks* (continued)

a) Market risk (continued)

The VaR as of 31 October 2013 and 31 October 2012 based on 99% confidence level is outlined in the table below:

Fund	31 October 2013 %	31 October 2012 %
iShares \$ High Yield Corporate Bond UCITS ETF	2.98	2.44
iShares \$ TIPS UCITS ETF	5.21	3.33
iShares \$ Treasury Bond 7-10yr UCITS ETF	4.30	3.47
iShares £ Index-Linked Gilts UCITS ETF	6.12	5.28
iShares Asia Property Yield UCITS ETF	11.75	13.37
iShares BRIC 50 UCITS ETF	14.74	16.48
iShares Developed Markets Property Yield UCITS ETF	11.23	11.94
iShares Dow Jones Europe Sustainability Screened UCITS ETF	10.74	12.51
iShares Dow Jones Global Sustainability Screened UCITS ETF	11.28	13.15
iShares Emerging Market Infrastructure UCITS ETF	12.67	14.85
iShares Euro Government Bond 3-5yr UCITS ETF	1.56	1.75
iShares Euro Government Bond 7-10yr UCITS ETF	3.14	3.02
iShares Euro Government Bond 15-30yr UCITS ETF	4.54	5.21
iShares EURO STOXX 50 UCITS ETF (Inc)	12.59	15.04
iShares FTSE MIB UCITS ETF (Inc)	16.02	18.61
iShares Global Clean Energy UCITS ETF	13.84	16.85
iShares Global Infrastructure UCITS ETF	8.29	9.29
iShares Global Timber & Forestry UCITS ETF	12.65	14.24
iShares Global Water UCITS ETF	11.16	12.88
iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF	6.69	3.38
iShares Listed Private Equity UCITS ETF	12.88	15.10
iShares MSCI AC Far East ex-Japan SmallCap UCITS ETF	12.64	15.40
iShares MSCI EM Latin America UCITS ETF (Inc)	16.72	17.83
iShares MSCI Emerging Markets Islamic UCITS ETF	13.98	16.10
iShares MSCI Europe UCITS ETF (Inc)	10.54	12.28
iShares MSCI Turkey UCITS ETF	22.74	20.94
iShares MSCI USA Islamic UCITS ETF	9.91	11.77
iShares MSCI World Islamic UCITS ETF	10.16	12.21
iShares STOXX Europe 50 UCITS ETF	10.06	11.36

	31 October 2013 %	31 October 2012 %
iShares UK Gilts UCITS ETF	3.70	3.80
iShares UK Property UCITS ETF	10.77	11.12
iShares US Aggregate Bond UCITS ETF	2.52	1.64
iShares US Property Yield UCITS ETF	11.77	12.28

i) Market risk arising from other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

The Company is exposed to market price risk arising from its investments in equities, warrants, rights, corporate bonds, government bonds, MBS, TBAs, CISs, CFDs and futures contracts. The movements in the prices of these investments result in movements in the performance of the Company. The investment concentrations within the portfolio are disclosed in the schedules of investments by investment type.

Investment into the Institutional Cash Series Plc ("ICS") Institutional Euro Liquidity Fund, ICS Institutional Sterling Liquidity Fund and ICS Institutional US Dollar Liquidity Fund exposes the Company to the net asset value of the underlying fund. This is monitored by the Investment Manager by understanding the investment objectives of the underlying fund as well as its internal control policies and regular risk and performance reporting. The investments into the CISs are all investments into related party Funds.

The investment objectives of the ICS Institutional Euro Liquidity Fund, ICS Institutional Sterling Liquidity Fund and ICS Institutional US Dollar Liquidity Fund is to maximise current income consistent with preservation of principal and liquidity by the maintenance of a portfolio of high quality short term "money market" instruments. In pursuit of their investment objective, the ICS Institutional Euro Liquidity Fund, ICS Institutional Sterling Liquidity Fund and ICS Institutional US Dollar Liquidity Fund may invest in a broad range of transferable securities such as securities, instruments and obligations that may be available in the relevant markets. These types of securities, instruments and obligations may be issued by any issuers, but shall be denominated in the base currency of the underlying Fund.

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iShares II plc

Financial instruments and risks* (continued)

a) Market risk (continued)

i) Market risk arising from other price risk (continued)

The Investment Manager manages the Company's market risk on a daily basis in accordance with the Company's investment objective.

The investment objective of the Funds is to provide investors with a total return, taking into account the capital and income returns, which reflect the total returns of the respective benchmark. The Fund's performance is correlated to its benchmark. The correlation of the Funds' performance against the benchmark is a metric monitored by key management personnel.

The Company may invest in securities, which as far as possible and practicable, consist of the component securities of the benchmark index of each Fund, and which may be denominated in currencies other than its reporting currency.

Consequently, each Fund is exposed to the risk of currency fluctuations between the base currency of the benchmark index and the base currency of the constituent securities of the benchmark index.

The Funds, in line with their benchmarks, are unhedged and are therefore exposed to foreign currency risk.

ii) Market risk arising from foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The tables below outline the exposure to foreign currency risk as at 31 October 2013 and 31 October 2012:

31 October 2013

Foreign currency exposure	Monetary** exposure	Non-monetary*** exposure	Gross foreign currency exposure	Forward currency contracts at portfolio level	Net foreign currency exposure	% of Net Assets
iShares \$ High Yield Corporate Bond UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	%
GBP	3	-	3	-	3	0.00
Total exposure to foreign currencies	3	-	3	-	3	0.00
iShares Asia Property Yield UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	%
AUD	-	77,356	77,356	-	77,356	29.45
HKD	148	91,199	91,347	-	91,347	34.79
JPY	350	52,365	52,715	-	52,715	20.07
NZD	-	904	904	-	904	0.34
SGD	217	31,964	32,181	-	32,181	12.25
Total exposure to foreign currencies	715	253,788	254,503	-	254,503	96.90
iShares BRIC 50 UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	%
HKD	489	274,376	274,865	-	274,865	48.62
Total exposure to foreign currencies	489	274,376	274,865	-	274,865	48.62

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*** Non-monetary items are any other assets and liabilities, other than monetary ones.

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iShares II plc

Financial instruments and risks* (continued)

a) Market risk (continued)

ii) Market risk arising from foreign currency risk (continued)

31 October 2013

Foreign currency exposure	Monetary** exposure	Non-monetary*** exposure	Gross foreign currency exposure	Forward currency contracts at portfolio level	Net foreign currency exposure	% of Net Assets
iShares Developed Markets Property Yield UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	%
AUD	425	194,452	194,877	-	194,877	8.18
CAD	608	117,896	118,504	-	118,504	4.98
CHF	49	26,043	26,092	-	26,092	1.10
EUR	(594)	178,433	177,839	-	177,839	7.47
GBP	724	120,987	121,711	-	121,711	5.11
HKD	866	229,247	230,113	-	230,113	9.66
ILS	5	2,987	2,992	-	2,992	0.13
JPY	1,145	131,667	132,812	-	132,812	5.58
NOK	15	1,702	1,717	-	1,717	0.07
NZD	4	2,275	2,279	-	2,279	0.10
SEK	129	20,319	20,448	-	20,448	0.86
SGD	703	80,346	81,049	-	81,049	3.40
Total exposure to foreign currencies	4,079	1,106,354	1,110,433	-	1,110,433	46.64
iShares Dow Jones Europe Sustainability Screened UCITS ETF	€'000	€'000	€'000	€'000	€'000	%
CHF	(708)	4,952	4,244	-	4,244	19.74
DKK	(76)	498	422	-	422	1.96
GBP	(703)	4,864	4,161	-	4,161	19.34
NOK	(4)	35	31	-	31	0.14
SEK	(4)	367	363	-	363	1.69
Total exposure to foreign currencies	(1,495)	10,716	9,221	-	9,221	42.87
iShares Dow Jones Global Sustainability Screened UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	%
AUD	5	4,947	4,952	-	4,952	4.87
BRL	56	1,459	1,515	-	1,515	1.49
CAD	19	5,576	5,595	-	5,595	5.50
CHF	(39)	7,379	7,340	-	7,340	7.22
DKK	-	856	856	-	856	0.84

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iShares II plc

Financial instruments and risks* (continued)

a) Market risk (continued)

ii) Market risk arising from foreign currency risk (continued)

31 October 2013

Foreign currency exposure	Monetary** exposure	Non- monetary*** exposure	Gross foreign currency exposure	Forward currency contracts at portfolio level	Net foreign currency exposure	% of Net Assets
iShares Dow Jones Global Sustainability Screened UCITS ETF (cont)	\$'000	\$'000	\$'000	\$'000	\$'000	%
EUR	(31)	19,738	19,707	-	19,707	19.38
GBP	(36)	11,205	11,169	-	11,169	10.99
HKD	-	875	875	-	875	0.86
JPY	54	6,381	6,435	-	6,435	6.33
KRW	64	2,490	2,554	-	2,554	2.51
NOK	3	339	342	-	342	0.34
SEK	90	1,440	1,530	-	1,530	1.50
SGD	-	171	171	-	171	0.17
THB	3	175	178	-	178	0.18
TWD	34	789	823	-	823	0.81
ZAR	5	633	638	-	638	0.63
Total exposure to foreign currencies	227	64,453	64,680	-	64,680	63.62
iShares Emerging Market Infrastructure UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	%
BRL	443	12,321	12,764	-	12,764	9.91
CZK	3	-	3	-	3	0.00
GBP	6	-	6	-	6	0.00
HKD	373	36,783	37,156	-	37,156	28.84
IDR	28	-	28	-	28	0.02
MYR	38	6,726	6,764	-	6,764	5.25
PHP	34	3,320	3,354	-	3,354	2.60
RUB	-	4,575	4,575	-	4,575	3.55
THB	-	5,234	5,234	-	5,234	4.06
Total exposure to foreign currencies	925	68,959	69,884	-	69,884	54.23
iShares EURO STOXX 50 UCITS ETF (Inc)	€'000	€'000	€'000	€'000	€'000	%
GBP	417	-	417	-	417	0.01
Total exposure to foreign currencies	417	-	417	-	417	0.01

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iShares II plc

Financial instruments and risks* (continued)

a) Market risk (continued)

ii) Market risk arising from foreign currency risk (continued)

31 October 2013

Foreign currency exposure	Monetary** exposure	Non-monetary*** exposure	Gross foreign currency exposure	Forward currency contracts at portfolio level	Net foreign currency exposure	% of Net Assets
iShares FTSE MIB UCITS ETF (Inc)	€'000	€'000	€'000	€'000	€'000	%
GBP	32	-	32	-	32	0.00
Total exposure to foreign currencies	32	-	32	-	32	0.00
 iShares Global Clean Energy UCITS ETF	 \$'000	 \$'000	 \$'000	 \$'000	 \$'000	 %
DKK	2	5,038	5,040	-	5,040	5.08
EUR	30	13,185	13,215	-	13,215	13.33
HKD	-	19,796	19,796	-	19,796	19.96
JPY	103	23,441	23,544	-	23,544	23.74
NOK	180	1,740	1,920	-	1,920	1.94
NZD	-	2,181	2,181	-	2,181	2.20
Total exposure to foreign currencies	315	65,381	65,696	-	65,696	66.25
 iShares Global Infrastructure UCITS ETF	 \$'000	 \$'000	 \$'000	 \$'000	 \$'000	 %
AUD	-	8,256	8,256	-	8,256	2.24
BRL	161	5,733	5,894	-	5,894	1.60
CAD	74	29,131	29,205	-	29,205	7.94
CZK	-	1,360	1,360	-	1,360	0.37
EUR	234	69,625	69,859	-	69,859	18.99
GBP	109	35,705	35,814	-	35,814	9.75
HKD	-	10,778	10,778	-	10,778	2.93
JPY	87	21,186	21,273	-	21,273	5.78
KRW	14	1,827	1,841	-	1,841	0.50
Total exposure to foreign currencies	679	183,601	184,280	-	184,280	50.10
 iShares Global Timber & Forestry UCITS ETF	 \$'000	 \$'000	 \$'000	 \$'000	 \$'000	 %
BRL	17	4,373	4,390	-	4,390	6.05
CAD	1	8,883	8,884	-	8,884	12.24
EUR	3	9,197	9,200	-	9,200	12.67
GBP	-	2,972	2,972	-	2,972	4.09
HKD	(1)	1,270	1,269	-	1,269	1.75
JPY	56	6,474	6,530	-	6,530	9.00
SEK	42	1,564	1,606	-	1,606	2.21
ZAR	-	1,228	1,228	-	1,228	1.69
Total exposure to foreign currencies	118	35,961	36,079	-	36,079	49.70

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iShares II plc

Financial instruments and risks* (continued)

a) Market risk (continued)

ii) Market risk arising from foreign currency risk (continued)

31 October 2013

Foreign currency exposure	Monetary** exposure	Non-monetary*** exposure	Gross foreign currency exposure	Forward currency contracts at portfolio level	Net foreign currency exposure	% of Net Assets
iShares Global Water UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	%
CHF	66	22,368	22,434	-	22,434	8.41
EUR	(446)	44,260	43,814	-	43,814	16.43
GBP	(591)	47,454	46,863	-	46,863	17.57
HKD	(10)	11,999	11,989	-	11,989	4.50
ILS	(4)	5,110	5,106	-	5,106	1.92
JPY	(49)	8,281	8,232	-	8,232	3.09
KRW	9	5,823	5,832	-	5,832	2.19
SEK	(136)	10,607	10,471	-	10,471	3.93
SGD	(20)	1,229	1,209	-	1,209	0.45
Total exposure to foreign currencies	(1,181)	157,131	155,950	-	155,950	58.49
iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	%
GBP	8	-	8	-	8	0.00
Total exposure to foreign currencies	8	-	8	-	8	0.00
iShares Listed Private Equity UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	%
CAD	(13)	43,416	43,403	-	43,403	11.63
CHF	2	13,599	13,601	-	13,601	3.65
EUR	30	32,688	32,718	-	32,718	8.77
GBP	1	43,149	43,150	-	43,150	11.57
JPY	-	10,702	10,702	-	10,702	2.87
SEK	144	7,969	8,113	-	8,113	2.18
SGD	-	697	697	-	697	0.19
Total exposure to foreign currencies	164	152,220	152,384	-	152,384	40.86
iShares MSCI AC Far East ex-Japan SmallCap UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	%
CNY	2	-	2	-	2	0.00
HKD	350	24,121	24,471	-	24,471	31.82
IDR	1	3,167	3,168	-	3,168	4.12
KRW	5	14,763	14,768	-	14,768	19.20
MYR	4	4,617	4,621	-	4,621	6.01
PHP	(4)	786	782	-	782	1.02

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iShares II plc

Financial instruments and risks* (continued)

a) Market risk (continued)

ii) Market risk arising from foreign currency risk (continued)

31 October 2013

Foreign currency exposure	Monetary** exposure	Non- monetary*** exposure	Gross foreign currency exposure	Forward currency contracts at portfolio level	Net foreign currency exposure	% of Net Assets
iShares MSCI AC Far East ex-Japan SmallCap UCITS ETF (cont)	\$'000	\$'000	\$'000	\$'000	\$'000	%
SGD	98	7,225	7,323	-	7,323	9.52
THB	14	3,411	3,425	-	3,425	4.45
TWD	16	18,111	18,127	-	18,127	23.57
Total exposure to foreign currencies	486	76,201	76,687	-	76,687	99.71
 iShares MSCI EM Latin America UCITS ETF (Inc)	 \$'000	 \$'000	 \$'000	 \$'000	 \$'000	 %
BRL	951	161,423	162,374	-	162,374	58.43
CLP	17	22,793	22,810	-	22,810	8.21
COP	71	15,661	15,732	-	15,732	5.66
GBP	1	-	1	-	1	0.00
MXN	140	69,796	69,936	-	69,936	25.17
Total exposure to foreign currencies	1,180	269,673	270,853	-	270,853	97.47
 iShares MSCI Emerging Markets Islamic UCITS ETF	 \$'000	 \$'000	 \$'000	 \$'000	 \$'000	 %
BRL	(415)	3,735	3,320	-	3,320	11.41
CLP	(83)	674	591	-	591	2.03
COP	(60)	488	428	-	428	1.47
CZK	(12)	108	96	-	96	0.33
EGP	7	15	22	-	22	0.08
EUR	(4)	29	25	-	25	0.09
HKD	5	4,915	4,920	-	4,920	16.90
HUF	(8)	67	59	-	59	0.20
IDR	(84)	678	594	-	594	2.04
KRW	15	3,052	3,067	-	3,067	10.54
MXN	(68)	597	529	-	529	1.82
MYR	(137)	1,102	965	-	965	3.32
PHP	(20)	215	195	-	195	0.67
PLN	(54)	513	459	-	459	1.58
RUB	8	2,788	2,796	-	2,796	9.61
THB	(94)	753	659	-	659	2.26

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iShares II plc

Financial instruments and risks* (continued)

a) Market risk (continued)

ii) Market risk arising from foreign currency risk (continued)

31 October 2013

Foreign currency exposure	Monetary** exposure	Non- monetary*** exposure	Gross foreign currency exposure	Forward currency contracts at portfolio level	Net foreign currency exposure	% of Net Assets
iShares MSCI Emerging Markets Islamic UCITS ETF (cont)	\$'000	\$'000	\$'000	\$'000	\$'000	%
TRY	-	218	218	-	218	0.75
TWD	6	4,398	4,404	-	4,404	15.14
ZAR	(364)	2,907	2,543	-	2,543	8.74
Total exposure to foreign currencies	(1,362)	27,252	25,890	-	25,890	88.98
iShares MSCI Europe UCITS ETF (Inc)	€'000	€'000	€'000	€'000	€'000	%
CHF	(11,744)	359,724	347,980	-	347,980	13.12
DKK	(1,853)	44,012	42,159	-	42,159	1.59
GBP	(32,593)	871,439	838,846	-	838,846	31.61
NOK	(1,023)	33,353	32,330	-	32,330	1.22
SEK	(4,800)	126,326	121,526	-	121,526	4.58
USD	507	-	507	-	507	0.02
Total exposure to foreign currencies	(51,506)	1,434,854	1,383,348	-	1,383,348	52.14
iShares MSCI Turkey UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	%
GBP	35	-	35	-	35	0.01
TRY	376	376,998	377,374	-	377,374	99.63
Total exposure to foreign currencies	411	376,998	377,409	-	377,409	99.64
iShares MSCI World Islamic UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	%
AUD	1	2,458	2,459	-	2,459	2.84
CAD	14	3,886	3,900	-	3,900	4.50
CHF	8	4,176	4,184	-	4,184	4.83
DKK	-	70	70	-	70	0.08
EUR	41	12,175	12,216	-	12,216	14.09
GBP	16	9,121	9,137	-	9,137	10.54
HKD	-	595	595	-	595	0.69
JPY	30	5,161	5,191	-	5,191	5.99
NOK	5	316	321	-	321	0.37
NZD	1	52	53	-	53	0.06

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iShares II plc

Financial instruments and risks* (continued)

a) Market risk (continued)

ii) Market risk arising from foreign currency risk (continued)

31 October 2013

Foreign currency exposure	Monetary** exposure	Non- monetary*** exposure	Gross foreign currency exposure	Forward currency contracts at portfolio level	Net foreign currency exposure	% of Net Assets
iShares MSCI World Islamic UCITS ETF (cont)	\$'000	\$'000	\$'000	\$'000	\$'000	%
SEK	3	998	1,001	-	1,001	1.15
SGD	-	503	503	-	503	0.58
Total exposure to foreign currencies	119	39,511	39,630	-	39,630	45.72
iShares STOXX Europe 50 UCITS ETF (Inc)	€'000	€'000	€'000	€'000	€'000	%
CHF	5	128,559	128,564	-	128,564	21.12
GBP	153	214,891	215,044	-	215,044	35.32
SEK	5	5,144	5,149	-	5,149	0.85
USD	263	-	263	-	263	0.04
Total exposure to foreign currencies	426	348,594	349,020	-	349,020	57.33
iShares US Property Yield UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	%
GBP	6	-	6	-	6	0.00
Total exposure to foreign currencies	6	-	6	-	6	0.00

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The following Funds had no foreign currency exposure for the year ended 31 October 2013 as all assets and liabilities of the Fund were held in the functional currency: iShares \$ TIPS UCITS ETF, iShares \$ Treasury Bond 7-10yr UCITS ETF, iShares £ Index-Linked Gilts UCITS ETF, iShares Euro Government Bond 3-5yr UCITS ETF, iShares Euro Government Bond 7-10yr UCITS ETF,

iShares Euro Government Bond 15-30yr UCITS ETF, Shares MSCI USA Islamic UCITS ETF, iShares UK Gilts UCITS ETF, iShares UK Property UCITS ETF and iShares US Aggregate Bond UCITS ETF.

31 October 2012

Foreign currency exposure	Monetary** exposure	Non- monetary*** exposure	Gross foreign currency exposure	Forward currency contracts at portfolio level	Net foreign currency exposure	% of Net Assets
iShares \$ High Yield Corporate Bond UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	%
GBP	2	-	2	-	2	0.00
Total exposure to foreign currencies	2	-	2	-	2	0.00
iShares Asia Property Yield UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	%
AUD	77	67,714	67,791	-	67,791	31.19
GBP	2	-	2	-	2	0.00

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iShares II plc

Financial instruments and risks* (continued)

a) Market risk (continued)

ii) Market risk arising from foreign currency risk (continued)

31 October 2012

Foreign currency exposure	Monetary** exposure	Non-monetary*** exposure	Gross foreign currency exposure	Forward currency contracts at portfolio level	Net foreign currency exposure	% of Net Assets
iShares Asia Property Yield UCITS ETF (cont)	\$'000	\$'000	\$'000	\$'000	\$'000	%
HKD	-	81,530	81,530	-	81,530	37.51
JPY	355	29,237	29,592	-	29,592	13.61
NZD	-	784	784	-	784	0.36
SGD	122	28,038	28,160	-	28,160	12.96
Total exposure to foreign currencies	556	207,303	207,859	-	207,859	95.63
iShares BRIC 50 UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	%
GBP	10	-	10	-	10	0.00
HKD	596	419,198	419,794	-	419,794	46.86
Total exposure to foreign currencies	606	419,198	419,804	-	419,804	46.86
iShares Developed Markets Property Yield UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	%
AUD	(626)	173,377	172,751	-	172,751	9.58
CAD	(213)	108,872	108,659	-	108,659	6.03
CHF	(113)	24,063	23,950	-	23,950	1.33
EUR	(539)	126,888	126,349	-	126,349	7.01
GBP	(46)	83,408	83,362	-	83,362	4.62
HKD	-	208,663	208,663	-	208,663	11.57
ILS	4	1,709	1,713	-	1,713	0.09
JPY	477	75,006	75,483	-	75,483	4.19
NOK	(7)	1,575	1,568	-	1,568	0.09
NZD	(10)	2,007	1,997	-	1,997	0.11
SEK	(81)	17,295	17,214	-	17,214	0.95
SGD	(39)	71,793	71,754	-	71,754	3.98
Total exposure to foreign currencies	(1,193)	894,656	893,463	-	893,463	49.55
iShares Dow Jones Europe Sustainability Screened UCITS ETF	€'000	€'000	€'000	€'000	€'000	%
CHF	(2)	1,694	1,692	-	1,692	22.45
DKK	(4)	213	209	-	209	2.77
GBP	(1)	1,732	1,731	-	1,731	22.97
NOK	2	61	63	-	63	0.84
SEK	-	143	143	-	143	1.90
USD	5	-	5	-	5	0.07
Total exposure to foreign currencies	-	3,843	3,843	-	3,843	51.00

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iShares II plc

Financial instruments and risks* (continued)

a) Market risk (continued)

ii) Market risk arising from foreign currency risk (continued)

31 October 2012

Foreign currency exposure	Monetary** exposure	Non-monetary*** exposure	Gross foreign currency exposure	Forward currency contracts at portfolio level	Net foreign currency exposure	% of Net Assets
iShares Dow Jones Global Sustainability Screened UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	%
AUD	1	1,858	1,859	-	1,859	4.80
BRL	32	696	728	-	728	1.88
CAD	26	2,515	2,541	-	2,541	6.56
CHF	(1)	2,735	2,734	-	2,734	7.05
DKK	(2)	315	313	-	313	0.81
EUR	44	7,054	7,098	-	7,098	18.33
GBP	10	3,995	4,005	-	4,005	10.33
HKD	-	388	388	-	388	1.00
HUF	-	21	21	-	21	0.05
JPY	33	2,387	2,420	-	2,420	6.24
KRW	25	1,078	1,103	-	1,103	2.85
MXN	-	60	60	-	60	0.15
NOK	15	141	156	-	156	0.40
SEK	-	588	588	-	588	1.52
SGD	-	40	40	-	40	0.10
THB	1	64	65	-	65	0.17
TWD	19	242	261	-	261	0.67
ZAR	63	245	308	-	308	0.79
Total exposure to foreign currencies	266	24,422	24,688	-	24,688	63.70
iShares Emerging Market Infrastructure UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	%
BRL	449	11,896	12,345	-	12,345	12.86
CNY	22	-	22	-	22	0.02
CZK	(2)	4,415	4,413	-	4,413	4.60
GBP	1	-	1	-	1	0.00
HKD	149	21,888	22,037	-	22,037	22.96
IDR	-	2,070	2,070	-	2,070	2.16
MYR	12	3,618	3,630	-	3,630	3.78
PHP	17	2,271	2,288	-	2,288	2.38
RUB	-	3,835	3,835	-	3,835	4.00
TRY	-	1,405	1,405	-	1,405	1.46
Total exposure to foreign currencies	648	51,398	52,046	-	52,046	54.22

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iShares II plc

Financial instruments and risks* (continued)

a) Market risk (continued)

ii) Market risk arising from foreign currency risk (continued)

31 October 2012

Foreign currency exposure	Monetary** exposure	Non-monetary*** exposure	Gross foreign currency exposure	Forward currency contracts at portfolio level	Net foreign currency exposure	% of Net Assets
iShares Global Clean Energy UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	%
AUD	44	4,480	4,524	-	4,524	4.99
DKK	-	3,731	3,731	-	3,731	4.11
EUR	57	15,858	15,915	-	15,915	17.55
HKD	-	15,359	15,359	-	15,359	16.94
JPY	185	21,298	21,483	-	21,483	23.68
KRW	39	567	606	-	606	0.01
NOK	21	682	703	-	703	0.78
Total exposure to foreign currencies	346	61,975	62,321	-	62,321	68.06
iShares Global Infrastructure UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	%
AUD	-	6,059	6,059	-	6,059	1.87
BRL	280	8,188	8,468	-	8,468	2.61
CAD	80	26,350	26,430	-	26,430	8.15
CZK	-	2,159	2,159	-	2,159	0.67
EUR	729	62,475	63,204	-	63,204	19.48
GBP	102	30,736	30,838	-	30,838	9.51
HKD	-	12,777	12,777	-	12,777	3.94
JPY	143	12,095	12,238	-	12,238	3.77
KRW	4	1,833	1,837	-	1,837	0.57
Total exposure to foreign currencies	1,338	162,672	164,010	-	164,010	50.57
iShares Global Timber & Forestry UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	%
BRL	2	3,355	3,357	-	3,357	3.81
CAD	(1)	7,545	7,544	-	7,544	8.56
EUR	2	6,536	6,538	-	6,538	7.42
GBP	(1)	3,876	3,875	-	3,875	4.40
HKD	-	2,118	2,118	-	2,118	2.40
JPY	76	8,210	8,286	-	8,286	9.41
SEK	-	2,848	2,848	-	2,848	3.23
SGD	-	6,691	6,691	-	6,691	7.60
ZAR	-	2,420	2,420	-	2,420	2.75
Total exposure to foreign currencies	78	43,599	43,677	-	43,677	49.58

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iShares II plc

Financial instruments and risks* (continued)

a) Market risk (continued)

ii) Market risk arising from foreign currency risk (continued)

31 October 2012

Foreign currency exposure	Monetary** exposure	Non-monetary*** exposure	Gross foreign currency exposure	Forward currency contracts at portfolio level	Net foreign currency exposure	% of Net Assets
iShares Global Water UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	%
CHF	(6)	14,909	14,903	-	14,903	7.90
EUR	(12)	28,806	28,794	-	28,794	15.26
GBP	(7)	37,667	37,660	-	37,660	19.95
HKD	37	7,097	7,134	-	7,134	3.78
ILS	(2)	6,930	6,928	-	6,928	3.67
JPY	65	6,976	7,041	-	7,041	3.73
SEK	(7)	7,046	7,039	-	7,039	3.73
SGD	-	1,037	1,037	-	1,037	0.55
Total exposure to foreign currencies	68	110,468	110,536	-	110,536	58.57
iShares Listed Private Equity UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	%
CAD	5	19,117	19,122	-	19,122	9.19
CHF	-	7,323	7,323	-	7,323	3.52
EUR	22	14,133	14,155	-	14,155	6.81
GBP	(3)	18,213	18,210	-	18,210	8.76
JPY	-	4,142	4,142	-	4,142	1.99
SEK	(1)	4,660	4,659	-	4,659	2.24
SGD	-	4,186	4,186	-	4,186	2.01
Total exposure to foreign currencies	23	71,774	71,797	-	71,797	34.52
iShares MSCI AC Far East ex-Japan SmallCap UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	%
GBP	7	-	7	-	7	0.01
HKD	21	14,628	14,649	-	14,649	30.12
IDR	22	2,436	2,458	-	2,458	5.05
KRW	288	9,886	10,174	-	10,174	20.92
MYR	77	2,816	2,893	-	2,893	5.95
PHP	12	868	880	-	880	1.81
SGD	7	5,059	5,066	-	5,066	10.42
THB	4	2,277	2,281	-	2,281	4.69
TWD	345	10,475	10,820	-	10,820	22.25
Total exposure to foreign currencies	783	48,445	49,228	-	49,228	101.21

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iShares II plc

Financial instruments and risks* (continued)

a) Market risk (continued)

ii) Market risk arising from foreign currency risk (continued)

31 October 2012

Foreign currency exposure	Monetary** exposure	Non- monetary*** exposure	Gross foreign currency exposure	Forward currency contracts at portfolio level	Net foreign currency exposure	% of Net Assets
iShares MSCI EM Latin America UCITS ETF (Inc)	\$'000	\$'000	\$'000	\$'000	\$'000	%
BRL	1,472	219,684	221,156	-	221,156	58.40
MXN	151	92,596	92,747	-	92,747	24.49
Total exposure to foreign currencies	1,623	312,280	313,903	-	313,903	82.89
iShares MSCI Emerging Markets Islamic UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	%
BRL	58	4,436	4,494	-	4,494	15.25
CZK	-	155	155	-	155	0.53
EGP	5	35	40	-	40	0.14
EUR	-	65	65	-	65	0.22
HKD	13	4,663	4,676	-	4,676	15.88
HUF	-	134	134	-	134	0.46
IDR	1	707	708	-	708	2.40
KRW	7	3,282	3,289	-	3,289	11.17
MXN	2	743	745	-	745	2.53
MYR	3	1,117	1,120	-	1,120	3.80
PHP	4	112	116	-	116	0.39
PLN	-	329	329	-	329	1.12
RUB	-	942	942	-	942	3.20
THB	-	564	564	-	564	1.92
TRY	-	162	162	-	162	0.55
TWD	10	4,276	4,286	-	4,286	14.55
ZAR	3	3,110	3,113	-	3,113	10.57
Total exposure to foreign currencies	106	24,832	24,938	-	24,938	84.68
iShares MSCI Europe UCITS ETF (Inc)	€'000	€'000	€'000	€'000	€'000	%
CHF	131	231,712	231,843	-	231,843	13.31
DKK	-	30,969	30,969	-	30,969	1.78
GBP	1,169	611,594	612,763	-	612,763	35.17
NOK	271	25,423	25,694	-	25,694	1.48
SEK	(38)	82,749	82,711	-	82,711	4.75
USD	418	-	418	-	418	0.02
Total exposure to foreign currencies	1,951	982,447	984,398	-	984,398	56.51

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iShares II plc

Financial instruments and risks* (continued)

a) Market risk (continued)

ii) Market risk arising from foreign currency risk (continued)

31 October 2012

Foreign currency exposure	Monetary** exposure	Non-monetary*** exposure	Gross foreign currency exposure	Forward currency contracts at portfolio level	Net foreign currency exposure	% of Net Assets
iShares MSCI Turkey UCITS ETF (Inc)	\$'000	\$'000	\$'000	\$'000	\$'000	%
TRY	291	261,340	261,631	-	261,631	99.71
Total exposure to foreign currencies	291	261,340	261,631	-	261,631	99.71
iShares MSCI World Islamic UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	%
AUD	1	1,709	1,710	-	1,710	3.11
CAD	1	3,339	3,340	-	3,340	6.07
CHF	-	2,742	2,742	-	2,742	4.98
DKK	-	26	26	-	26	0.05
EUR	37	7,024	7,061	-	7,061	12.84
GBP	5	6,479	6,484	-	6,484	11.79
HKD	3	449	452	-	452	0.82
JPY	35	3,390	3,425	-	3,425	6.23
NOK	4	260	264	-	264	0.48
NZD	1	29	30	-	30	0.05
SEK	2	498	500	-	500	0.91
SGD	1	279	280	-	280	0.51
Total exposure to foreign currencies	90	26,224	26,314	-	26,314	47.84
iShares STOXX Europe 50 UCITS ETF	€'000	€'000	€'000	€'000	€'000	%
CHF	1	99,000	99,001	-	99,001	18.24
GBP	89	205,193	205,282	-	205,282	37.81
SEK	-	9,148	9,148	-	9,148	1.69
USD	254	-	254	-	254	0.05
Total exposure to foreign currencies	344	313,341	313,685	-	313,685	57.79
iShares US Property Yield UCITS ETF	\$'000	\$'000	\$'000	\$'000	\$'000	%
GBP	2	-	2	-	2	0.00
Total exposure to foreign currencies	2	-	2	-	2	0.00

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The following Funds had no foreign currency exposure for the year ended 31 October 2012 as all assets and liabilities of the Fund were held in the functional currency: iShares \$ TIPS UCITS ETF, iShares \$ Treasury Bond 7-10yr UCITS ETF, iShares £ Index-Linked Gilts UCITS ETF, iShares Euro Government Bond 3-5yr UCITS ETF, iShares Euro Government Bond 7-10yr UCITS ETF, iShares Euro Government Bond 15-30yr UCITS ETF, iShares EURO STOXX 50 UCITS ETF (Inc),

iShares FTSE MIB UCITS ETF (Inc), iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF, iShares MSCI USA Islamic UCITS ETF, iShares UK Gilts UCITS ETF, iShares UK Property UCITS ETF, and iShares US Aggregate Bond UCITS ETF.

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iShares II plc

Financial instruments and risks* (continued)

a) Market risk (continued)

iii) Market risk arising from interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Funds, as listed in the following tables, are exposed to interest rate risk through their cash holdings including margin cash held with brokers and their investments in corporate and government bonds where the value of these securities may fluctuate as a result of a change in interest rates. The Funds that invest in CISs have an indirect exposure to those investments that are held by the CISs.

The Fund that invests in CFDs is immaterially exposed to interest rate risk through these investments. The Funds also have indirect exposure to interest rate risk through the investments into futures contracts, whereby the value of the underlying asset may fluctuate as a result of a change in interest rates.

Movements in the prices of these investments are derived from movements in market interest rates and issuer credit-worthiness. Issuer credit-worthiness and credit spreads are monitored by the Investment Manager regularly. The securities in which the Funds invest will generally have a minimum rating of investment grade from a ratings agency as set out in the investment policy of the Funds.

The following tables outline the exposure to significant interest rate risk as at 31 October 2013 and 31 October 2012:

31 October 2013

Exposure to interest rate risk	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
iShares \$ High Yield Corporate Bond UCITS ETF	\$'000	\$'000	\$'000	\$'000
Short term financial assets**	38,294	3,154	61,353	102,801
Long term financial assets***	-	1,211,934	-	1,211,934
Short term financial liabilities**	-	-	(48,274)	(48,274)
Long term financial liabilities***	-	-	-	-
Net asset value	38,294	1,215,088	13,079	1,266,461
iShares \$ TIPS UCITS ETF	\$'000	\$'000	\$'000	\$'000
Short term financial assets**	27,658	-	1,810	29,468
Long term financial assets***	-	501,811	-	501,811
Short term financial liabilities**	-	-	(27,012)	(27,012)
Long term financial liabilities***	-	-	-	-
Net asset value	27,658	501,811	(25,202)	504,267
iShares \$ Treasury Bond 7-10yr UCITS ETF	\$'000	\$'000	\$'000	\$'000
Short term financial assets**	8,167	-	19,232	27,399
Long term financial assets***	-	671,079	-	671,079
Short term financial liabilities**	-	-	(21,828)	(21,828)
Long term financial liabilities***	-	-	-	-
Net asset value	8,167	671,079	(2,596)	676,650
iShares £ Index-Linked Gilts UCITS ETF	£'000	£'000	£'000	£'000
Short term financial assets**	908	-	12,796	13,704
Long term financial assets***	-	771,485	-	771,485
Short term financial liabilities**	-	-	(10,506)	(10,506)
Long term financial liabilities***	-	-	-	-
Net asset value	908	771,485	2,290	774,683

** Less than one year.

*** Greater than one year.

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iShares II plc

Financial instruments and risks* (continued)

a) Market risk (continued)

iii) Market risk arising from interest rate risk (continued)

31 October 2013

Exposure to interest rate risk	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
iShares Euro Government Bond 3-5yr UCITS ETF	€'000	€'000	€'000	€'000
Short term financial assets**	33,938	-	279,475	313,413
Long term financial assets***	-	1,481,316	-	1,481,316
Short term financial liabilities**	-	-	(306,010)	(306,010)
Long term financial liabilities***	-	-	-	-
Net asset value	33,938	1,481,316	(26,535)	1,488,719
iShares Euro Government Bond 7-10yr UCITS ETF	€'000	€'000	€'000	€'000
Short term financial assets**	1,106	-	6,249	7,355
Long term financial assets***	-	261,470	-	261,470
Short term financial liabilities**	-	-	(2,808)	(2,808)
Long term financial liabilities***	-	-	-	-
Net asset value	1,106	261,470	3,441	266,017
iShares Euro Government Bond 15-30yr UCITS ETF	€'000	€'000	€'000	€'000
Short term financial assets**	7,173	-	2,102	9,275
Long term financial assets***	-	64,312	-	64,312
Short term financial liabilities**	-	-	(7,845)	(7,845)
Long term financial liabilities***	-	-	-	-
Net asset value	7,173	64,312	(5,743)	65,742
iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF	\$'000	\$'000	\$'000	\$'000
Short term financial assets**	10,384	-	54,435	64,819
Long term financial assets***	-	2,609,998	-	2,609,998
Short term financial liabilities**	-	-	(25,912)	(25,912)
Long term financial liabilities***	-	-	-	-
Net asset value	10,384	2,609,998	28,523	2,648,905
iShares UK Gilts UCITS ETF	£'000	£'000	£'000	£'000
Short term financial assets**	725	52,917	15,953	69,595
Long term financial assets***	-	738,479	-	738,479
Short term financial liabilities**	-	-	(8,704)	(8,704)
Long term financial liabilities***	-	-	-	-
Net asset value	725	791,396	7,249	799,370

** Less than one year.

*** Greater than one year.

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

iShares II plc

Financial instruments and risks* (continued)

a) Market risk (continued)

iii) Market risk arising from interest rate risk (continued)

31 October 2013

Exposure to interest rate risk	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
iShares US Aggregate Bond UCITS ETF	\$'000	\$'000	\$'000	\$'000
Short term financial assets**	15,664	11,621	25,158	52,443
Long term financial assets***	658	196,008	-	196,666
Short term financial liabilities**	-	-	(46,288)	(46,288)
Long term financial liabilities***	-	-	-	-
Net asset value	16,322	207,629	(21,130)	202,821

31 October 2012

Exposure to interest rate risk	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
iShares \$ High Yield Corporate Bond UCITS ETF	\$'000	\$'000	\$'000	\$'000
Short term financial assets**	18,205	612	37,225	56,042
Long term financial assets***	-	709,404	-	709,404
Short term financial liabilities**	-	-	(24,545)	(24,545)
Long term financial liabilities***	-	-	-	-
Net asset value	18,205	710,016	12,680	740,901
iShares \$ TIPS UCITS ETF	\$'000	\$'000	\$'000	\$'000
Short term financial assets**	1,156	-	1,754	2,910
Long term financial assets***	-	535,843	-	535,843
Short term financial liabilities**	-	-	(112)	(112)
Long term financial liabilities***	-	-	-	-
Net asset value	1,156	535,843	1,642	538,641
iShares \$ Treasury Bond 7-10yr UCITS ETF	\$'000	\$'000	\$'000	\$'000
Short term financial assets**	570	-	10,974	11,544
Long term financial assets***	-	637,471	-	637,471
Short term financial liabilities**	-	-	(5,529)	(5,529)
Long term financial liabilities***	-	-	-	-
Net asset value	570	637,471	5,445	643,486
iShares £ Index-Linked Gilts UCITS ETF	£'000	£'000	£'000	£'000
Short term financial assets**	771	-	24,447	25,218
Long term financial assets***	-	774,706	-	774,706
Short term financial liabilities**	-	-	(21,755)	(21,755)
Long term financial liabilities***	-	-	-	-
Net asset value	771	774,706	2,692	778,169

** Less than one year.

*** Greater than one year.

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

iShares II plc

Financial instruments and risks* (continued)

a) Market risk (continued)

iii) Market risk arising from interest rate risk (continued)

31 October 2012

Exposure to interest rate risk	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
iShares UK Gilts UCITS ETF	£'000	£'000	£'000	£'000
Short term financial assets**	894	29,961	22,753	53,608
Long term financial assets***	-	833,772	-	833,772
Short term financial liabilities**	-	-	(14,188)	(14,188)
Long term financial liabilities***	-	-	-	-
Net asset value	894	863,733	8,565	873,192
iShares Euro Government Bond 3-5yr UCITS ETF	€'000	€'000	€'000	€'000
Short term financial assets**	458	-	61,576	62,034
Long term financial assets***	-	454,111	-	454,111
Short term financial liabilities**	-	-	(58,676)	(58,676)
Long term financial liabilities***	-	-	-	-
Net asset value	458	454,111	2,900	457,469
iShares Euro Government Bond 7-10yr UCITS ETF	€'000	€'000	€'000	€'000
Short term financial assets**	252	-	6,138	6,390
Long term financial assets***	-	249,579	-	249,579
Short term financial liabilities**	-	-	(2,696)	(2,696)
Long term financial liabilities***	-	-	-	-
Net asset value	252	249,579	3,442	253,273
iShares Euro Government Bond 15-30yr UCITS ETF	€'000	€'000	€'000	€'000
Short term financial assets**	57	-	2,277	2,334
Long term financial assets***	-	56,100	-	56,100
Short term financial liabilities**	-	-	(1,000)	(1,000)
Long term financial liabilities***	-	-	-	-
Net asset value	57	56,100	1,277	57,434
iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF	\$'000	\$'000	\$'000	\$'000
Short term financial assets**	17,579	-	36,482	54,061
Long term financial assets***	-	2,102,637	-	2,102,637
Short term financial liabilities**	-	-	(8,217)	(8,217)
Long term financial liabilities***	-	-	-	-
Net asset value	17,579	2,102,637	28,265	2,148,481
iShares US Aggregate Bond UCITS ETF	\$'000	\$'000	\$'000	\$'000
Short term financial assets**	4,407	3,870	17,382	25,659
Long term financial assets***	479	45,041	-	45,520
Short term financial liabilities**	-	-	(24,751)	(24,751)
Long term financial liabilities***	-	-	-	-
Net asset value	4,886	48,911	(7,369)	46,428

** Less than one year.

*** Greater than one year.

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

Financial instruments and risks* (continued)

b) Counterparty credit risk

Credit risk is the risk that the issuer of a financial instrument will fail to fulfil an obligation or commitment that it has entered into with the Company.

A number of the Funds invest into sovereign and corporate debt. This exposes the Funds to the risk that the issuer of the bonds may default on interest or principal payments. To manage this risk, the Investment Manager invests in a wide range of securities, subject to the investment objectives of each Fund and monitors the credit ratings of the investments as disclosed in the schedules of investments.

The ratings of the debt securities are continually monitored by the BlackRock Portfolio Management Group ("PMG").

The Company is exposed to counterparty credit risk from the parties with which it trades and will bear the risk of settlement default. Counterparty credit risk to the Company arises from transactions to purchase or sell futures contracts, equities, corporate bonds, government bonds, rights, warrants, CFDs, MBSs, TBAs and CISs (through their underlying holdings).

Credit Risk is monitored and managed by BlackRock's RQA Counterparty & Concentration Risk Team. The team is headed by BlackRock's Chief Credit Officer who reports to the Global Head of RQA. Credit authority resides with the Chief Credit Officer and selected team members to whom specific credit authority has been delegated.

As such, counterparty approvals may be granted by the Chief Credit Officer, or by identified RQA Credit Risk Officers who have been formally delegated authority by the Chief Credit Officer.

The BlackRock RQA Counterparty & Concentration Risk Team completes a formal review of each new counterparty, monitors and reviews all approved counterparties on an ongoing basis and maintains an active oversight of counterparty exposures and the collateral management process.

The Company's holdings in futures contracts expose the Company to credit risk. The exposure is limited by trading the contracts through a clearing house. The Company's exposure to credit risk on contracts in which it currently has a gain position is reduced by such gains received in cash from the counterparty under the daily mark-to-market mechanism on exchange traded futures contracts (variation margin).

The Company's exposure to credit risk on contracts in which it currently has a loss position is equal to the amount of margin posted to the counterparty which has not been transferred to the exchange under the daily mark-to-market mechanism. The counterparty for futures contracts is Barclay's plc.

Margin is paid or received on futures contracts to cover any exposure by the counterparty or the Company to the counterparty. "Margin Cash" on the Balance Sheet consists of margin receivable from the Company's clearing brokers and various counterparties.

The Company's holdings in contracts for difference expose the Company to credit risk. Credit risk arises from the failure of the counterparty to perform according to the terms of the contract. The Company's exposure to credit risk is limited to the contracts in which it currently has a gain position reduced by the cash collateral received from the counterparty. For iShares Listed Private Equity UCITS ETF, cash movements take place on a daily basis, above a \$250,000 threshold. The risk is further mitigated as contracts are reset on a monthly basis (1 year rolling maturity at each monthly reset) with the gain or loss being realised in the relevant Fund. The Company is required to maintain collateral with the brokers to secure these financial instruments.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

Counterparty credit risk arising on transactions with brokers relates to transactions awaiting settlement. Risk relating to unsettled transactions is considered small due to the short settlement period involved and the high credit quality of the brokers used. The Company monitors the credit rating and financial position of the brokers used to further mitigate this risk.

The Company is indirectly exposed to the credit risk within each CIS from the parties with whom each CIS trades. Each CIS is subject to the same control procedures that the Investment Manager employs on the Company.

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

Financial instruments and risks* (continued)

b) Counterparty credit risk (continued)

The Company's Custodian is State Street Custodial Services (Ireland) Limited (the "Custodian"). Substantially all of the investments are held by same at year end. Investments are segregated from the assets of the Custodian's, with ownership rights remaining with the Company. Bankruptcy or insolvency of the Custodian may cause the Company's rights with respect to its investments held by the Custodian to be delayed or limited. The maximum exposure to this risk is the amount of long investments disclosed in the schedule of investments.

The Custodian has appointed State Street Bank and Trust Company (the "Sub-Custodian") as its global Sub-Custodian. Substantially all of the cash of the Company is held with the Sub-Custodian.

The Funds' cash balances are held by the Sub-Custodian in its account together with its own cash balances and with those cash balances that are held on behalf of other clients. The Funds' cash balances are separately identified within the records of the Sub-Custodian.

In respect of the cash held by the Sub-Custodian or other depositaries it appoints, the Company will be exposed to the counterparty credit risk of the Sub-Custodian or those depositaries. In the event of the insolvency or bankruptcy of the Sub-Custodian or other depositaries, the Company will be treated as a general creditor of the Sub-Custodian or the depositaries.

To mitigate the Company's exposure to the Custodian, the Investment Manager employs specific procedures to ensure that the Custodian is a reputable institution and that the counterparty credit risk is acceptable to the Company. The Company only transacts with Custodians that are regulated entities subject to prudential supervision, or with "high credit ratings" assigned by international credit rating agencies.

The long term credit rating of the parent company of the Custodian and Sub-Custodian, State Street Corporation as at 31 October 2013 is A1 (31 October 2012: A1) (Moody's rating).

In order to further mitigate the Company's counterparty credit risk exposure to the Sub-Custodian or depositary banks, the Company may enter into additional arrangements such as the placing of residual cash in a money market CIS, for example Institutional Cash Series Plc ("ICS").

ICS is a BlackRock umbrella fund and an open-ended investment company with variable capital incorporated in Ireland and having segregated liability between its sub-funds. ICS is authorised as an undertaking for collective investment in transferable securities (UCITS).

Shortly before the dividend payment date on the distributing classes, the Company transfers cash equal to the dividend payable, into the client asset accounts held with Computershare Investor Services (Ireland) Limited (the "Registrar"). The Registrar is responsible for making dividend payments to shareholders invested in distributing share classes on the relevant dividend payment date and it will do so out of the monies held in client asset accounts. While dividend monies are held with the Registrar in the form of cash, the Company will have counterparty credit risk exposure to the Registrar and any depositary bank with which the Registrar maintains cash accounts for the benefit of the Company.

The Company has sought to mitigate its counterparty credit risk exposure to the Registrar in terms of dividend monies by agreeing with the Registrar that the cash accounts held with the Registrar would be operated as client asset accounts in accordance with the requirements of the Central Bank of Ireland and the Registrar's authorisation under the European Communities (Markets in Financial Instruments) Regulations 2007 (MiFID).

In order to further mitigate the Company's counterparty credit risk exposure to depositary banks with which dividend monies are held, the Company has put in place arrangements with the Registrar to invest some or all of the dividend monies in money market CIS's (which may include CIS's managed by the Manager and/or its affiliates) during part of the period in which dividend monies are held with the Registrar pending payment to shareholders.

These arrangements include the Registrar holding the units in the money market CIS's for the benefit of the Company on a segregated basis, separate from the Registrar's own assets.

This is because, while securities may be ring-fenced in segregated accounts, cash is usually held by depositary banks on a commingled basis and, in the event of insolvency of a depositary bank, a cash account holder would usually be treated as a general creditor of the depositary bank.

The CIS's with which dividend monies may be invested may comprise sub-funds in ICS which invest in money market instruments.

The Company engages in security lending activities which expose the Funds to counterparty credit risk. The maximum exposure to each Fund is equal to the value of the securities loaned in accordance with note 20 of the notes to the financial statements of the Company.

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

Financial instruments and risks* (continued)

b) Counterparty credit risk (continued)

To mitigate this risk, the Funds receive securities as collateral (financial instruments) equal to a certain percentage of the value of the securities loaned and BlackRock provides the Funds with indemnification against borrower default as disclosed in note 19.

The securities lending borrowers that received securities on loan during the year included: Bank of America Corporation, JP Morgan Chase & Co, Morgan Stanley, Barclays Plc, Nomura, Citigroup Inc, Société Générale, Credit Suisse Group AG, The Goldman Sachs Group, Inc., Deutsche Bank AG UBS AG, BNP Paribas, HSBC, Royal Bank of Scotland Group Plc, Skandinaviska Enskilda Banken, Santander and The Bank of Nova Scotia.

The carrying value of financial assets together with cash best represents the Company's gross maximum exposure to counterparty credit risk at the reporting date, before including the effect of ISDA master agreements and close-out netting, which would reduce the overall counterparty credit risk exposure.

The Company's CFDs are governed by ISDA master agreements. ISDA master agreements provide for close-out netting which enables

amounts owed under transactions, terminated as a result of an event of default or termination event, to be netted and replaced with a single net amount payable by one party or the other.

Cash held as security by the counterparty to derivative contracts is subject to the credit risk of the counterparty. There were no past due or impaired assets as at 31 October 2013 and 31 October 2012.

The Funds engage in activities which may require collateral to be provided to a counterparty ("pledged collateral") or may hold collateral received ("inbound collateral") from a counterparty. The Funds use inbound collateral received from a counterparty to reduce the credit risk associated with any trading activity the Funds have engaged in.

Cash collateral pledged by the Funds is separately identified in the balance sheet as cash collateral and is not included as a component of cash and cash equivalents. Inbound cash collateral received by the Funds is reflected on the balance sheet as cash collateral payable.

The following tables detail the credit rating profile of the debt securities held by the Funds as at 31 October 2013 and 31 October 2012.

31 October 2013	Currency	Above Aa3	Below Aa3	Total '000
iShares \$ High Yield Corporate Bond UCITS ETF	\$	-	1,215,088	1,215,088
iShares \$ TIPS UCITS ETF	\$	501,811	-	501,811
iShares \$ Treasury Bond 7-10yr UCITS ETF	\$	671,079	-	671,079
iShares £ Index-Linked Gilts UCITS ETF	£	771,485	-	771,485
iShares Euro Government Bond 3-5yr UCITS ETF	€	901,952	579,364	1,481,316
iShares Euro Government Bond 7-10yr UCITS ETF	€	200,878	60,592	261,470
iShares Euro Government Bond 15-30yr UCITS ETF	€	38,525	25,787	64,312
iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF	\$	81,358	2,528,640	2,609,998
iShares UK Gilts UCITS ETF	£	791,396	-	791,396
iShares US Aggregate Bond UCITS ETF	\$	163,998	44,289	208,287

31 October 2012	Currency	Above Aa3	Below Aa3	Total '000
iShares \$ High Yield Corporate Bond UCITS ETF	\$	-	710,016	710,016
iShares \$ TIPS UCITS ETF	\$	535,843	-	535,843
iShares \$ Treasury Bond 7-10yr UCITS ETF	\$	637,471	-	637,471
iShares £ Index-Linked Gilts UCITS ETF	£	774,706	-	774,706
iShares Euro Government Bond 3-5yr UCITS ETF	€	288,854	165,257	454,111
iShares Euro Government Bond 7-10yr UCITS ETF	€	232,713	16,866	249,579
iShares Euro Government Bond 15-30yr UCITS ETF	€	35,555	20,545	56,100
iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF	\$	46,155	2,056,482	2,102,637
iShares UK Gilts UCITS ETF	£	863,733	-	863,733
iShares US Aggregate Bond UCITS ETF	\$	39,628	9,762	49,390

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

iShares II plc

Financial instruments and risks* (continued)

b) Counterparty credit risk (continued)

For CFDs on iShares Listed Private Equity UCITS ETF the following tables detail the number of counterparties the Fund is exposed to, the maximum exposure (which is calculated on a net basis) to any one counterparty and the related collateral held by the Fund to mitigate that exposure.

31 October 2013

Counterparty	Maximum exposure to counterparty \$'000	Cash collateral \$'000
Credit Suisse Securities (Europe) Limited	3,553	6,300
UBS AG	661	2,062

31 October 2012

Counterparty	Maximum exposure to counterparty \$'000	Cash collateral \$'000
Credit Suisse Securities (Europe) Limited	376	-
UBS AG	-	-

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities.

Liquidity risk to the Company arises from the redemption requests of investors and the liquidity of the underlying investments the Company is invested in. The Company's shareholders may redeem their shares on the close of any daily dealing deadline for cash equal to a proportionate share of the Company's net asset value. The Company is therefore potentially exposed to the liquidity risk of meeting the shareholders' redemptions and may need to sell assets at prevailing market prices to meet liquidity demands. It is also exposed to the liquidity risk of daily margin calls on derivatives.

Liquidity risk is minimised by holding sufficient liquid investments which can be readily realised to meet liquidity demands. To manage this risk, if redemption requests on any dealing day represent 10% or more of the shares in issue in respect of any Fund, the Manager may, in its discretion, refuse to redeem any shares in excess of 10% (at any time including after the cut-off time on the dealing day). Any request for redemption on such dealing day shall be reduced rateably and the redemption requests shall be treated as if they were received on each subsequent dealing day until all shares to which the original request related have been redeemed.

Any deferred redemption requests shall be treated in priority to any redemption requests received on subsequent dealing days. In any event settlement for redemptions will normally be made within fourteen days of the day on which the redemption request is made.

The Company's liquidity risk is managed on a daily basis by the Investment Manager in accordance with established policies and procedures in place. The portfolio managers review daily forward looking cash reports which project cash obligations. These reports allow them to manage their cash obligations.

All financial liabilities of the Funds held at the years ended 31 October 2013 and 31 October 2012 fall due within one month, with the exception of those disclosed in the tables below:

As at 31 October 2013

Fund Name	Currency	1-3 Months '000
iShares MSCI EM Latin America UCITS ETF (Inc)		
- Futures contracts	\$	(26)
iShares MSCI Turkey UCITS ETF		
- Futures contracts	\$	(14)

As at 31 October 2012

Fund Name	Currency	1-3 Months '000
iShares Dow Jones Europe Sustainability Screened UCITS ETF - Futures contracts	€	(1)
iShares EURO STOXX 50 UCITS ETF (Inc)		
- Futures contracts	€	(286)
iShares FTSE MIB UCITS ETF (Inc)		
- Futures contracts	€	(170)
iShares MSCI Europe UCITS ETF (Inc)		
- Futures contracts	€	(147)
iShares STOXX Europe 50 UCITS ETF		
- Futures contracts	€	(72)
iShares UK Property UCITS ETF		
- Futures contracts	£	(30)
iShares US Property Yield UCITS ETF		
- Futures contracts	\$	(32)

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

Financial instruments and risks* (continued)

d) Valuation of financial instruments

FRS 29 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements.

The Company's accounting policies on fair value measurement are discussed in note a) on pages 54 to 56.

The fair value hierarchy has the following levels:

Level 1 – Quoted market price in an active market for an identical instrument. These included active listed equities, exchange traded funds, exchange traded derivatives etc.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2 – Valuation techniques used to price securities based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Valuation techniques used for non-standardised financial instruments such as over-the-counter derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

Level 3 – Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant impact on the instrument's valuation.

This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments and instruments for which there is no active market.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes observable requires significant judgement by the Investment Manager.

The Investment Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following is an analysis of the Funds' financial assets and financial liabilities measured at fair value as at 31 October 2013 and 31 October 2012:

	Level 1	Level 2	Level 3	Total
iShares \$ High Yield Corporate Bond UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Debt securities	-	1,215,088	-	1,215,088
Total	-	1,215,088	-	1,215,088
iShares \$ TIPS UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Debt securities	-	501,811	-	501,811
Total	-	501,811	-	501,811

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

iShares II plc

Financial instruments and risks* (continued)

d) Valuation of financial instruments (continued)

31 October 2013

	Level 1	Level 2	Level 3	Total
iShares \$ Treasury Bond 7-10yr UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Debt securities	-	671,079	-	671,079
Total	-	671,079	-	671,079
iShares £ Index-Linked Gilts UCITS ETF	£'000	£'000	£'000	£'000
Financial assets at fair value through profit or loss				
- Debt securities	-	771,485	-	771,485
- UCITS collective investment schemes	-	54	-	54
Total	-	771,539	-	771,539
iShares Asia Property Yield UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	261,118	-	-	261,118
Total	261,118	-	-	261,118
iShares BRIC 50 UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	562,231	-	-	562,231
- Futures contracts	41	-	-	41
Total	562,272	-	-	562,272
iShares Developed Markets Property Yield UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	2,373,816	-	-	2,373,816
Total	2,373,816	-	-	2,373,816
iShares Dow Jones Europe Sustainability Screened UCITS ETF	€'000	€'000	€'000	€'000
Financial assets at fair value through profit or loss				
- Equity securities	21,211	-	-	21,211
- Rights	12	-	-	12
- Futures contracts	13	-	-	13
Total	21,236	-	-	21,236
iShares Dow Jones Global Sustainability Screened UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	101,454	-	-	101,454
- Rights	18	-	-	18
Total	101,472	-	-	101,472

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

iShares II plc

Financial instruments and risks* (continued)

d) Valuation of financial instruments (continued)

31 October 2013

	Level 1	Level 2	Level 3	Total
iShares Emerging Market Infrastructure UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	127,315	-	-	127,315
Total	127,315	-	-	127,315
iShares Euro Government Bond 3-5yr UCITS ETF	€'000	€'000	€'000	€'000
Financial assets at fair value through profit or loss				
- Debt securities	-	1,481,316	-	1,481,316
- UCITS collective investment schemes	-	78	-	78
Total	-	1,481,394	-	1,481,394
iShares Euro Government Bond 7-10yr UCITS ETF	€'000	€'000	€'000	€'000
Financial assets at fair value through profit or loss				
- Debt securities	-	261,470	-	261,470
- UCITS collective investment schemes	-	3	-	3
Total	-	261,473	-	261,473
iShares Euro Government Bond 15-30yr UCITS ETF	€'000	€'000	€'000	€'000
Financial assets at fair value through profit or loss				
- Debt securities	-	64,312	-	64,312
Total	-	64,312	-	64,312
iShares EURO STOXX 50 UCITS ETF (Inc)	€'000	€'000	€'000	€'000
Financial assets at fair value through profit or loss				
- Equity securities	5,883,195	-	-	5,883,195
- Rights	5,318	-	-	5,318
- UCITS collective investment schemes	-	4,092	-	4,092
- Futures contracts	1,508	-	-	1,508
Total	5,890,021	4,092	-	5,894,113
iShares FTSE MIB UCITS ETF (Inc)	€'000	€'000	€'000	€'000
Financial assets at fair value through profit or loss				
- Equity securities	788,038	-	-	788,038
- UCITS collective investment schemes	-	10,349	-	10,349
- Futures contracts	1,104	-	-	1,104
Total	789,142	10,349	-	799,491

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

iShares II plc

Financial instruments and risks* (continued)

d) Valuation of financial instruments (continued)

31 October 2013

	Level 1	Level 2	Level 3	Total
iShares Global Clean Energy UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	98,455	-	-	98,455
Total	98,455	-	-	98,455
iShares Global Infrastructure UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	366,493	-	-	366,493
Total	366,493	-	-	366,493
iShares Global Timber & Forestry UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	72,351	-	-	72,351
Total	72,351	-	-	72,351
iShares Global Water UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	266,194	-	-	266,194
- Rights	18	-	-	18
Total	266,212	-	-	266,212
iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Debt securities	-	2,609,998	-	2,609,998
Total	-	2,609,998	-	2,609,998
iShares Listed Private Equity UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	290,876	-	-	290,876
- UCITS collective investment schemes	-	34,055	-	34,055
- Contracts for difference	-	4,039	-	4,039
Total	290,876	38,094	-	328,970
Financial liabilities at fair value through profit or loss				
- Contracts for difference	-	(236)	-	(236)
Total	-	(236)	-	(236)

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

iShares II plc

Financial instruments and risks* (continued)

d) Valuation of financial instruments (continued)

31 October 2013

	Level 1	Level 2	Level 3	Total
iShares MSCI AC Far East ex-Japan SmallCap UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	76,179	-	5	76,184
- Warrants	17	-	-	17
Total	76,196	-	5	76,201
iShares MSCI EM Latin America UCITS ETF (Inc)	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	275,628	-	-	275,628
Total	275,628	-	-	275,628
Financial liabilities at fair value through profit or loss				
- Futures contracts	(26)	-	-	(26)
Total	(26)	-	-	(26)
iShares MSCI Emerging Markets Islamic UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	28,876	-	-	28,876
Total	28,876	-	-	28,876
iShares MSCI Europe UCITS ETF (Inc)	€'000	€'000	€'000	€'000
Financial assets at fair value through profit or loss				
- Equity securities	2,636,821	-	-	2,636,821
- Futures contracts	457	-	-	457
- Rights	623	-	-	623
Total	2,637,901	-	-	2,637,901
iShares MSCI Turkey UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	376,998	-	-	376,998
Total	376,998	-	-	376,998
Financial liabilities at fair value through profit or loss				
- Futures contracts	(14)	-	-	(14)
Total	(14)	-	-	(14)
iShares MSCI USA Islamic UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	29,011	-	-	29,011
Total	29,011	-	-	29,011

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

iShares II plc

Financial instruments and risks* (continued)

d) Valuation of financial instruments (continued)

31 October 2013

	Level 1	Level 2	Level 3	Total
iShares MSCI World Islamic UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	86,369	-	-	86,369
Total	86,369	-	-	86,369
iShares STOXX Europe 50 UCITS ETF	€'000	€'000	€'000	€'000
Financial assets at fair value through profit or loss				
- Equity securities	601,682	-	-	601,682
- Rights	332	-	-	332
- UCITS collective investment schemes	-	813	-	813
- Futures contracts	191	-	-	191
Total	602,205	813	-	603,018
iShares UK Gilts UCITS ETF	£'000	£'000	£'000	£'000
Financial assets at fair value through profit or loss				
- Debt securities	-	791,396	-	791,396
- UCITS collective investment schemes	-	43	-	43
Total	-	791,439	-	791,439
iShares UK Property UCITS ETF	£'000	£'000	£'000	£'000
Financial assets at fair value through profit or loss				
- Equity securities	511,855	-	-	511,855
- Futures contracts	118	-	-	118
Total	511,973	-	-	511,973
iShares US Aggregate Bond UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Debt securities	-	208,287	-	208,287
- UCITS collective investment schemes	-	18,000	-	18,000
Total	-	226,287	-	226,287
iShares US Property Yield UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	648,425	-	-	648,425
- Futures contracts	11	-	-	11
Total	648,436	-	-	648,436

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

iShares II plc

Financial instruments and risks* (continued)

d) Valuation of financial instruments (continued)

31 October 2012

	Level 1	Level 2	Level 3	Total
iShares \$ High Yield Corporate Bond UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Debt securities	-	710,016	-	710,016
Total	-	710,016	-	710,016
iShares \$ TIPS UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Debt securities	-	535,843	-	535,843
Total	-	535,843	-	535,843
iShares \$ Treasury Bond 7-10yr UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Debt securities	-	637,471	-	637,471
Total	-	637,471	-	637,471
iShares £ Index-Linked Gilts UCITS ETF	£'000	£'000	£'000	£'000
Financial assets at fair value through profit or loss				
- Debt securities	-	774,706	-	774,706
- UCITS collective investment schemes	-	3,137	-	3,137
Total	-	777,843	-	777,843
iShares Asia Property Yield UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	216,422	-	-	216,422
Total	216,422	-	-	216,422
iShares BRIC 50 UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	892,326	-	-	892,326
Total	892,326	-	-	892,326
iShares Developed Markets Property Yield UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	1,792,093	-	-	1,792,093
Total	1,792,093	-	-	1,792,093

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

iShares II plc

Financial instruments and risks* (continued)

d) Valuation of financial instruments (continued)

31 October 2012

	Level 1	Level 2	Level 3	Total
iShares Dow Jones Europe Sustainability Screened UCITS ETF	€'000	€'000	€'000	€'000
Financial assets at fair value through profit or loss				
- Equity securities	7,478	-	-	7,478
- Rights	8	-	-	8
Total	7,486	-	-	7,486
Financial liabilities at fair value through profit or loss				
- Futures contracts	(1)	-	-	(1)
Total	(1)	-	-	(1)
iShares Dow Jones Global Sustainability Screened UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	38,729	-	-	38,729
- Rights	9	-	-	9
Total	38,738	-	-	38,738
iShares Emerging Market Infrastructure UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	94,864	-	-	94,864
Total	94,864	-	-	94,864
iShares Euro Government Bond 3-5yr UCITS ETF	€'000	€'000	€'000	€'000
Financial assets at fair value through profit or loss				
- Debt securities	-	454,111	-	454,111
- UCITS collective investment schemes	-	4,396	-	4,396
Total	-	458,507	-	458,507
iShares Euro Government Bond 7-10yr UCITS ETF	€'000	€'000	€'000	€'000
Financial assets at fair value through profit or loss				
- Debt securities	-	249,579	-	249,579
- UCITS collective investment schemes	-	117	-	117
Total	-	249,696	-	249,696
iShares Euro Government Bond 15-30yr UCITS ETF	€'000	€'000	€'000	€'000
Financial assets at fair value through profit or loss				
- Debt securities	-	56,100	-	56,100
- UCITS collective investment schemes	-	174	-	174
Total	-	56,274	-	56,274

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

iShares II plc

Financial instruments and risks* (continued)

d) Valuation of financial instruments (continued)

31 October 2012

	Level 1	Level 2	Level 3	Total
iShares EURO STOXX 50 UCITS ETF (Inc)	€'000	€'000	€'000	€'000
Financial assets at fair value through profit or loss				
- Equity securities	4,123,649	-	-	4,123,649
- Rights	3,994	-	-	3,994
Total	4,127,643	-	-	4,127,643
Financial liabilities at fair value through profit or loss				
- Futures contracts	(286)	-	-	(286)
Total	(286)	-	-	(286)
iShares FTSE MIB UCITS ETF (Inc)	€'000	€'000	€'000	€'000
Financial assets at fair value through profit or loss				
- Equity securities	187,626	-	-	187,626
- UCITS collective investment schemes	-	2,300	-	2,300
Total	187,626	2,300	-	189,926
Financial liabilities at fair value through profit or loss				
- Futures contracts	(170)	-	-	(170)
Total	(170)	-	-	(170)
iShares Global Clean Energy UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	90,132	-	-	90,132
Total	90,132	-	-	90,132
iShares Global Infrastructure UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	322,729	-	-	322,729
Total	322,729	-	-	322,729
iShares Global Timber & Forestry UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	87,831	-	-	87,831
Total	87,831	-	-	87,831
iShares Global Water UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	188,193	-	-	188,193
Total	188,193	-	-	188,193

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

iShares II plc

Financial instruments and risks* (continued)

d) Valuation of financial instruments (continued)

31 October 2012

	Level 1	Level 2	Level 3	Total
iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Debt securities	-	2,102,637	-	2,102,637
Total	-	2,102,637	-	2,102,637
iShares Listed Private Equity UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	159,750	-	-	159,750
- UCITS collective investment schemes	-	16,255	-	16,255
- Contracts for difference	-	599	-	599
Total	159,750	16,854	-	176,604
Financial liabilities at fair value through profit or loss				
- Contracts for difference	-	(271)	-	(271)
Total	-	(271)	-	(271)
iShares MSCI AC Far East ex-Japan SmallCap UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	48,281	46	95	48,422
- Rights	-	23	-	23
Total	48,281	69	95	48,445
iShares MSCI EM Latin America UCITS ETF (Inc)	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	376,537	-	-	376,537
Total	376,537	-	-	376,537
iShares MSCI Emerging Markets Islamic UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	29,300	-	-	29,300
Total	29,300	-	-	29,300

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

iShares II plc

Financial instruments and risks* (continued)

d) Valuation of financial instruments (continued)

31 October 2012

	Level 1	Level 2	Level 3	Total
iShares MSCI Europe UCITS ETF (Inc)	€'000	€'000	€'000	€'000
Financial assets at fair value through profit or loss				
- Equity securities	1,732,587	-	-	1,732,587
- Rights	483	-	-	483
- Futures contracts	5	-	-	5
Total	1,733,075	-	-	1,733,075
Financial liabilities at fair value through profit or loss				
- Futures contracts	(154)	-	-	(154)
Total	(154)	-	-	(154)
iShares MSCI Turkey UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	261,340	-	-	261,340
Total	261,340	-	-	261,340
iShares MSCI USA Islamic UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	20,981	-	-	20,981
Total	20,981	-	-	20,981
iShares MSCI World Islamic UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	54,836	-	-	54,836
Total	54,836	-	-	54,836
iShares STOXX Europe 50 UCITS ETF	€'000	€'000	€'000	€'000
Financial assets at fair value through profit or loss				
- Equity securities	538,159	-	-	538,159
- Rights	301	-	-	301
- UCITS collective investment schemes	-	2,400	-	2,400
Total	538,460	2,400	-	540,860
Financial liabilities at fair value through profit or loss				
- Futures contracts	(72)	-	-	(72)
Total	(72)	-	-	(72)

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

iShares II plc

Financial instruments and risks* (continued)

d) Valuation of financial instruments (continued)

31 October 2012

	Level 1	Level 2	Level 3	Total
iShares UK Gilts UCITS ETF	£'000	£'000	£'000	£'000
Financial assets at fair value through profit or loss				
- Debt securities	-	863,733	-	863,733
- UCITS collective investment schemes	-	3,693	-	3,693
Total	-	867,426	-	867,426
iShares UK Property UCITS ETF	£'000	£'000	£'000	£'000
Financial assets at fair value through profit or loss				
- Equity securities	313,254	-	-	313,254
Total	313,254	-	-	313,254
Financial liabilities at fair value through profit or loss				
- Futures contracts	(30)	-	-	(30)
Total	(30)	-	-	(30)
iShares US Aggregate Bond UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Debt securities	-	49,390	-	49,390
- UCITS collective investment schemes	-	4,500	-	4,500
Total	-	53,890	-	53,890
iShares US Property Yield UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Equity securities	322,327	-	-	322,327
Total	322,327	-	-	322,327
Financial liabilities at fair value through profit or loss				
- Futures contracts	(32)	-	-	(32)
Total	(32)	-	-	(32)

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

Financial instruments and risks* (continued)

d) Valuation of financial instruments (continued)

Investments whose values are based on quoted market prices in active markets and therefore classified within level 1, these include active listed equities, rights, warrants and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include corporate bonds, government bonds, CISs, non-active listed securities and over-the-counter derivatives.

As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Investments whose values are based on unobservable inputs are classified within level 3. These include equities quoted on suspended markets. The Company has used specific valuation techniques to determine the fair value of these securities.

The transfers from level 1 to level 2 during the period are deemed immaterial for the purposes of presenting a transfer table.

The level 3 equities consist of securities with stale and/or suspended prices. The total market value of level 3 securities is deemed immaterial for the purposes of presenting a level 3 roll forward table.

31 October 2013

e) Global exposure

In accordance with current BlackRock policy, from 3 December 2012 global exposure is measured using the VaR approach which considers the full constituents of the portfolio. Prior to 3 December 2012 global exposure was measured using the Commitment Approach. Please refer to pages 59 and 60 for further details on the measure of VaR.

As part of the relative VaR approach the BlackRock RQA Group determines a reference portfolio as the basis for the relative VaR calculation. The reference portfolio is typically the index benchmark also established as the reference point for the performance data in respect of the relevant Fund. This is an index (or composite of indices) constructed by a recognised index provider(s) from relevant securities which are eligible for investment by the Company.

This process gives appropriate consideration to the availability of indices with construction rules which are themselves compliant with diversification rules.

The table below details the highest, lowest and average utilisation of the VaR limit, expressed as a percentage of the respective relative VaR regulatory limit. For relative VaR, the VaR of the Funds portfolio will not exceed twice the VaR of the reference portfolio. Utilisation refers to the level of risk taken in this context.

Fund	Market Risk Approach	Reference portfolio	Highest utilisation of the VaR limit %	Lowest utilisation of the VaR limit %	Average utilisation of the VaR limit %
iShares \$ High Yield Corporate Bond UCITS ETF	Relative VaR	Markit iBoxx USD Liquid High Yield Capped Index	51.60	49.25	50.28
iShares \$ TIPS UCITS ETF	Relative VaR	Barclays US Government Inflation-Linked Bond Index	50.42	49.73	49.96
iShares \$ Treasury Bond 7-10yr UCITS ETF	Relative VaR	Barclays US Treasury 10 Year Term Index	50.46	49.64	49.93
iShares £ Index-Linked Gilts UCITS ETF	Relative VaR	Barclays UK Government Inflation-Linked Bond Index	50.08	49.87	49.97
iShares Asia Property Yield UCITS ETF	Relative VaR	FTSE EPRA/NAREIT Developed Asia Dividend + Index	50.71	47.69	49.68
iShares BRIC 50 UCITS ETF	Relative VaR	FTSE BRIC 50 Index	52.07	49.23	50.00
iShares Developed Markets Property Yield UCITS ETF	Relative VaR	FTSE EPRA/NAREIT Developed Dividend + Index	51.23	46.09	49.74

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

iShares II plc

Financial instruments and risks* (continued)

e) Global exposure (continued)

Fund	Market Risk Approach	Reference portfolio	Highest utilisation of the VaR limit %	Lowest utilisation of the VaR limit %	Average utilisation of the VaR limit %
iShares Dow Jones Europe Sustainability Screened UCITS ETF	Relative VaR	Dow Jones Sustainability Europe Index ex Alcohol, Tobacco, Gambling, Armaments & Firearms and Adult Entertainment	51.57	48.96	50.09
iShares Dow Jones Global Sustainability Screened UCITS ETF	Relative VaR	Dow Jones Sustainability World Enlarged Index ex Alcohol, Tobacco, Gambling, Armaments & Firearms and Adult Entertainment	56.49	48.32	49.90
iShares Emerging Market Infrastructure UCITS ETF	Relative VaR	S&P Emerging Market Infrastructure Index	50.76	48.30	49.61
iShares Euro Government Bond 3-5yr UCITS ETF	Relative VaR	Barclays Euro Government Bond 5 Year Term Index	50.85	48.83	49.95
iShares Euro Government Bond 7-10yr UCITS ETF	Relative VaR	Barclays Euro Government Bond 10 Year Term Index	50.16	49.12	49.94
iShares Euro Government Bond 15-30yr UCITS ETF	Relative VaR	Barclays Euro Government Bond 30 Year Term Index	50.23	49.57	49.93
iShares EURO STOXX 50 UCITS ETF (Inc)	Relative VaR	EURO STOXX® 50 Index	50.44	48.15	50.07
iShares FTSE MIB UCITS ETF (Inc)	Relative VaR	FTSE MIB Index	50.64	48.84	49.90
iShares Global Clean Energy UCITS ETF	Relative VaR	S&P Global Clean Energy Index	55.76	47.51	49.83
iShares Global Infrastructure UCITS ETF	Relative VaR	Macquarie Global Infrastructure 100	51.86	45.06	49.68
iShares Global Timber & Forestry UCITS ETF	Relative VaR	S&P Global Timber and Forestry Index	52.56	47.55	49.79
iShares Global Water UCITS ETF	Relative VaR	S&P Global Water Index	51.16	46.29	49.84
iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF	Relative VaR	J.P. Morgan EMBI Global Core Index	51.66	49.65	50.60
iShares Listed Private Equity UCITS ETF	Relative VaR	S&P Listed Private Equity Index	51.77	48.34	49.46
iShares MSCI AC Far East ex-Japan SmallCap UCITS ETF	Relative VaR	MSCI AC Far East ex-Japan SmallCap Index	52.89	46.47	50.49
iShares MSCI EM Latin America UCITS ETF (Inc)	Relative VaR	MSCI EM Latin America 10/40 Index	51.58	48.12	49.96
iShares MSCI Emerging Markets Islamic UCITS ETF	Relative VaR	MSCI EM (Emerging Markets) Islamic Index	51.28	48.81	49.84
iShares MSCI Europe UCITS ETF (Inc)	Relative VaR	MSCI Europe Index	53.95	49.02	50.09
iShares MSCI Turkey UCITS ETF	Relative VaR	MSCI Turkey Index	52.73	48.22	49.94
iShares MSCI USA Islamic UCITS ETF	Relative VaR	MSCI USA Islamic Index	50.17	49.43	49.75
iShares MSCI World Islamic UCITS ETF	Relative VaR	MSCI World Islamic Index	51.96	49.12	49.75
iShares STOXX Europe 50 UCITS ETF	Relative VaR	STOXX® Europe 50 Index	50.58	49.44	50.08
iShares UK Gilts UCITS ETF	Relative VaR	FTSE Actuaries Government Securities UK Gilts All Stock Index	50.47	49.95	50.00
iShares UK Property UCITS ETF	Relative VaR	FTSE EPRA/NAREIT UK Index	51.51	49.23	49.90
iShares US Aggregate Bond UCITS ETF	Relative VaR	Barclays US Aggregate Bond Index	51.87	48.38	50.20
iShares US Property Yield UCITS ETF	Relative VaR	FTSE EPRA/NAREIT United States Dividend + Index	52.90	47.12	49.92

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

Financial instruments and risks* (continued)

e) Global exposure (continued)

The use of derivatives may expose Funds to a higher degree of risk. In particular, derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on non-derivative instruments.

Leveraged derivative positions can therefore increase Fund volatility.

The leverage is calculated on a gross exposure basis, by taking the sum of the notional values of the derivatives used by a Fund, without netting, and is expressed as a percentage of the net asset value.

Disclosed in the table below is the average leverage employed during the year ended 31 October 2013:

Fund	Average leverage employed during the year ended 31 October 2013 %
iShares \$ High Yield Corporate Bond UCITS ETF**	-
iShares \$ TIPS UCITS ETF**	-
iShares \$ Treasury Bond 7-10yr UCITS ETF**	-
iShares £ Index-Linked Gilts UCITS ETF**	-
iShares Asia Property Yield UCITS ETF**	-
iShares BRIC 50 UCITS ETF	0.73
iShares Developed Markets Property Yield UCITS ETF	0.01
iShares Dow Jones Europe Sustainability Screened UCITS ETF	0.91
iShares Dow Jones Global Sustainability Screened UCITS ETF	0.01
iShares Emerging Market Infrastructure UCITS ETF**	-
iShares Euro Government Bond 3-5yr UCITS ETF**	-
iShares Euro Government Bond 7-10yr UCITS ETF**	-
iShares Euro Government Bond 15-30yr UCITS ETF**	-
iShares EURO STOXX 50 UCITS ETF (Inc)	0.92
iShares FTSE MIB UCITS ETF (Inc)	1.52
iShares Global Clean Energy UCITS ETF	0.01
iShares Global Infrastructure UCITS ETF	0.02
iShares Global Timber & Forestry UCITS ETF**	-
iShares Global Water UCITS ETF	0.40
iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF**	-
iShares Listed Private Equity UCITS ETF	22.50
iShares MSCI AC Far East ex-Japan SmallCap UCITS ETF	0.04
iShares MSCI EM Latin America UCITS ETF (Inc)	0.02
iShares MSCI Emerging Markets Islamic UCITS ETF**	-
iShares MSCI Europe UCITS ETF (Inc)	0.72

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

iShares II plc

Financial instruments and risks* (continued)

e) Global exposure (continued)

Fund	Average leverage employed during the year ended 31 October 2013
	%
iShares MSCI Turkey UCITS ETF	0.35
iShares MSCI USA Islamic UCITS ETF**	-
iShares MSCI World Islamic UCITS ETF**	-
iShares STOXX Europe 50 UCITS ETF	1.26
iShares UK Gilts UCITS ETF**	-
iShares UK Property UCITS ETF	0.63
iShares US Aggregate Bond UCITS ETF	16.15
iShares US Property Yield UCITS ETF	0.86

** This Fund did not hold financial derivative instruments during the year ended 31 October 2013.

* The information relating to financial instruments and risks is an integral part of the notes to the financial statements.

iShares II plc

Income statement

For the year ended 31 October 2013

	Notes	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Operating income	2	666,182	587,590
Net gains on financial assets/liabilities at fair value through profit or loss	3	1,646,342	845,474
Total gains		2,312,524	1,433,064
Operating expenses	4	(77,800)	(59,466)
Net operating profit		2,234,724	1,373,598
Finance costs:			
CFD interest paid		(337)	(215)
Distributions to redeemable participating shareholders	6	(531,455)	(491,627)
Interest expense	7	(65)	(157)
Total finance costs		(531,857)	(491,999)
Net profit for the financial year before tax		1,702,867	881,599
Non-reclaimable withholding tax	8	(42,191)	(21,531)
Net profit for the financial year after tax		1,660,676	860,068
Adjustment to align to the valuation methodology as set out in the prospectus	9	9,941	5,565
Increase in net assets attributable to redeemable participating shareholders from operations		1,670,617	865,633

There are no recognised gains or losses arising in the year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

Approved on behalf of the Board of Directors

Paul McNaughton
Director

Paul McGowan
Director

Date: 27 February 2014

Date: 27 February 2014

Statement of changes in net assets attributable to redeemable participating shareholders

For the year ended 31 October 2013

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Net assets attributable to redeemable participating shareholders at the beginning of the year	16,929,307	12,070,050
Notional foreign exchange adjustment*	(506,747)	476,362
Increase in net assets attributable to redeemable participating shareholders from operations	1,670,617	865,633
Share transactions:		
Proceeds from issue of redeemable participating shares	9,813,666	7,710,197
Payments on redemption of redeemable participating shares	(5,185,016)	(4,192,935)
Increase in net assets resulting from share transactions	4,628,650	3,517,262
Net assets attributable to redeemable participating shareholders at the end of the year	22,721,827	16,929,307

* The notional foreign exchange adjustment arises from the retranslation of the net assets at the beginning of the year using the exchange rate as at 31 October 2013. The average rate for the year is applied to the income statement items and share transactions. (See note 18).

The accompanying notes form an integral part of these financial statements.

iShares II plc

Balance sheet

As at 31 October 2013

	Notes	31 October 2013 €'000	31 October 2012 €'000
CURRENT ASSETS			
Cash and cash equivalents		252,831	111,445
Cash collateral receivable		-	180
Margin cash account		3,119	3,924
Receivables	12	613,817	305,752
Financial assets at fair value through profit or loss	13	22,530,028	16,785,379
Total current assets		23,399,795	17,206,680
CURRENT LIABILITIES			
Bank overdraft		(203)	(1,091)
Cash collateral payable		(6,151)	-
Margin cash account		(166)	(37)
Payables	14	(524,903)	(132,466)
Distributions payable to redeemable participating shareholders		(162,938)	(149,480)
Financial liabilities at fair value through profit or loss	13	(203)	(954)
Total current liabilities		(694,564)	(284,028)
Net assets attributable to redeemable participating shareholders		22,705,231	16,922,652
Adjustment to align to the valuation methodology as set out in the prospectus	9	16,596	6,655
Net asset value attributable to redeemable participating shareholders at the end of the year		22,721,827	16,929,307

The accompanying notes form an integral part of these financial statements.

Approved on behalf of the Board of Directors

Paul McNaughton
Director

Date: 27 February 2014

Paul McGowan
Director

Date: 27 February 2014

iShares II plc

Notes to the financial statements

For the year ended 31 October 2013

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS

The accounting policies are set out on pages 54 to 58. The financial instruments and risks are set out on pages 59 to 98.

2. OPERATING INCOME

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Deposit interest income	148	280
Dividend income	428,574	385,176
Bond interest income	226,778	186,540
Securities lending income	10,682	15,594
	666,182	587,590

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Net gains on investments in securities held at fair value through profit or loss	1,611,796	841,234
Net gains on futures contracts	13,410	1,538
Net gains on CFDs	22,050	2,983
Net losses on other investments	(914)	(281)
	1,646,342	845,474

4. OPERATING EXPENSES

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Management fees	(77,800)	(59,466)
	(77,800)	(59,466)

5. MANAGEMENT FEES

Fees earned by the Manager during the year and balances outstanding as at 31 October 2013 and 31 October 2012 are disclosed in note 4 and note 14 respectively.

Management fees (inclusive of investment management fees):

The Manager is entitled to an annual fee at rates not exceeding those set out below:

Fund	Maximum fee rate (% of NAV)
iShares \$ High Yield Corporate Bond UCITS ETF	0.50
iShares \$ TIPS UCITS ETF	0.25
iShares \$ Treasury Bond 7-10yr UCITS ETF	0.20
iShares £ Index-Linked Gilts UCITS ETF	0.25
iShares Asia Property Yield UCITS ETF	0.59
iShares BRIC 50 UCITS ETF	0.74
iShares Developed Markets Property Yield UCITS ETF	0.59
iShares Dow Jones Europe Sustainability Screened UCITS ETF	0.45
iShares Dow Jones Global Sustainability Screened UCITS ETF	0.60
iShares Emerging Market Infrastructure UCITS ETF	0.74
iShares Euro Government Bond 3-5yr UCITS ETF	0.20
iShares Euro Government Bond 7-10yr UCITS ETF	0.20
iShares Euro Government Bond 15-30yr UCITS ETF	0.20
iShares EURO STOXX 50 UCITS ETF (Inc)	0.35
iShares FTSE MIB UCITS ETF (Inc)	0.35
iShares Global Clean Energy UCITS ETF	0.65
iShares Global Infrastructure UCITS ETF	0.65
iShares Global Timber & Forestry UCITS ETF	0.65
iShares Global Water UCITS ETF	0.65
iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF	0.45
iShares Listed Private Equity UCITS ETF	0.75
iShares MSCI AC Far East ex-Japan SmallCap UCITS ETF	0.74
iShares MSCI EM Latin America UCITS ETF (Inc)	0.74
iShares MSCI Emerging Markets Islamic UCITS ETF	0.85
iShares MSCI Europe UCITS ETF (Inc)	0.35
iShares MSCI Turkey UCITS ETF	0.74
iShares MSCI USA Islamic UCITS ETF	0.50
iShares MSCI World Islamic UCITS ETF	0.60
iShares STOXX Europe 50 UCITS ETF	0.35
iShares UK Gilts UCITS ETF	0.20
iShares UK Property UCITS ETF	0.40
iShares US Aggregate Bond UCITS ETF	0.25
iShares US Property Yield UCITS ETF	0.40

The Company employs an “all in one” fee structure for its Funds, with each Fund paying all of its fees, operating costs and expenses (and its due proportion of any costs and expenses of the Company allocated to it) as a single flat fee (the “Total Expense Ratio” or “TER”).

Notes to the financial statements (continued)

For the year ended 31 October 2013

5. MANAGEMENT FEES (continued)

The Manager is responsible for discharging all operational expenses, including but not limited to fees and expenses of the Directors, Investment Manager, Custodian, Administrator, Transfer Agent and Registrar from the amounts received by the Manager from the TER.

Such operational expenses include regulatory and audit fees. Directors' fees will not exceed the sum of €40,000 per annum per Director without the approval of the Board of Directors.

In the event a Fund's costs and expenses in connection with the operation of the Fund exceed the stated TER, the Manager will discharge any excess amount out of its own assets. The establishment costs of the Company have been paid by the Manager.

The following fees were included in management fees during the year:

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Directors' fees	(30)	(27)
Audit fees relating to the audit of the annual accounts	(310)	(310)

There were no fees other than the audit fees disclosed above paid to PricewaterhouseCoopers in Ireland as the Statutory Auditor of the Company as no other services were provided.

Whilst it is anticipated that the TER borne by a Fund shall not exceed the amounts set out above during the life of a Fund such amounts may need to be increased. Any such increase will be subject to the prior approval of the shareholders of the relevant Fund evidenced either by a majority vote at a meeting of shareholders or by a written resolution of all of the shareholders.

Save as disclosed above, no commissions, discounts, brokerages or other special terms have been granted or are payable by the Company in connection with the issue or sale of any capital of the Company.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay dividends on any distributing class of Shares in the Company.

Distributions declared during the year were as follows:

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
November 2011	-	2,837
December 2011	-	4,083
January 2012	-	44,425
February 2012	-	3,005
March 2012	-	4,508
April 2012	-	125,460
May 2012	-	5,026
June 2012	-	5,272
July 2012	-	163,616
August 2012	-	7,413
September 2012	-	7,315
October 2012	-	149,161
November 2012	5,085	-
December 2012	7,835	-
January 2013	40,917	-
February 2013	6,549	-
March 2013	9,008	-
April 2013	133,128	-
May 2013	8,322	-
June 2013	5,841	-
July 2013	164,103	-
August 2013	7,034	-
September 2013	6,658	-
October 2013	165,668	-
	560,148	522,121
Equalisation income	(54,630)	(57,296)
Equalisation expense	25,937	26,802
	531,455	491,627

7. INTEREST EXPENSE

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Bank interest	(65)	(157)
	(65)	(157)

Notes to the financial statements (continued)

For the year ended 31 October 2013

8. TAXATION

Under current law and practice the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. On that basis it is not chargeable to Irish tax on its income or gains. However, Irish tax may arise on the occurrence of a “chargeable event”.

A chargeable event includes any distribution payments to shareholders or any encashment, redemption, cancellation or transfer of shares and the holding of shares at the end of each eight year period beginning with the acquisition of such shares.

No Irish tax will arise on the Company in respect of chargeable events in respect of:

- a) A shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, are held by the Company; or the Company has been authorised by the Irish Revenue to make gross payments in the absence of appropriate declarations; and
- b) Certain exempted Irish tax resident shareholders who have provided the Company with the necessary signed Annual declarations; and
- c) Any transaction (which might otherwise be a chargeable event) in relation to shares held in a recognised clearing system as designated by order of the Irish Revenue Commissioners (such as CREST) will not constitute a chargeable event. It is the current intention of the Directors that all the shares in the Company will be held in Crest or another recognised clearing system.

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Company or its shareholders.

9. ADJUSTMENT TO ALIGN TO THE VALUATION METHODOLOGY AS SET OUT IN THE PROSPECTUS

The adjustment between the financial statements net asset value and the valuation methodology set out in the prospectus is shown below:

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Balance brought forward	6,655	1,090
Adjustment to align to the valuation methodology as set out in the prospectus	9,941	5,565
Total adjustment for the year	9,941	5,565
Balance carried forward	16,596	6,655

Further details are set out in the accounting policies note m) on page 58.

10. TRANSACTION COSTS

In order to achieve its investment objective, a Fund will incur transactions costs in relation to trading activity on its portfolio. Disclosed in the table below are separately identifiable transaction costs incurred by the Company for the years ended 31 October 2013 and 31 October 2012. These include all brokers commission, settlement fees, stamp duties and broker fees charges on equities, exchange traded futures contracts and some fixed income investments.

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Transactions costs	6,198	4,294

Not all transaction costs are separately identifiable. For some fixed income investments, transaction costs will be included in the purchase and sales price of the investment and are not separately disclosed.

11. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Company. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

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Notes to the financial statements (continued)

For the year ended 31 October 2013

11. SHARE CAPITAL (continued)

Redeemable Participating Shares - issued and fully paid

	31 October 2013	31 October 2012
Number of redeemable participating shares:	No. of Shares	No. of Shares
Balance at the beginning of year	801,876,508	650,592,500
Issued during the year	386,268,354	319,731,474
Redeemed during the year	(218,427,000)	(168,447,466)
Balance at end of year	969,717,862	801,876,508

Authorised

The authorised share capital of the Company is £40,000 divided into 40,000 subscriber shares of a par value of £1 each and 500 billion participating shares of no par value initially designated as unclassified shares.

Subscriber shares

The Company has issued 7 subscriber shares to the Manager and nominees of the Manager. They do not form part of the net asset value of the Company. They are thus disclosed in the financial statements by way of this note only. In the opinion of the Directors this disclosure reflects the nature of the Company's investment business.

12. RECEIVABLES

	31 October 2013	31 October 2012
	€'000	€'000
Subscriptions for shares awaiting settlement	137,586	7,916
Sale of securities awaiting settlement	210,763	59,823
Dividend income receivable	10,759	8,675
Deposit interest receivable	3	4
Securities lending income receivable	815	1,389
Bond income receivable	80,783	61,045
Tax reclaim receivable	9,697	17,415
Distributions payables held with Registrar*	162,938	149,478
Other receivables	473	7
	613,817	305,752

* This relates to distribution monies that have been transferred from the Company's accounts held with its custodian, State Street Custodial Services (Ireland) Limited, to client asset accounts held with its Registrar, Computershare Investor Services (Ireland) Limited (the "Registrar") to fund distributions payable to holders of redeemable participating shares.

13. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013	31 October 2012
Financial assets:	€'000	€'000
Investment in equities	14,979,962	10,835,133
Investment in bonds	7,437,889	5,899,712
Investment in rights	6,311	4,811
Investment in warrants	13	-
Investment in UCITS collective investment schemes	53,739	33,896
Investments in mortgage backed securities	16,088	2,156
Investments in to be announced contracts	29,604	9,204
Unrealised gains on futures contracts	3,451	5
Unrealised gains on CFDs	2,971	462
	22,530,028	16,785,379

Financial liabilities:

Unrealised losses on futures contracts	(29)	(745)
Unrealised losses on CFDs	(174)	(209)
	(203)	(954)

14. PAYABLES

	31 October 2013	31 October 2012
	€'000	€'000
Payable for fund shares repurchased	(12,427)	-
Purchase of securities awaiting settlement	(498,767)	(126,727)
Interest payable	(23)	(1)
Management fees payable	(13,661)	(5,729)
Other payables	(25)	(9)
	(524,903)	(132,466)

15. COLLATERAL RECEIVED

As disclosed in note 15 on page 305, the total value of cash collateral received by iShares Listed Private Equity UCITS ETF, as at 31 October 2013, was €6,151,063 (31 October 2012: nil). Cash collateral received by the Fund may be reinvested into the assets of the Fund. The Fund is the legal owner of inbound collateral and can sell the assets and withhold the cash in the case of default.

16. SOFT COMMISSIONS

There were no soft commissions arrangements entered into by the Investment Manager on behalf of the Company during the years ended 31 October 2013 and 31 October 2012.

Notes to the financial statements (continued)

For the year ended 31 October 2013

17. COMMITMENTS AND CONTINGENT LIABILITIES

As disclosed in note 22 on page 108 and in the Company's previous audited financial statements for the year ended 31 October 2012, iShares MSCI Europe UCITS ETF (Inc) and iShares STOXX Europe 50 UCITS ETF are no longer eligible to be held by investors through a French plan d'épargne en actions ("PEA"). This decision was made due to the combined impact of currency fluctuations and changes in the components of the Funds' underlying benchmarks which caused iShares MSCI Europe UCITS ETF (Inc) to risk ceasing to be eligible to be held through a PEA and caused iShares STOXX Europe 50 UCITS ETF to cease to be eligible to be held through a PEA. As a result, shares in these Funds can no longer be held through a PEA, or there could be a risk of immediate closure of the entire PEA.

As at 31 October 2013, iShares MSCI Europe UCITS ETF (Inc) and iShares STOXX Europe 50 UCITS ETF have a contingent liability to investors who held their shares in these Funds through a PEA. No provision has been recognised in the financial statements of the Company or the Funds due to the significant uncertainty that exists at the reporting date regarding the amount and timing of any payment or as to the necessity for the Funds to make any future payments regarding this.

18. EXCHANGE RATES

The rates of exchange ruling at 31 October 2013 and 31 October 2012 were:

		31 October 2013	31 October 2012
GBP1=	EUR	1.1818	1.2433
	USD	1.6066	1.6111
EUR1=	AUD	1.4357	1.2496
	BRL	3.0226	2.6307
	CAD	1.4178	1.2952
	CHF	1.2311	1.2066
	CZK	25.7775	25.1055
	DKK	7.4586	7.4594
	GBP	0.8462	0.8043
	HUF	295.0849	283.2750
	HKD	10.5403	10.0425
	IDR	15,324.9543	12,446.1595
	JPY	133.3805	103.5733
	KRW	1,442.0887	1,413.1995
	MYR	4.2900	3.9470
	MXN	17.6725	16.9605
	NOK	8.0860	7.3982
	NZD	1.6424	1.5762
	PHP	58.7440	53.3805
	PLN	4.1829	4.1398
	RUB	43.6279	40.6318

		31 October 2013	31 October 2012
USD1=	SEK	8.7974	8.5982
	SGD	1.6863	1.5809
	THB	42.3144	39.7163
	TRY	2.7085	2.3253
	TWD	39.9414	37.8536
	USD	1.3595	1.2958
	ZAR	13.6025	11.2724
	AUD	1.0560	0.9644
	BRL	2.2234	2.0302
	CAD	1.0429	0.9995
	CHF	0.9056	0.9312
	CLP	512.0000	-
	CNY	6.0945	6.2372
	COP	1,889.9950	-
	CZK	18.9610	19.3746
	DKK	5.4863	5.7566
	EGP	6.8883	6.1125
	EUR	0.7356	0.7717
	GBP	0.6224	0.6207
	HKD	7.7531	7.7501
	HUF	217.0541	218.6102
	IDR	11,272.5000	9,605.0000
	ILS	3.5192	3.8862
	JPY	98.1100	79.9300
	KRW	1,060.7500	1,090.6000
	MAD	8.2447	-
	MXN	12.9993	13.0888
	MYR	3.1556	3.0460
	NOK	5.9478	5.7094
	NZD	1.2081	1.2164
	PHP	43.2100	41.1950
	PLN	3.0768	3.1948
	RUB	32.0912	31.3565
	SEK	6.4711	6.6354
	SGD	1.2404	1.2201
	THB	31.1250	30.6500
	TRY	1.9923	1.7945
	TWD	29.3795	29.2125
	ZAR	10.0055	8.6992

The average rates of exchange for the years ended 31 October 2013 and 31 October 2012 were:

		31 October 2013	31 October 2012
EUR1=	GBP	0.8439	0.8161
	USD	1.3173	1.2938

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Notes to the financial statements (continued)

For the year ended 31 October 2013

19. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or is able to exercise significant influence over the other party, in making financial or operational decisions.

The following entities are disclosed as related parties to the Company as at 31 October 2013:

Board of Directors of the Company

Manager:	BlackRock Asset Management Ireland Limited
Investment Manager:	BlackRock Advisors (UK) Limited
Securities lending agent:	BlackRock Advisors (UK) Limited

The ultimate holding Company of the Manager and Investment Manager is BlackRock Inc., a company incorporated in Delaware USA. PNC Financial Services Group, Inc. ("PNC") is a substantial shareholder in BlackRock Inc. PNC did not provide any services to the Company in the years ended 31 October 2013 or 31 October 2012.

When arranging transactions in securities for the Company, affiliates of PNC may provide securities brokerage, foreign exchange, banking and other services, or may act as principal, on their usual terms and may benefit therefrom. Commissions have been paid to brokers and agents in accordance with the relevant market practice and the benefit of any bulk or other commission discounts or cash commissions rebates provided by brokers or agents have been passed on to the Company. The services of PNC companies could have been used by the Investment Advisers where it is considered appropriate to do so provided that their commissions and other terms of business are generally comparable with those available from unassociated brokers and agents in the markets concerned, and this is consistent with the above policy of obtaining best net results.

Fees payable to the Manager and Investment Manager are paid out of the TER charged to the Funds. The TER forms part of the operating expenses which are included in the income statement. The Securities Lending Agent pays the securities lending income to the Funds net of their fees.

Details of soft commission arrangements with related parties are disclosed in note 16.

The Board is committed to maintaining an appropriate balance of skills, experience, independence and knowledge of the Company and supports a planned and progressive renewing of the Board. As part of this renewal the following amendments were made:

On 28 November 2012, Mark Stockley resigned as a non-executive Director of the Company. On 31 December 2012, Nicholas C.D. Hall and Geoffrey D. Radcliffe resigned as non-executive Directors of the Company. On 31 March 2013, Graham Bamping, John Donohoe, Liam Miley, Desmond Murray and William Roberts resigned as non-executive Directors of the Company. Also on 31 March 2013 Paul McGowan, Cora O'Donohoe and Karen Prooth were appointed as non-executive Directors of the Company. In addition on 31 March 2013 Paul McNaughton was appointed as a non-executive Director and Chairman of the Company.

Graham Bamping, John Donohoe, Liam Miley, Desmond Murray and William Roberts remained as non-executive Directors of the Manager after their resignations as non-executive Directors of the Company.

Barry O'Dwyer is also a non-executive Director of the Manager.

Nicholas C.D. Hall remained a non-executive Director of the Investment Manager after his resignation as a non-executive Director of the Company.

With the exception of William Roberts, Paul McNaughton, John Donohoe, Nicholas C.D. Hall, Paul McGowan and Desmond Murray all Directors are also employees of the BlackRock Group.

The Directors of the Company and the Manager who are also employees of the BlackRock Group are not entitled to receive Directors' fees.

Each of the Directors of the Company at the year-end also serve on the Board of a number of BlackRock Funds.

On her appointment as a non-executive Director on 31 March 2013 Cora O'Donohoe held either directly or indirectly, the following redeemable participating shares; 240 in iShares Developed Markets Property Yield UCITS ETF, 395 in iShares Global Clean Energy UCITS ETF, 131 in iShares Global Infrastructure UCITS ETF, 100 in iShares Global Timber & Forestry UCITS ETF, 75 in iShares Global Water UCITS ETF, 140 in iShares MSCI AC Far East ex-Japan SmallCap UCITS ETF and 70 in iShares MSCI EM Latin America UCITS ETF (Inc). These shareholdings had not changed as at 31 October 2013.

Computershare Investor Services (Ireland) Limited (the "Registrar") can invest distribution monies in Institutional Cash Series Plc ("ICS"), a BlackRock umbrella fund and open-ended investment company with variable capital incorporated in Ireland. ICS holds these distribution monies for a short duration pending payment to shareholders. Residual cash held by the Funds was also invested in ICS during the year.

iShares II plc

Notes to the financial statements (continued)

For the year ended 31 October 2013

19. RELATED PARTY TRANSACTIONS (continued)

As at 31 October 2013, the Company invests in the funds in the following table which have the same Board of Directors as the Company and are also managed by BlackRock Asset Management Ireland Limited/BlackRock Advisors (UK) Limited. No management fees are incurred as a result of any of the investments in ICS.

31 October 2013

Fund Name	Underlying Fund	% NAV of the fund	No of Shares held
iShares £ Index-Linked Gilts UCITS ETF	Institutional Cash Series plc - Institutional Sterling Liquidity Fund	0.01	54,010
iShares Euro Government Bond 3-5yr UCITS ETF*	Institutional Cash Series plc - Institutional Euro Liquidity Fund	0.00	77,578
iShares Euro Government Bond 7-10yr UCITS ETF*	Institutional Cash Series plc - Institutional Euro Liquidity Fund	0.00	3,000
iShares EURO STOXX 50 UCITS ETF (Inc)	Institutional Cash Series plc - Institutional Euro Liquidity Fund	0.07	4,091,593
iShares FTSE MIB UCITS ETF (Inc)	Institutional Cash Series plc - Institutional Euro Liquidity Fund	1.29	10,348,637
iShares Listed Private Equity UCITS ETF	Institutional Cash Series plc - Institutional US Dollar Liquidity Fund	9.13	34,055,388
iShares STOXX Europe 50 UCITS ETF	Institutional Cash Series plc - Institutional Euro Liquidity Fund	0.13	813,486
iShares UK Gilts UCITS ETF	Institutional Cash Series plc - Institutional Sterling Liquidity Fund	0.01	42,875
iShares US Aggregate Bond UCITS ETF	Institutional Cash Series plc - Institutional US Dollar Liquidity Fund	8.87	18,000,000

* Shareholdings are rounded to two decimal places and as such any holdings less than 0.005% are rounded to zero.

31 October 2012

Fund Name	Underlying Fund	% NAV of the fund	No of Shares held
iShares £ Index-Linked Gilts UCITS ETF	Institutional Cash Series plc - Institutional Sterling Liquidity Fund	0.40	3,136,649
iShares Euro Government Bond 3-5yr UCITS ETF	Institutional Cash Series plc - Institutional Euro Liquidity Fund	0.96	4,396,407
iShares Euro Government Bond 7-10yr UCITS ETF	Institutional Cash Series plc - Institutional Euro Liquidity Fund	0.04	116,592
iShares Euro Government Bond 15-30yr UCITS ETF	Institutional Cash Series plc - Institutional Euro Liquidity Fund	0.30	173,470
iShares FTSE MIB UCITS ETF (Inc)	Institutional Cash Series plc - Institutional Euro Liquidity Fund	1.20	2,300,000
iShares Listed Private Equity UCITS ETF	Institutional Cash Series plc - Institutional US Dollar Liquidity Fund	7.82	16,255,388
iShares STOXX Europe 50 UCITS ETF	Institutional Cash Series plc - Institutional Euro Liquidity Fund	0.44	2,400,000
iShares UK Gilts UCITS ETF	Institutional Cash Series plc - Institutional Sterling Liquidity Fund	0.42	3,692,860
iShares US Aggregate Bond UCITS ETF	Institutional Cash Series plc - Institutional US Dollar Liquidity Fund	9.69	4,500,000

All related party transactions were carried out at arm's length in the ordinary course of business. The terms and returns received by the related parties in making the investments above were no more favourable than those received by other investors investing into the same share classes.

Significant holdings

The Company had no shareholders with holdings of voting shares greater than 20% or any shareholders who are considered to be related parties as at the years ended 31 October 2013 and 31 October 2012.

No provisions have been recognised by the Funds against amounts due from related parties at the year-end date (31 October 2012: Nil).

No amounts have been written off in the year in respect of amounts due to or from related parties (31 October 2012: Nil).

No commitments secured or unsecured or guarantees have been entered into with related parties during the year (31 October 2012: Nil).

Notes to the financial statements (continued)

For the year ended 31 October 2013

19. RELATED PARTY TRANSACTIONS (continued)

Securities lending

The securities lending agent appointed pursuant to the securities lending agreement is BlackRock Advisors (UK) Limited which is a related party to the Company.

The Funds benefit from a borrower default indemnity provided by BlackRock Inc. The indemnity allows for full replacement of securities lent. BlackRock Inc. bears all operational costs directly related to securities loan transactions as well as the cost of indemnification against borrower default.

See further information in note 20: Efficient portfolio management.

20. EFFICIENT PORTFOLIO MANAGEMENT

The Company may, subject to the conditions and within the limits from time to time laid down by the Central Bank of Ireland and the prospectus, engage in securities lending and employ techniques and instruments relating to transferable securities for efficient portfolio management purposes.

During the year the Company engaged in securities lending. The Company receives either cash collateral or securities as collateral, as determined within the schedule, for a value in excess of the market value of the securities loaned. As at 31 October 2013 the collateral consists of securities admitted to or dealt on a regulated market.

The collateral is registered and held in the name of BlackRock Advisors (UK) Limited on behalf of the Funds in any or all of the following collateral agents and central securities depositaries: JP Morgan Chase, Bank of New York Mellon Corporation, Euroclear or CREST, depending on the type of collateral the counterparty needs to give as per the schedule in order to cover the required value of exposure. Further details of securities lending borrowers can be seen on page 81.

The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary.

The securities lending agent appointed pursuant to the stock lending agreement is BlackRock Advisors (UK) Limited. Securities lending income is split between the Fund and the securities lending agent in a ratio of 60:40 in favour of the Fund, with all operational costs borne out of the securities lending agents share.

	31 October 2013 €'000	31 October 2012 €'000
Income earned during year	10,682	15,594
Value of securities on loan at year end	2,211,450	1,270,459
Value of collateral held by the Company at year end	2,497,191	1,405,797

Please see note 21 for more information on financial derivative instruments.

21. FINANCIAL DERIVATIVE INSTRUMENTS

The Company may buy and sell financial derivative instruments. See further details in the individual Fund's Schedule of Investments and note 3 to the financial statements.

22. SIGNIFICANT EVENTS DURING THE YEAR

On 28 November 2012, Mark Stockley resigned as a non-executive Director of the Company.

The following Funds are no longer eligible to be held within a French plan d'épargne en actions ("PEA") as a result of (i) the increase in the number of Swiss components in the underlying benchmark, and (ii) the strength of the Swiss Franc against the Euro (the base currency of the Funds).

As a consequence of no longer being PEA eligible, shares in these Funds can no longer be held through a PEA without risking the immediate closure of the entire PEA;

Fund Name	Effective Date
iShares STOXX Europe 50 UCITS ETF	28 November 2012
iShares MSCI Europe UCITS ETF (Inc)	4 February 2013

With effect from 3 December 2012, the Investment Manager changed the methodology to monitor, measure and manage, the global exposure from Financial Derivative Instruments ("FDI"). The Investment Manager moved from the Commitment Approach to a methodology known as Value at Risk ("VaR"). VaR is a statistical risk measure that estimates the potential portfolio loss from adverse market moves in an ordinary market environment. VaR analysis reflects the interdependencies between risk variables, unlike a traditional sensitivity analysis.

An updated prospectus was issued on 3 December 2012, please refer to pages 4 and 5 for a list of the Fund names and benchmark names which were changed. For a full list of all amendments made please refer to the prospectus.

iShares II plc

Notes to the financial statements (continued)

For the year ended 31 October 2013

22. SIGNIFICANT EVENTS DURING THE YEAR (continued)

On 31 December 2012, Nicholas C.D. Hall and Geoffrey D. Radcliffe resigned as non-executive Directors of the Company.

On 31 March 2013, Graham Bamping, John Donohoe, Liam Miley, Desmond Murray and William Roberts resigned as non-executive Directors of the Company. Also on 31 March 2013, Paul McGowan, Cora O'Donohoe and Karen Prooth were appointed as non-executive Directors of the Company.

In addition on 31 March 2013, Paul McNaughton was appointed as a non-executive Director and Chairman of the Company.

The Memorandum and Articles of Association of the Company were amended by special resolution on 26 April 2013.

An updated prospectus was issued on 1 July 2013, please refer to pages 4 and 5 for a full list of Fund names which were changed. For a full list of all amendments made please refer to the prospectus.

An addendum to the prospectus was issued on 14 October 2013.

23. SUBSEQUENT EVENTS

iShares EURO STOXX 50 ex-Financials UCITS ETF launched on 12 December 2013.

Other than the above, there have been no events subsequent to the year end, which, in the opinion of the Directors of the Company, may have had an impact on the financial statements for the year ended 31 October 2013.

iShares \$ High Yield Corporate Bond UCITS ETF

Income statement

For the year ended 31 October 2013

	Notes	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Operating income	2	61,410	24,653
Net gains on financial assets/liabilities at fair value through profit or loss	3	8,937	13,266
Total gains		70,347	37,919
Operating expenses	4	(4,874)	(1,763)
Net operating profit		65,473	36,156
Finance costs:			
Distributions to redeemable participating shareholders	6	(55,554)	(22,366)
Total finance costs		(55,554)	(22,366)
Net profit for the financial year before tax		9,919	13,790
Non-reclaimable withholding tax		(243)	(93)
Net profit for the financial year after tax		9,676	13,697
Increase in net assets attributable to redeemable participating shareholders from operations		9,676	13,697

There are no recognised gains or losses arising in the year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

Statement of changes in net assets attributable to redeemable participating shareholders

For the year ended 31 October 2013

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the year	740,901	34,589
Increase in net assets attributable to redeemable participating shareholders from operations	9,676	13,697
Share transactions:		
Proceeds from issue of redeemable participating shares	577,689	721,467
Payments on redemption of redeemable participating shares	(61,805)	(28,852)
Increase in net assets resulting from share transactions	515,884	692,615
Net assets attributable to redeemable participating shareholders at the end of the year	1,266,461	740,901

The accompanying notes form an integral part of these financial statements.

iShares \$ High Yield Corporate Bond UCITS ETF

Balance sheet

As at 31 October 2013

	Notes	31 October 2013 \$'000	31 October 2012 \$'000
CURRENT ASSETS			
Cash and cash equivalents		38,294	18,205
Receivables	10	61,353	37,225
Financial assets at fair value through profit or loss	11	1,215,088	710,016
Total current assets		1,314,735	765,446
CURRENT LIABILITIES			
Payables	12	(12,952)	(1,262)
Distributions payable to redeemable participating shareholders	6	(35,322)	(23,283)
Total current liabilities		(48,274)	(24,545)
Net asset value attributable to redeemable participating shareholders at the end of the year		1,266,461	740,901

The accompanying notes form an integral part of these financial statements. Details of the NAV per share are set out in note 9.

iShares \$ High Yield Corporate Bond UCITS ETF

Notes to the financial statements

For the year ended 31 October 2013

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 54 to 58. The financial instruments and risks are set out on pages 59 to 98. The notes relating to tax, soft commissions and exchange rates are set out in the notes on pages 101 to 109.

2. OPERATING INCOME

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Deposit interest income	8	5
Bond interest income	61,402	24,648
	61,410	24,653

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net gains on investments in securities held at fair value through profit or loss	8,937	13,266
	8,937	13,266

4. OPERATING EXPENSES

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Management fees	(4,874)	(1,763)
	(4,874)	(1,763)

5. MANAGEMENT FEES

Fees earned by the Manager during the year and balances outstanding as at 31 October 2013 and 31 October 2012 are disclosed in note 4 and note 12 respectively.

Please refer to page 101 for each Fund's management fee rate.

The Manager is responsible for discharging, from this fee, all fees of the Investment Manager, the Administrator and the Custodian and any distributing agent appointed by the distributor through whom the shares will be marketed, together with all reasonable out of pocket expenses of such service providers, (including sub-custodial fees and expenses, (which will be at normal commercial rates) and transaction related charges of the Administrator and Custodian). The Manager will also be responsible for discharging from its fee for each share class an attributable proportion of the organisational and operating expenses, including audit and Directors fees, of the Company. The fee will be accrued daily based on the daily net asset value of the share classes and will be paid monthly in arrears. Where the actual fees and costs incurred exceed the amount paid to the Manager, the excess will be discharged by the Manager from its own assets.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of Shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the year were as follows:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
April 2012	-	13,852
October 2012	-	23,283
April 2013	28,203	-
October 2013	35,322	-
	63,525	37,135
Equalisation income	(8,381)	(14,978)
Equalisation expense	410	209
	55,554	22,366

iShares \$ High Yield Corporate Bond UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

7. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the years ended 31 October 2013 and 31 October 2012. Please refer to note 10 on page 103 for further details.

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Transactions costs	-	3

8. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 October 2013 No. of Shares	31 October 2012 No. of Shares
Number of redeemable participating shares:		
Balance at the beginning of year	6,797,874	332,500
Issued during the year	5,203,877	6,745,374
Redeemed during the year	(558,000)	(280,000)
Balance at the end of year	11,443,751	6,797,874

9. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	No. of Shares
Shares in issue	
As at 31 October 2013	11,443,751
As at 31 October 2012	6,797,874
As at 31 October 2011	332,500

	\$'000
Net asset value	
As at 31 October 2013	1,266,461
As at 31 October 2012	740,901
As at 31 October 2011	34,589

Net asset value per share	
As at 31 October 2013	\$110.67
As at 31 October 2012	\$108.99
As at 31 October 2011	\$104.03

10. RECEIVABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Sales of securities awaiting settlement	3,752	-
Bond income receivable	22,279	13,942
Distributions payable held with Registrar*	35,322	23,283
	61,353	37,225

* Further details are set out in note 12 on page 104.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013 \$'000	31 October 2012 \$'000
Financial assets:		
Investment in bonds	1,215,088	710,016
	1,215,088	710,016

12. PAYABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Purchase of securities awaiting settlement	(11,973)	(948)
Management fees payable	(979)	(314)
	(12,952)	(1,262)

13. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the years ended 31 October 2013 and 31 October 2012 other than those disclosed in note 17 on page 105.

14. RELATED PARTIES

The related parties are set out on pages 106 to 108.

15. FINANCIAL DERIVATIVE INSTRUMENTS

The Fund may buy and sell financial derivative instruments. See further details in the Fund's Schedule of Investments and note 3 to the financial statements.

16. SIGNIFICANT EVENTS DURING THE YEAR

Please refer to note 22 on pages 108 and 109.

17. SUBSEQUENT EVENTS

Please refer to note 23 on page 109.

iShares \$ High Yield Corporate Bond UCITS ETF

Schedule of investments

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market		
Bonds		
Australia		
Corporate bonds - B1 rating		
500,000 FMG Resources August 2006 Pty Ltd 6% 01/04/2017	523	0.04
500,000 FMG Resources August 2006 Pty Ltd 6.375% 01/02/2016	519	0.04
500,000 FMG Resources August 2006 Pty Ltd 6.875% 01/02/2018	529	0.04
625,000 FMG Resources August 2006 Pty Ltd 6.875% 01/04/2022	665	0.05
1,400,000 FMG Resources August 2006 Pty Ltd 7% 01/11/2015	1,451	0.12
980,000 FMG Resources August 2006 Pty Ltd 8.25% 01/11/2019	1,085	0.09
Total Australia	4,772	0.38
Bermuda		
Corporate bonds - Ba3 rating		
800,000 Aircastle Ltd 6.25% 01/12/2019	850	0.07
950,000 Aircastle Ltd 6.75% 15/04/2017	1,041	0.08
1,025,000 Aircastle Ltd 9.75% 01/08/2018	1,134	0.09
Total Bermuda	3,025	0.24
Canada		
Corporate bonds - B1 rating		
300,000 FQM Akubra Inc 7.5% 01/06/2021	317	0.02
1,210,000 FQM Akubra Inc 8.75% 01/06/2020	1,334	0.11
400,000 MEG Energy Corp 6.375% 30/01/2023	402	0.03
300,000 MEG Energy Corp 6.5% 15/03/2021	311	0.02
850,000 MEG Energy Corp 7% 31/03/2024	870	0.07
Corporate bonds - B2 rating		
125,000 Air Canada 6.75% 01/10/2019	128	0.01
100,000 Brookfield Residential Properties Inc 6.5% 15/12/2020	102	0.01
200,000 Brookfield Residential Properties Inc / Brookfield Residential US Corp 6.125% 01/07/2022	199	0.01
1,740,000 Novelis Inc 8.375% 15/12/2017	1,862	0.15
2,710,000 Novelis Inc 8.75% 15/12/2020	3,011	0.24
1,550,000 Quebecor Media Inc 5.75% 15/01/2023	1,503	0.12
300,000 Tervita Corp 8% 15/11/2018	310	0.02

Holding Investment	Fair value \$'000	% of net asset value
Canada (cont)		
Corporate bonds - B3 rating		
725,000 Kodiak Oil & Gas Corp 5.5% 01/02/2022	732	0.06
1,650,000 Kodiak Oil & Gas Corp 8.125% 01/12/2019	1,839	0.15
400,000 Telesat Canada / Telesat LLC 6% 15/05/2017	418	0.03
Corporate bonds - Ba1 rating		
1,055,000 Precision Drilling Corp 6.625% 15/11/2020	1,122	0.09
Corporate bonds - Ba2 rating		
425,000 Bombardier Inc 4.25% 15/01/2016	444	0.04
250,000 Bombardier Inc 5.75% 15/03/2022	255	0.02
950,000 Bombardier Inc 6.125% 15/01/2023	963	0.08
430,000 Bombardier Inc 7.5% 15/03/2018	487	0.04
480,000 Bombardier Inc 7.75% 15/03/2020	544	0.04
300,000 NOVA Chemicals Corp 5.25% 01/08/2023	307	0.02
1,850,000 Videotron Ltd 5% 15/07/2022	1,813	0.14
450,000 Videotron Ltd 9.125% 15/04/2018	473	0.04
Total Canada	19,746	1.56
Cayman Islands		
Corporate bonds - B2 rating		
200,000 Global A&T Electronics Ltd 10% 01/02/2019	162	0.01
Corporate bonds - B3 rating		
1,750,000 Offshore Group Investment Ltd 7.125% 01/04/2023	1,781	0.14
1,900,000 Offshore Group Investment Ltd 7.5% 01/11/2019	2,068	0.17
Corporate bonds - Ba1 rating		
955,000 Seagate HDD Cayman 6.875% 01/05/2020	1,048	0.08
1,925,000 Seagate HDD Cayman 7% 01/11/2021	2,127	0.17
Corporate bonds - Ba2 rating		
400,000 Resona Preferred Global Securities Cayman Ltd 7.191% 31/12/2049	429	0.03
Corporate bonds - Ba3 rating		
550,000 UPCB Finance III Ltd 6.625% 01/07/2020	587	0.05
180,000 UPCB Finance V Ltd 7.25% 15/11/2021	198	0.02
400,000 UPCB Finance VI Ltd 6.875% 15/01/2022	432	0.03
Total Cayman Islands	8,832	0.70

iShares \$ High Yield Corporate Bond UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
Finland			Ireland (cont)		
Corporate bonds - B1 rating			Corporate bonds - Ba3 rating		
1,900,000 Nokia Oyj 5.375% 15/05/2019	1,960	0.15	250,000 Ardagh Packaging Finance Plc 7.375% 15/10/2017	268	0.02
Total Finland	1,960	0.15	200,000 Ardagh Packaging Finance Plc / Ardagh MP Holdings USA Inc 4.875% 15/11/2022	197	0.02
France			Total Ireland	2,454	0.19
Corporate bonds - Ba1 rating			Italy		
1,000,000 Lafarge SA 6.5% 15/07/2016	1,100	0.09	Corporate bonds - Ba1 rating		
Corporate bonds - Ba2 rating			200,000 Enel SpA 8.75% 24/09/2073	216	0.02
400,000 BPCE SA 12.5% 31/12/2049	508	0.04	Total Italy	216	0.02
650,000 Credit Agricole SA 6.637% 31/12/2049	634	0.05	Luxembourg		
600,000 Credit Agricole SA 8.375% 31/12/2049	675	0.05	Corporate bonds - B1 rating		
500,000 Societe Generale SA 5.922% 31/12/2049	519	0.04	2,375,000 CHC Helicopter SA 9.25% 15/10/2020	2,556	0.20
Corporate bonds - Ba3 rating			515,000 Pacific Drilling SA 5.375% 01/06/2020	514	0.04
1,440,000 CGG SA 6.5% 01/06/2021	1,491	0.12	Corporate bonds - B2 rating		
660,000 CGG SA 7.75% 15/05/2017	678	0.05	250,000 Nielsen Co Luxembourg SARL 5.5% 01/10/2021	258	0.02
450,000 Rexel SA 5.25% 15/06/2020	455	0.04	1,175,000 NII International Telecom SCA 7.875% 15/08/2019	1,010	0.08
Total France	6,060	0.48	2,000,000 NII International Telecom SCA 11.375% 15/08/2019	1,890	0.15
Germany			2,650,000 Trinseo Materials Operating SCA / Trinseo Materials Finance Inc 8.75% 01/02/2019	2,660	0.21
Corporate bonds - Ba2 rating			Corporate bonds - B3 rating		
550,000 Commerzbank AG 8.125% 19/09/2023	587	0.05	400,000 ConvaTec Healthcare E SA 10.5% 15/12/2018	453	0.04
1,000,000 Dresdner Bank AG/New York NY 7.25% 15/09/2015	1,072	0.08	4,305,000 Intelsat Jackson Holdings SA 5.5% 01/08/2023	4,165	0.33
Corporate bonds - Ba3 rating			2,960,000 Intelsat Jackson Holdings SA 7.25% 01/04/2019	3,186	0.25
550,000 Unitymedia Hessen GmbH & Co KG / Unitymedia NRW GmbH 5.5% 15/01/2023	541	0.04	4,330,000 Intelsat Jackson Holdings SA 7.25% 15/10/2020	4,698	0.37
350,000 Unitymedia Hessen GmbH & Co KG / Unitymedia NRW GmbH 7.5% 15/03/2019	381	0.03	2,210,000 Intelsat Jackson Holdings SA 7.5% 01/04/2021	2,409	0.19
Total Germany	2,581	0.20	500,000 Intelsat Jackson Holdings SA 8.5% 01/11/2019	549	0.04
Ireland			1,090,000 Wind Acquisition Finance SA 11.75% 15/07/2017	1,158	0.09
Corporate bonds - B1 rating			Corporate bonds - Ba1 rating		
600,000 Nara Cable Funding Ltd 8.875% 01/12/2018	640	0.05	950,000 ArcelorMittal 4.25% 25/02/2015	978	0.08
Corporate bonds - B3 rating			2,400,000 ArcelorMittal 4.25% 05/08/2015	2,473	0.19
700,000 Ardagh Packaging Finance Plc 9.125% 15/10/2020	753	0.06	1,000,000 ArcelorMittal 4.25% 01/03/2016	1,032	0.08
600,000 Ardagh Packaging Finance Plc / Ardagh MP Holdings USA Inc 7% 15/11/2020	596	0.04	2,350,000 ArcelorMittal 5% 25/02/2017	2,479	0.20

iShares \$ High Yield Corporate Bond UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
Luxembourg (cont)			Netherlands (cont)		
Corporate bonds - Ba1 rating (cont)			Corporate bonds - Ba1 rating		
1,500,000 ArcelorMittal 5.75% 05/08/2020	1,580	0.12	1,000,000 EDP Finance BV 4.9% 01/10/2019	1,002	0.08
4,050,000 ArcelorMittal 6% 01/03/2021	4,252	0.34	300,000 EDP Finance BV 6% 02/02/2018	315	0.03
3,150,000 ArcelorMittal 6.125% 01/06/2018	3,423	0.27	400,000 Koninklijke KPN NV 7% 28/03/2073	413	0.03
2,450,000 ArcelorMittal 6.75% 25/02/2022	2,663	0.21	Corporate bonds - Ba2 rating		
1,500,000 ArcelorMittal 9.5% 15/02/2015	1,645	0.13	1,350,000 Schaeffler Finance BV 4.75% 15/05/2021	1,343	0.10
2,775,000 ArcelorMittal 10.35% 01/06/2019	3,507	0.28	200,000 Schaeffler Finance BV 7.75% 15/02/2017	227	0.02
Corporate bonds - Ba2 rating			200,000 Schaeffler Finance BV 8.5% 15/02/2019	225	0.02
300,000 Millicom International Cellular SA 4.75% 22/05/2020	279	0.02	Total Netherlands		
Corporate bonds - Ba3 rating				5,723	0.45
400,000 Wind Acquisition Finance SA 6.5% 30/04/2020	412	0.03	Singapore		
950,000 Wind Acquisition Finance SA 7.25% 15/02/2018	998	0.08	Corporate bonds - Ba1 rating		
Corporate bonds - Caa1 rating			900,000 Flextronics International Ltd 4.625% 15/02/2020	902	0.07
750,000 INEOS Group Holdings SA 6.125% 15/08/2018	757	0.06	700,000 Flextronics International Ltd 5% 15/02/2023	697	0.06
1,750,000 Intelsat Jackson Holdings SA 6.625% 15/12/2022	1,776	0.14	Total Singapore		
1,000,000 Intelsat Jackson Holdings SA 6.625% 15/12/2022	1,015	0.08		1,599	0.13
Corporate bonds - Caa2 rating			Spain		
250,000 Intelsat Luxembourg SA 6.75% 01/06/2018	260	0.02	Corporate bonds - B1 rating		
1,275,000 Intelsat Luxembourg SA 7.75% 01/06/2021	1,345	0.11	925,000 BBVA International Preferred SAU 5.919% 31/12/2049	868	0.07
500,000 Intelsat Luxembourg SA 8.125% 01/06/2023	525	0.04	Total Spain		
Total Luxembourg				868	0.07
	56,905	4.49	United Kingdom		
Netherlands			Corporate bonds - B1 rating		
Corporate bonds - B1 rating			1,200,000 Algeco Scotsman Global Finance Plc 8.5% 15/10/2018	1,281	0.10
175,000 Sensata Technologies BV 4.875% 15/10/2023	167	0.01	320,000 Ineos Finance Plc 7.5% 01/05/2020	350	0.03
650,000 Sensata Technologies BV 6.5% 15/05/2019	699	0.06	400,000 Ineos Finance Plc 8.375% 15/02/2019	446	0.03
Corporate bonds - B3 rating			Corporate bonds - B2 rating		
500,000 NXP BV / NXP Funding LLC 3.5% 15/09/2016	512	0.04	600,000 CEVA Group Plc 8.375% 01/12/2017	621	0.05
200,000 NXP BV / NXP Funding LLC 3.75% 01/06/2018	201	0.01	300,000 Virgin Media Finance Plc 6.375% 15/04/2023	306	0.02
200,000 NXP BV / NXP Funding LLC 5.75% 15/02/2021	208	0.02	1,050,000 Virgin Media Finance Plc 8.375% 15/10/2019	1,146	0.09
400,000 NXP BV / NXP Funding LLC 5.75% 15/03/2023	411	0.03	Corporate bonds - B3 rating		
			350,000 Algeco Scotsman Global Finance Plc 10.75% 15/10/2019	363	0.03
			Corporate bonds - Ba2 rating		
			150,000 Jaguar Land Rover Automotive Plc 5.625% 01/02/2023	149	0.01

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Schedule of investments (continued)

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Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
United Kingdom (cont)			United States (cont)		
Corporate bonds - Ba2 rating (cont)			Corporate bonds - B1 rating (cont)		
150,000 Jaguar Land Rover Automotive Plc 7.75% 15/05/2018	163	0.01	2,000,000 CCO Holdings LLC / CCO Holdings Capital Corp 5.125% 15/02/2023	1,860	0.15
300,000 Jaguar Land Rover Automotive Plc 8.125% 15/05/2021	341	0.03	1,250,000 CCO Holdings LLC / CCO Holdings Capital Corp 5.25% 15/03/2021	1,206	0.10
1,800,000 Royal Bank of Scotland Group Plc 6.1% 10/06/2023	1,848	0.15	3,100,000 CCO Holdings LLC / CCO Holdings Capital Corp 5.25% 30/09/2022	2,906	0.23
4,450,000 Royal Bank of Scotland Group Plc 6.125% 15/12/2022	4,602	0.36	750,000 CCO Holdings LLC / CCO Holdings Capital Corp 5.75% 01/09/2023	713	0.06
Corporate bonds - Ba3 rating			1,750,000 CCO Holdings LLC / CCO Holdings Capital Corp 5.75% 15/01/2024	1,654	0.13
1,250,000 Royal Bank of Scotland Group Plc 5% 01/10/2014	1,279	0.10	3,420,000 CCO Holdings LLC / CCO Holdings Capital Corp 6.5% 30/04/2021	3,557	0.28
1,275,000 Royal Bank of Scotland Group Plc 5.05% 08/01/2015	1,317	0.11	1,400,000 CCO Holdings LLC / CCO Holdings Capital Corp 6.625% 31/01/2022	1,447	0.11
425,000 Virgin Media Secured Finance Plc 5.375% 15/04/2021	428	0.03	1,850,000 CCO Holdings LLC / CCO Holdings Capital Corp 7% 15/01/2019	1,961	0.15
Total United Kingdom	14,640	1.15	1,370,000 CCO Holdings LLC / CCO Holdings Capital Corp 7.25% 30/10/2017	1,450	0.11
United States			2,080,000 CCO Holdings LLC / CCO Holdings Capital Corp 7.375% 01/06/2020	2,267	0.18
Corporate bonds - B1 rating			1,250,000 CCO Holdings LLC / CCO Holdings Capital Corp 8.125% 30/04/2020	1,369	0.11
925,000 AMC Networks Inc 4.75% 15/12/2022	894	0.07	300,000 Ceridian Corp 8.875% 15/07/2019	347	0.03
1,500,000 AMC Networks Inc 7.75% 15/07/2021	1,687	0.13	2,760,000 Chrysler Group LLC / CG Co-Issuer Inc 8% 15/06/2019	3,054	0.24
150,000 Antero Resources Finance Corp 5.375% 01/11/2021	152	0.01	3,240,000 Chrysler Group LLC / CG Co-Issuer Inc 8.25% 15/06/2021	3,666	0.29
1,000,000 Antero Resources Finance Corp 6% 01/12/2020	1,053	0.08	2,310,000 CityCenter Holdings LLC / CityCenter Finance Corp 7.625% 15/01/2016	2,428	0.19
600,000 Antero Resources Finance Corp 7.25% 01/08/2019	641	0.05	1,075,000 Clear Channel Worldwide Holdings Inc 6.5% 15/11/2022	1,123	0.09
1,125,000 Antero Resources Finance Corp 9.375% 01/12/2017	1,184	0.09	3,725,000 Clear Channel Worldwide Holdings Inc 6.5% 15/11/2022	3,911	0.31
600,000 APX Group Inc 6.375% 01/12/2019	600	0.05	900,000 Continental Airlines 2012-3 Class C Pass Thru Certificates 6.125% 29/04/2018	932	0.07
560,000 Avaya Inc 7% 01/04/2019	533	0.04	225,000 Crestwood Midstream Partners LP / Crestwood Midstream Finance Corp 6.125% 01/03/2022	230	0.02
1,350,000 Cablevision Systems Corp 5.875% 15/09/2022	1,347	0.11	3,550,000 Crown Castle International Corp 5.25% 15/01/2023	3,506	0.28
1,250,000 Cablevision Systems Corp 7.75% 15/04/2018	1,409	0.11	750,000 Crown Castle International Corp 7.125% 01/11/2019	809	0.06
800,000 Cablevision Systems Corp 8% 15/04/2020	906	0.07	2,625,000 Denbury Resources Inc 4.625% 15/07/2023	2,421	0.19
1,700,000 Cablevision Systems Corp 8.625% 15/09/2017	1,976	0.16	1,120,000 Denbury Resources Inc 6.375% 15/08/2021	1,191	0.09
50,000 Calpine Corp 5.875% 15/01/2024	50	0.00			
50,000 Calpine Corp 6% 15/01/2022	52	0.00			
450,000 Calpine Corp 7.25% 15/10/2017	468	0.04			
883,000 Calpine Corp 7.5% 15/02/2021	958	0.08			
1,000,000 Calpine Corp 7.875% 31/07/2020	1,093	0.09			
502,000 Calpine Corp 7.875% 15/01/2023	546	0.04			

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Schedule of investments (continued)

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Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
United States (cont)			United States (cont)		
Corporate bonds - B1 rating (cont)			Corporate bonds - B1 rating (cont)		
1,640,000 Denbury Resources Inc 8.25% 15/02/2020	1,805	0.14	2,070,000 NRG Energy Inc 7.625% 15/01/2018	2,340	0.18
1,300,000 Endo Health Solutions Inc 7% 15/07/2019	1,388	0.11	1,200,000 NRG Energy Inc 7.625% 15/05/2019	1,274	0.10
700,000 Endo Health Solutions Inc 7% 15/12/2020	747	0.06	3,050,000 NRG Energy Inc 7.875% 15/05/2021	3,376	0.27
900,000 Endo Health Solutions Inc 7.25% 15/01/2022	961	0.08	2,510,000 NRG Energy Inc 8.25% 01/09/2020	2,803	0.22
1,300,000 First Data Corp 6.75% 01/11/2020	1,377	0.11	850,000 NRG Energy Inc 8.5% 15/06/2019	914	0.07
750,000 First Data Corp 7.375% 15/06/2019	807	0.06	600,000 Nuance Communications Inc 5.375% 15/08/2020	588	0.05
250,000 First Data Corp 8.875% 15/08/2020	277	0.02	2,500,000 Post Holdings Inc 7.375% 15/02/2022	2,663	0.21
250,000 Freescale Semiconductor Inc 5% 15/05/2021	243	0.02	675,000 Regency Energy Partners LP / Regency Energy Finance Corp 4.5% 01/11/2023	622	0.05
420,000 Freescale Semiconductor Inc 6% 15/01/2022	425	0.03	1,550,000 Regency Energy Partners LP / Regency Energy Finance Corp 5.5% 15/04/2023	1,546	0.12
710,000 Freescale Semiconductor Inc 9.25% 15/04/2018	768	0.06	750,000 Regency Energy Partners LP / Regency Energy Finance Corp 5.75% 01/09/2020	778	0.06
1,800,000 Goodyear Tire & Rubber Co 6.5% 01/03/2021	1,904	0.15	1,600,000 Regency Energy Partners LP / Regency Energy Finance Corp 6.5% 15/07/2021	1,706	0.13
1,630,000 Goodyear Tire & Rubber Co 7% 15/05/2022	1,748	0.14	1,020,000 Regency Energy Partners LP / Regency Energy Finance Corp 6.875% 01/12/2018	1,095	0.09
1,580,000 Goodyear Tire & Rubber Co 8.25% 15/08/2020	1,785	0.14	6,700,000 Reynolds Group Issuer Inc / Reynolds Group Issuer LLC / Reynolds Group Issuer Lu 5.75% 15/10/2020	6,901	0.54
2,000,000 Grifols Inc 8.25% 01/02/2018	2,150	0.17	2,250,000 Reynolds Group Issuer Inc / Reynolds Group Issuer LLC / Reynolds Group Issuer Lu 6.875% 15/02/2021	2,453	0.19
2,075,000 Hawk Acquisition Sub Inc 4.25% 15/10/2020	2,015	0.16	2,450,000 Reynolds Group Issuer Inc / Reynolds Group Issuer LLC / Reynolds Group Issuer Lu 7.125% 15/04/2019	2,618	0.21
2,285,000 HD Supply Inc 8.125% 15/04/2019	2,545	0.20	2,690,000 Reynolds Group Issuer Inc / Reynolds Group Issuer LLC / Reynolds Group Issuer Lu 7.875% 15/08/2019	2,972	0.23
1,160,000 Huntsman International LLC 4.875% 15/11/2020	1,151	0.09	950,000 Rite Aid Corp 8% 15/08/2020	1,063	0.08
1,800,000 Iron Mountain Inc 5.75% 15/08/2024	1,719	0.14	700,000 Sabine Pass LNG LP 6.5% 01/11/2020	729	0.06
670,000 Iron Mountain Inc 7.75% 01/10/2019	744	0.06	2,960,000 Sabine Pass LNG LP 7.5% 30/11/2016	3,297	0.26
1,250,000 Iron Mountain Inc 8.375% 15/08/2021	1,348	0.11	500,000 Sabre Inc 8.5% 15/05/2019	549	0.04
1,190,000 Jarden Corp 7.5% 01/05/2017	1,377	0.11	1,435,000 SBA Telecommunications Inc 5.75% 15/07/2020	1,492	0.12
350,000 K Hovnanian Enterprises Inc 7.25% 15/10/2020	372	0.03	250,000 Sealed Air Corp 5.25% 01/04/2023	244	0.02
1,000,000 Lamar Media Corp 5% 01/05/2023	957	0.08	250,000 Sealed Air Corp 6.5% 01/12/2020	272	0.02
1,150,000 Lamar Media Corp 5.875% 01/02/2022	1,188	0.09	190,000 Sealed Air Corp 8.125% 15/09/2019	214	0.02
490,000 Lamar Media Corp 7.875% 15/04/2018	522	0.04	530,000 Sealed Air Corp 8.375% 15/09/2021	607	0.05
1,000,000 Levi Strauss & Co 6.875% 01/05/2022	1,085	0.09	100,000 Service Corp International 5.375% 15/01/2022	101	0.01
900,000 Levi Strauss & Co 7.625% 15/05/2020	983	0.08			
1,935,000 McClatchy Co 9% 15/12/2022	2,087	0.16			
2,500,000 Momentive Performance Materials Inc 8.875% 15/10/2020	2,650	0.21			
1,950,000 NRG Energy Inc 6.625% 15/03/2023	2,011	0.16			

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Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
United States (cont)			United States (cont)		
Corporate bonds - B1 rating (cont)			Corporate bonds - B1 rating (cont)		
1,500,000 Sinclair Television Group Inc 5.375% 01/04/2021	1,460	0.12	430,000 Valeant Pharmaceuticals International 6.75% 15/08/2021	458	0.04
800,000 Sinclair Television Group Inc 6.125% 01/10/2022	815	0.06	550,000 Valeant Pharmaceuticals International 6.875% 01/12/2018	587	0.05
175,000 Sirius XM Radio Inc 4.25% 15/05/2020	167	0.01	490,000 Valeant Pharmaceuticals International 7% 01/10/2020	527	0.04
250,000 Sirius XM Radio Inc 4.625% 15/05/2023	229	0.02	250,000 Valeant Pharmaceuticals International 7.25% 15/07/2022	272	0.02
200,000 Sirius XM Radio Inc 5.25% 15/08/2022	203	0.02	1,000,000 Valeant Pharmaceuticals International 7.5% 15/07/2021	1,106	0.09
500,000 Sirius XM Radio Inc 5.75% 01/08/2021	511	0.04	1,200,000 Windstream Corp 6.375% 01/08/2023	1,170	0.09
175,000 Sirius XM Radio Inc 5.875% 01/10/2020	181	0.01	950,000 Windstream Corp 7.5% 01/06/2022	993	0.08
4,525,000 Sprint Communications Inc 6% 01/12/2016	4,898	0.39	1,050,000 Windstream Corp 7.5% 01/04/2023	1,095	0.09
5,000,000 Sprint Communications Inc 6% 15/11/2022	4,937	0.39	1,560,000 Windstream Corp 7.75% 15/10/2020	1,669	0.13
3,450,000 Sprint Communications Inc 7% 15/08/2020	3,692	0.29	1,500,000 Windstream Corp 7.75% 01/10/2021	1,594	0.13
2,505,000 Sprint Communications Inc 8.375% 15/08/2017	2,900	0.23	800,000 Windstream Corp 7.75% 01/10/2021	854	0.07
2,100,000 Sprint Communications Inc 9.125% 01/03/2017	2,473	0.19	2,600,000 Windstream Corp 7.875% 01/11/2017	2,971	0.23
1,980,000 Sprint Communications Inc 11.5% 15/11/2021	2,574	0.20	1,675,000 Zayo Group LLC / Zayo Capital Inc 8.125% 01/01/2020	1,838	0.15
1,400,000 Sprint Corp 7.25% 15/09/2021	1,505	0.12	Corporate bonds - B1/**+ rating		
2,500,000 Sprint Corp 7.875% 15/09/2023	2,703	0.21	800,000 Ally Financial Inc 3.125% 15/01/2016	816	0.06
1,000,000 TW Telecom Holdings Inc 5.375% 01/10/2022	995	0.08	2,000,000 Ally Financial Inc 3.5% 18/07/2016	2,050	0.16
425,000 TW Telecom Holdings Inc 5.375% 01/10/2022	422	0.03	3,110,000 Ally Financial Inc 4.625% 26/06/2015	3,245	0.26
700,000 United States Steel Corp 6.05% 01/06/2017	747	0.06	2,000,000 Ally Financial Inc 4.75% 10/09/2018	2,085	0.16
1,310,000 United States Steel Corp 7% 01/02/2018	1,418	0.11	3,460,000 Ally Financial Inc 5.5% 15/02/2017	3,750	0.30
1,200,000 United States Steel Corp 7.375% 01/04/2020	1,264	0.10	1,790,000 Ally Financial Inc 6.25% 01/12/2017	1,983	0.16
700,000 United States Steel Corp 7.5% 15/03/2022	733	0.06	2,200,000 Ally Financial Inc 6.75% 01/12/2014	2,318	0.18
1,450,000 Valeant Pharmaceuticals International 6.375% 15/10/2020	1,541	0.12	3,600,000 Ally Financial Inc 7.5% 15/09/2020	4,185	0.33
250,000 Valeant Pharmaceuticals International 6.5% 15/07/2016	259	0.02	3,740,000 Ally Financial Inc 8% 15/03/2020	4,460	0.35
200,000 Valeant Pharmaceuticals International 6.75% 01/10/2017	214	0.02	3,440,000 Ally Financial Inc 8.3% 12/02/2015	3,734	0.30
1,000,000 Valeant Pharmaceuticals International 6.75% 15/08/2018	1,090	0.09	Corporate bonds - B1/*- rating		
			1,300,000 Berry Petroleum Co 6.375% 15/09/2022	1,338	0.11
			1,900,000 CONSOL Energy Inc 8% 01/04/2017	2,017	0.16
			2,690,000 CONSOL Energy Inc 8.25% 01/04/2020	2,941	0.23
			Corporate bonds - B2 rating		
			1,100,000 Advanced Micro Devices Inc 7.5% 15/08/2022	1,063	0.08
			1,000,000 Advanced Micro Devices Inc 7.75% 01/08/2020	993	0.08
			540,000 Advanced Micro Devices Inc 8.125% 15/12/2017	564	0.04
			900,000 Aleris International Inc 7.625% 15/02/2018	953	0.08

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Schedule of investments (continued)

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Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
United States (cont)				United States (cont)			
Corporate bonds - B2 rating (cont)				Corporate bonds - B2 rating (cont)			
950,000	Aleris International Inc 7.875% 01/11/2020	1,005	0.08	1,175,000	E*TRADE Financial Corp 6.375% 15/11/2019	1,263	0.10
920,000	AMC Entertainment Inc 8.75% 01/06/2019	990	0.08	600,000	E*TRADE Financial Corp 6.75% 01/06/2016	648	0.05
1,000,000	American Axle & Manufacturing Inc 6.25% 15/03/2021	1,050	0.08	4,270,000	EP Energy LLC / EP Energy Finance Inc 9.375% 01/05/2020	4,932	0.39
800,000	American Axle & Manufacturing Inc 6.625% 15/10/2022	844	0.07	1,000,000	Felcor Lodging LP 5.625% 01/03/2023	985	0.08
1,000,000	Amkor Technology Inc 6.375% 01/10/2022	985	0.08	630,000	Felcor Lodging LP 6.75% 01/06/2019	672	0.05
1,075,000	Amkor Technology Inc 6.625% 01/06/2021	1,079	0.09	286,000	Felcor Lodging LP 10% 01/10/2014	306	0.02
1,000,000	Atlas Pipeline Partners LP / Atlas Pipeline Finance Corp 4.75% 15/11/2021	928	0.07	1,130,000	GenOn Energy Inc 7.875% 15/06/2017	1,246	0.10
1,000,000	Atlas Pipeline Partners LP / Atlas Pipeline Finance Corp 5.875% 01/08/2023	977	0.08	1,240,000	GenOn Energy Inc 9.5% 15/10/2018	1,424	0.11
1,000,000	Atlas Pipeline Partners LP / Atlas Pipeline Finance Corp 6.625% 01/10/2020	1,044	0.08	950,000	GenOn Energy Inc 9.875% 15/10/2020	1,061	0.08
950,000	Avis Budget Car Rental LLC / Avis Budget Finance Inc 5.5% 01/04/2023	931	0.07	1,550,000	Hertz Corp 5.875% 15/10/2020	1,630	0.13
1,350,000	Avis Budget Car Rental LLC / Avis Budget Finance Inc 8.25% 15/01/2019	1,471	0.12	850,000	Hertz Corp 6.25% 15/10/2022	890	0.07
500,000	Caesars Entertainment Resort Properties LLC / Caesars Entertainment Resort Prope 8% 01/10/2020	502	0.04	2,750,000	Hertz Corp 6.75% 15/04/2019	2,963	0.23
850,000	Cinemark USA Inc 4.875% 01/06/2023	811	0.06	850,000	Hertz Corp 7.375% 15/01/2021	942	0.07
1,100,000	Cinemark USA Inc 5.125% 15/12/2022	1,076	0.09	1,400,000	Hertz Corp 7.5% 15/10/2018	1,518	0.12
450,000	Claire's Stores Inc 9% 15/03/2019	503	0.04	1,775,000	Hologic Inc 6.25% 01/08/2020	1,886	0.15
740,000	CommScope Inc 8.25% 15/01/2019	812	0.06	1,370,000	Huntsman International LLC 8.625% 15/03/2021	1,538	0.12
500,000	Dana Holding Corp 5.375% 15/09/2021	512	0.04	150,000	ILFC E-Capital Trust II 6.25% 21/12/2065	138	0.01
720,000	Dana Holding Corp 6.5% 15/02/2019	770	0.06	300,000	inVentiv Health Inc 9% 15/01/2018	313	0.03
2,300,000	DaVita HealthCare Partners Inc 5.75% 15/08/2022	2,357	0.19	650,000	KB Home 7% 15/12/2021	673	0.05
1,050,000	DaVita HealthCare Partners Inc 6.375% 01/11/2018	1,104	0.09	1,600,000	Linn Energy LLC / Linn Energy Finance Corp 6.5% 15/05/2019	1,599	0.13
1,700,000	DaVita HealthCare Partners Inc 6.625% 01/11/2020	1,815	0.14	1,250,000	Linn Energy LLC / Linn Energy Finance Corp 7% 01/11/2019	1,243	0.10
710,000	Dean Foods Co 7% 01/06/2016	786	0.06	1,820,000	Linn Energy LLC / Linn Energy Finance Corp 7.75% 01/02/2021	1,882	0.15
580,000	Dean Foods Co 9.75% 15/12/2018	657	0.05	2,610,000	Linn Energy LLC / Linn Energy Finance Corp 8.625% 15/04/2020	2,790	0.22
1,250,000	E*TRADE Financial Corp 6% 15/11/2017	1,325	0.10	950,000	Nationstar Mortgage LLC / Nationstar Capital Corp 6.5% 01/08/2018	981	0.08
				1,100,000	Nationstar Mortgage LLC / Nationstar Capital Corp 6.5% 01/07/2021	1,078	0.09
				600,000	Nationstar Mortgage LLC / Nationstar Capital Corp 7.875% 01/10/2020	639	0.05
				1,750,000	Nielsen Finance LLC / Nielsen Finance Co 4.5% 01/10/2020	1,720	0.14
				1,910,000	Nielsen Finance LLC / Nielsen Finance Co 7.75% 15/10/2018	2,082	0.16

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Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
United States (cont)				United States (cont)			
Corporate bonds - B2 rating (cont)				Corporate bonds - B2 rating (cont)			
800,000	Penn Virginia Resource Partners LP / Penn Virginia Resource Finance Corp II 6.5% 15/05/2021	823	0.07	810,000	United Rentals North America Inc 9.25% 15/12/2019	910	0.07
1,195,000	Penn Virginia Resource Partners LP / Penn Virginia Resource Finance Corp II 8.375% 01/06/2020	1,317	0.10	475,000	Univision Communications Inc 5.125% 15/05/2023	472	0.04
2,110,000	Pinnacle Entertainment Inc 7.5% 15/04/2021	2,316	0.18	600,000	Univision Communications Inc 6.75% 15/09/2022	655	0.05
1,275,000	PNK Finance Corp 6.375% 01/08/2021	1,343	0.11	620,000	Univision Communications Inc 6.875% 15/05/2019	670	0.05
1,000,000	Regal Cinemas Corp 8.625% 15/07/2019	1,081	0.09	520,000	Univision Communications Inc 7.875% 01/11/2020	577	0.05
2,730,000	SandRidge Energy Inc 7.5% 15/03/2021	2,894	0.23	Corporate bonds - B2/*+ rating			
1,400,000	SandRidge Energy Inc 7.5% 15/02/2023	1,445	0.11	650,000	Ally Financial Inc 8% 31/12/2018	767	0.06
1,700,000	SandRidge Energy Inc 8.125% 15/10/2022	1,810	0.14	Corporate bonds - B2/*- rating			
1,000,000	SandRidge Energy Inc 8.75% 15/01/2020	1,079	0.09	660,000	NGPL PipeCo LLC 7.119% 15/12/2017	615	0.05
1,000,000	SBA Communications Corp 5.625% 01/10/2019	1,025	0.08	400,000	NGPL PipeCo LLC 9.625% 01/06/2019	397	0.03
1,750,000	Smithfield Foods Inc 6.625% 15/08/2022	1,844	0.15	Corporate bonds - B3 rating			
1,210,000	Smithfield Foods Inc 7.75% 01/07/2017	1,413	0.11	200,000	Alcatel-Lucent USA Inc 8.875% 01/01/2020	216	0.02
1,028,000	Standard Pacific Corp 8.375% 15/05/2018	1,192	0.09	1,200,000	Alere Inc 7.25% 01/07/2018	1,311	0.10
950,000	Standard Pacific Corp 8.375% 15/01/2021	1,097	0.09	1,890,000	Alpha Natural Resources Inc 6% 01/06/2019	1,630	0.13
300,000	Sun Merger Sub Inc 5.25% 01/08/2018	314	0.03	1,210,000	Alpha Natural Resources Inc 6.25% 01/06/2021	1,023	0.08
100,000	Sun Merger Sub Inc 5.875% 01/08/2021	105	0.01	850,000	Alpha Natural Resources Inc 9.75% 15/04/2018	878	0.07
175,000	Taylor Morrison Communities Inc / Monarch Communities Inc 5.25% 15/04/2021	170	0.01	525,000	ARAMARK Corp 5.75% 15/03/2020	551	0.04
1,875,000	Terex Corp 6% 15/05/2021	1,950	0.15	3,550,000	Biomet Inc 6.5% 01/08/2020	3,767	0.30
850,000	TransUnion LLC / TransUnion Financing Corp 11.375% 15/06/2018	946	0.08	950,000	Boyd Gaming Corp 9.125% 01/12/2018	1,036	0.08
650,000	United Rentals North America Inc 6.125% 15/06/2023	668	0.05	1,990,000	Burger King Corp 9.875% 15/10/2018	2,234	0.18
2,320,000	United Rentals North America Inc 7.375% 15/05/2020	2,586	0.20	2,250,000	Caesars Entertainment Operating Co Inc 8.5% 15/02/2020	2,076	0.16
2,770,000	United Rentals North America Inc 7.625% 15/04/2022	3,108	0.25	3,450,000	Caesars Entertainment Operating Co Inc 9% 15/02/2020	3,243	0.26
1,230,000	United Rentals North America Inc 8.25% 01/02/2021	1,393	0.11	2,750,000	Caesars Entertainment Operating Co Inc 9% 15/02/2020	2,585	0.20
				4,340,000	Caesars Entertainment Operating Co Inc 11.25% 01/06/2017	4,335	0.34
				2,740,000	CDW LLC / CDW Finance Corp 8.5% 01/04/2019	3,031	0.24
				152,000	CDW LLC / CDW Finance Corp 12.535% 12/10/2017	158	0.01
				400,000	Cequel Communications Holdings I LLC / Cequel Capital Corp 5.125% 15/12/2021	388	0.03

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Schedule of investments (continued)

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Holding Investment	Fair value \$'000	% of net asset value
United States (cont)		
Corporate bonds - B3 rating (cont)		
800,000 Cequel Communications Holdings I LLC / Cequel Capital Corp 6.375% 15/09/2020	829	0.07
1,250,000 Chaparral Energy Inc 7.625% 15/11/2022	1,327	0.10
620,000 Chaparral Energy Inc 8.25% 01/09/2021	679	0.05
1,309,000 Cincinnati Bell Inc 8.375% 15/10/2020	1,391	0.11
3,690,000 Clear Channel Worldwide Holdings Inc 7.625% 15/03/2020	3,930	0.31
500,000 Energy Future Intermediate Holding Co LLC / EFIH Finance Inc 6.875% 15/08/2017	509	0.04
2,250,000 Energy Future Intermediate Holding Co LLC / EFIH Finance Inc 10% 01/12/2020	2,354	0.19
2,900,000 Energy Future Intermediate Holding Co LLC / EFIH Finance Inc 10% 01/12/2020	3,038	0.24
1,055,000 Energy XXI Gulf Coast Inc 7.5% 15/12/2021	1,102	0.09
1,280,000 Energy XXI Gulf Coast Inc 9.25% 15/12/2017	1,422	0.11
1,920,000 Forest Oil Corp 7.25% 15/06/2019	1,939	0.15
800,000 Forest Oil Corp 7.5% 15/09/2020	792	0.06
600,000 Harbinger Group Inc 7.875% 15/07/2019	637	0.05
2,000,000 HCA Holdings Inc 6.25% 15/02/2021	2,095	0.17
2,970,000 HCA Holdings Inc 7.75% 15/05/2021	3,252	0.26
2,000,000 HCA Inc 5.875% 01/05/2023	2,015	0.16
700,000 HCA Inc 6.375% 15/01/2015	739	0.06
1,450,000 HCA Inc 6.5% 15/02/2016	1,588	0.13
3,940,000 HCA Inc 7.5% 15/02/2022	4,413	0.35
750,000 HCA Inc 8% 01/10/2018	885	0.07
2,000,000 HD Supply Inc 11% 15/04/2020	2,397	0.19
1,460,000 Health Management Associates Inc 7.375% 15/01/2020	1,628	0.13
375,000 Hercules Offshore Inc 8.75% 15/07/2021	406	0.03
2,210,000 Hexion US Finance Corp / Hexion Nova Scotia Finance ULC 8.875% 01/02/2018	2,289	0.18
1,760,000 Hughes Satellite Systems Corp 7.625% 15/06/2021	1,923	0.15
300,000 IMS Health Inc 6% 01/11/2020	314	0.02
100,000 Interactive Data Corp 10.25% 01/08/2018	111	0.01

Holding Investment	Fair value \$'000	% of net asset value
United States (cont)		
Corporate bonds - B3 rating (cont)		
300,000 Jaguar Holding Co II / Jaguar Merger Sub Inc 9.5% 01/12/2019	338	0.03
3,450,000 Kinetic Concepts Inc / KCI USA Inc 10.5% 01/11/2018	3,877	0.31
950,000 Laredo Petroleum Inc 7.375% 01/05/2022	1,027	0.08
850,000 Laredo Petroleum Inc 9.5% 15/02/2019	948	0.07
275,000 Level 3 Financing Inc 6.125% 15/01/2021	280	0.02
1,200,000 Level 3 Financing Inc 7% 01/06/2020	1,281	0.10
3,070,000 Level 3 Financing Inc 8.125% 01/07/2019	3,385	0.27
1,730,000 Level 3 Financing Inc 8.625% 15/07/2020	1,961	0.16
820,000 Level 3 Financing Inc 9.375% 01/04/2019	918	0.07
900,000 Level 3 Financing Inc 10% 01/02/2018	962	0.08
1,400,000 Manitowoc Co Inc 8.5% 01/11/2020	1,580	0.12
770,000 Manitowoc Co Inc 9.5% 15/02/2018	822	0.07
1,000,000 MGM Resorts International 6.625% 15/07/2015	1,079	0.09
2,250,000 MGM Resorts International 6.625% 15/12/2021	2,407	0.19
1,950,000 MGM Resorts International 6.75% 01/10/2020	2,123	0.17
1,680,000 MGM Resorts International 7.5% 01/06/2016	1,889	0.15
1,190,000 MGM Resorts International 7.625% 15/01/2017	1,353	0.11
2,275,000 MGM Resorts International 7.75% 15/03/2022	2,567	0.20
1,600,000 MGM Resorts International 8.625% 01/02/2019	1,884	0.15
1,200,000 MGM Resorts International 10% 01/11/2016	1,454	0.11
830,000 MGM Resorts International 11.375% 01/03/2018	1,063	0.08
2,270,000 Michaels Stores Inc 7.75% 01/11/2018	2,452	0.19
2,475,000 Navistar International Corp 8.25% 01/11/2021	2,524	0.20
1,228,000 NBTY Inc 9% 01/10/2018	1,349	0.11
450,000 Oasis Petroleum Inc 6.5% 01/11/2021	487	0.04
1,925,000 Oasis Petroleum Inc 6.875% 15/03/2022	2,069	0.16

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Schedule of investments (continued)

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Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
United States (cont)			United States (cont)		
Corporate bonds - B3 rating (cont)			Corporate bonds - Ba1 rating (cont)		
950,000 Oasis Petroleum Inc 6.875% 15/01/2023	1,043	0.08	1,000,000 Ball Corp 5.75% 15/05/2021	1,053	0.08
950,000 Oasis Petroleum Inc 7.25% 01/02/2019	1,021	0.08	770,000 Ball Corp 6.75% 15/09/2020	839	0.07
300,000 Petco Animal Supplies Inc 9.25% 01/12/2018	322	0.03	3,600,000 Case New Holland Inc 7.875% 01/12/2017	4,261	0.34
200,000 Realogy Group LLC 7.875% 15/02/2019	219	0.02	1,475,000 CBRE Services Inc 5% 15/03/2023	1,427	0.11
1,430,000 Samson Investment Co 10.25% 15/02/2020	1,541	0.12	400,000 CNH Capital LLC 3.625% 15/04/2018	406	0.03
2,380,000 Sears Holdings Corp 6.625% 15/10/2018	2,243	0.18	1,380,000 CNH Capital LLC 3.875% 01/11/2015	1,423	0.11
200,000 Spectrum Brands Escrow Corp 6.375% 15/11/2020	213	0.02	730,000 CNH Capital LLC 6.25% 01/11/2016	803	0.06
550,000 Spectrum Brands Escrow Corp 6.625% 15/11/2022	583	0.05	1,100,000 Constellation Brands Inc 3.75% 01/05/2021	1,056	0.08
1,650,000 Springleaf Finance Corp 5.4% 01/12/2015	1,728	0.14	2,250,000 Constellation Brands Inc 4.25% 01/05/2023	2,160	0.17
5,395,000 Springleaf Finance Corp 6.9% 15/12/2017	5,840	0.46	1,250,000 Constellation Brands Inc 6% 01/05/2022	1,361	0.11
375,000 Springleaf Finance Corp 7.75% 01/10/2021	403	0.03	1,500,000 Constellation Brands Inc 7.25% 01/09/2016	1,712	0.14
1,620,000 Tenet Healthcare Corp 8% 01/08/2020	1,760	0.14	1,430,000 Constellation Brands Inc 7.25% 15/05/2017	1,664	0.13
4,625,000 Tenet Healthcare Corp 8.125% 01/04/2022	5,064	0.40	1,150,000 Delphi Corp 5% 15/02/2023	1,207	0.10
500,000 Tenet Healthcare Corp 9.25% 01/02/2015	545	0.04	1,700,000 Delphi Corp 5.875% 15/05/2019	1,806	0.14
1,640,000 United Rentals North America Inc 8.375% 15/09/2020	1,833	0.14	830,000 Delphi Corp 6.125% 15/05/2021	914	0.07
250,000 Walter Energy Inc 9.5% 15/10/2019	264	0.02	1,000,000 Fifth Third Bancorp 5.1% 31/12/2049	895	0.07
1,550,000 West Corp 7.875% 15/01/2019	1,675	0.13	225,000 Gannett Co Inc 5.125% 15/10/2019	232	0.02
960,000 West Corp 8.625% 01/10/2018	1,045	0.08	500,000 Gannett Co Inc 5.125% 15/07/2020	511	0.04
1,560,000 WMG Acquisition Corp 11.5% 01/10/2018	1,806	0.14	225,000 Gannett Co Inc 6.375% 15/10/2023	237	0.02
Corporate bonds - B3/*- rating			950,000 General Motors Co 3.5% 02/10/2018	969	0.08
2,350,000 CHS/Community Health Systems Inc 7.125% 15/07/2020	2,467	0.19	1,000,000 General Motors Co 4.875% 02/10/2023	1,010	0.08
4,225,000 CHS/Community Health Systems Inc 8% 15/11/2019	4,563	0.36	125,000 GLP Capital LP / GLP Financing II Inc 4.375% 01/11/2018	128	0.01
Corporate bonds - Ba1 rating			250,000 GLP Capital LP / GLP Financing II Inc 4.875% 01/11/2020	252	0.02
1,000,000 Ashland Inc 3% 15/03/2016	1,023	0.08	325,000 GLP Capital LP / GLP Financing II Inc 5.375% 01/11/2023	328	0.03
1,250,000 Ashland Inc 3.875% 15/04/2018	1,257	0.10	1,000,000 Hartford Financial Services Group Inc 8.125% 15/06/2038	1,165	0.09
2,450,000 Ashland Inc 4.75% 15/08/2022	2,352	0.19	1,400,000 ING US Inc 5.65% 15/05/2053	1,333	0.11
150,000 Aviation Capital Group Corp 3.875% 27/09/2016	153	0.01	500,000 IPALCO Enterprises Inc 5% 01/05/2018	521	0.04
600,000 Aviation Capital Group Corp 6.75% 06/04/2021	646	0.05	1,100,000 Iron Mountain Inc 6% 15/08/2023	1,120	0.09
2,000,000 Ball Corp 4% 15/11/2023	1,851	0.15	2,050,000 L Brands Inc 5.625% 15/02/2022	2,111	0.17
1,800,000 Ball Corp 5% 15/03/2022	1,813	0.14	500,000 L Brands Inc 5.625% 15/10/2023	510	0.04
			1,760,000 L Brands Inc 6.625% 01/04/2021	1,938	0.15
			690,000 L Brands Inc 7% 01/05/2020	780	0.06

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Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
United States (cont)			United States (cont)		
Corporate bonds - Ba1 rating (cont)			Corporate bonds - Ba2 rating (cont)		
1,500,000 L Brands Inc 8.5% 15/06/2019	1,804	0.14	1,875,000 ADT Corp 6.25% 15/10/2021	1,987	0.16
300,000 Meccanica Holdings USA Inc 6.25% 15/07/2019	311	0.02	1,100,000 AmeriGas Finance LLC / AmeriGas Finance Corp 6.75% 20/05/2020	1,196	0.09
1,850,000 Newfield Exploration Co 5.625% 01/07/2024	1,891	0.15	1,890,000 AmeriGas Finance LLC / AmeriGas Finance Corp 7% 20/05/2022	2,035	0.16
1,600,000 Newfield Exploration Co 5.75% 30/01/2022	1,684	0.13	675,000 Audatex North America Inc 6% 15/06/2021	701	0.06
275,000 NuStar Logistics LP 4.8% 01/09/2020	256	0.02	1,000,000 Audatex North America Inc 6.75% 15/06/2018	1,069	0.08
1,150,000 PPL Capital Funding Inc 6.7% 30/03/2067	1,167	0.09	2,550,000 B/E Aerospace Inc 5.25% 01/04/2022	2,617	0.21
500,000 Puget Energy Inc 5.625% 15/07/2022	538	0.04	1,300,000 B/E Aerospace Inc 6.875% 01/10/2020	1,432	0.11
1,900,000 Puget Energy Inc 6% 01/09/2021	2,096	0.17	900,000 Celanese US Holdings LLC 4.625% 15/11/2022	888	0.07
440,000 Puget Energy Inc 6.5% 15/12/2020	498	0.04	650,000 Celanese US Holdings LLC 5.875% 15/06/2021	696	0.05
1,000,000 QEP Resources Inc 5.25% 01/05/2023	962	0.08	1,220,000 Celanese US Holdings LLC 6.625% 15/10/2018	1,315	0.10
970,000 QEP Resources Inc 5.375% 01/10/2022	942	0.07	1,940,000 CenturyLink Inc 5.625% 01/04/2020	1,969	0.16
1,250,000 QEP Resources Inc 6.875% 01/03/2021	1,339	0.11	2,700,000 CenturyLink Inc 5.8% 15/03/2022	2,673	0.21
850,000 Qwest Communications International Inc 7.125% 01/04/2018	883	0.07	1,500,000 CenturyLink Inc 6% 01/04/2017	1,639	0.13
1,300,000 Regions Bank/Birmingham AL 7.5% 15/05/2018	1,547	0.12	2,800,000 CenturyLink Inc 6.45% 15/06/2021	2,912	0.23
200,000 Rock Tenn Co 4.9% 01/03/2022	211	0.02	925,000 Clean Harbors Inc 5.125% 01/06/2021	940	0.07
2,350,000 Rockwood Specialties Group Inc 4.625% 15/10/2020	2,420	0.19	1,775,000 Clean Harbors Inc 5.25% 01/08/2020	1,828	0.14
725,000 Toll Brothers Finance Corp 4.375% 15/04/2023	678	0.05	675,000 Commercial Metals Co 6.5% 15/07/2017	744	0.06
795,000 Toll Brothers Finance Corp 5.875% 15/02/2022	839	0.07	750,000 Commercial Metals Co 7.35% 15/08/2018	848	0.07
750,000 Toll Brothers Finance Corp 8.91% 15/10/2017	904	0.07	2,350,000 Continental Resources Inc 4.5% 15/04/2023	2,370	0.19
500,000 WPX Energy Inc 5.25% 15/01/2017	531	0.04	3,600,000 Continental Resources Inc 5% 15/09/2022	3,753	0.30
2,310,000 WPX Energy Inc 6% 15/01/2022	2,426	0.19	941,000 Continental Resources Inc 7.125% 01/04/2021	1,055	0.08
Corporate bonds - Ba1/*- rating			850,000 Denali Borrower LLC / Denali Finance Corp 5.625% 15/10/2020	839	0.07
914,000 SLM Corp 4.625% 25/09/2017	946	0.08	680,000 DPL Inc 6.5% 15/10/2016	732	0.06
5,000,000 SLM Corp 5.5% 15/01/2019	5,195	0.41	1,860,000 DPL Inc 7.25% 15/10/2021	1,949	0.15
1,900,000 SLM Corp 5.5% 25/01/2023	1,808	0.14	600,000 DR Horton Inc 3.625% 15/02/2018	606	0.05
2,000,000 SLM Corp 6% 25/01/2017	2,180	0.17	1,250,000 DR Horton Inc 5.75% 15/08/2023	1,297	0.10
1,000,000 SLM Corp 6.25% 25/01/2016	1,093	0.09	2,150,000 El Paso LLC 7% 15/06/2017	2,437	0.19
1,400,000 SLM Corp 7.25% 25/01/2022	1,499	0.12	750,000 El Paso LLC 7.25% 01/06/2018	848	0.07
3,000,000 SLM Corp 8% 25/03/2020	3,422	0.27	3,770,000 Energy Transfer Equity LP 7.5% 15/10/2020	4,354	0.34
4,800,000 SLM Corp 8.45% 15/06/2018	5,610	0.44	550,000 Fresenius Medical Care US Finance II Inc 5.625% 31/07/2019	590	0.05
Corporate bonds - Ba2 rating					
850,000 Activision Blizzard Inc 5.625% 15/09/2021	878	0.07			
550,000 Activision Blizzard Inc 6.125% 15/09/2023	574	0.05			

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Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
United States (cont)			United States (cont)		
Corporate bonds - Ba2 rating (cont)			Corporate bonds - Ba2 rating (cont)		
250,000 Fresenius Medical Care US Finance II Inc 5.875% 31/01/2022	265	0.02	500,000 QVC Inc 7.5% 01/10/2019	540	0.04
300,000 Fresenius Medical Care US Finance Inc 5.75% 15/02/2021	318	0.03	1,200,000 Range Resources Corp 5% 15/08/2022	1,204	0.09
330,000 Fresenius Medical Care US Finance Inc 6.5% 15/09/2018	370	0.03	2,100,000 Range Resources Corp 5% 15/03/2023	2,089	0.16
950,000 Fresenius Medical Care US Finance Inc 6.875% 15/07/2017	1,076	0.08	1,120,000 Range Resources Corp 5.75% 01/06/2021	1,191	0.09
450,000 Frontier Communications Corp 7.125% 15/03/2019	492	0.04	1,000,000 Range Resources Corp 6.75% 01/08/2020	1,084	0.09
1,750,000 Frontier Communications Corp 7.125% 15/01/2023	1,818	0.14	500,000 Rockies Express Pipeline LLC 3.9% 15/04/2015	499	0.04
1,250,000 Frontier Communications Corp 7.625% 15/04/2024	1,313	0.10	560,000 Rockies Express Pipeline LLC 5.625% 15/04/2020	472	0.04
1,750,000 Frontier Communications Corp 8.125% 01/10/2018	2,017	0.16	250,000 Rockies Express Pipeline LLC 6% 15/01/2019	222	0.02
1,690,000 Frontier Communications Corp 8.25% 15/04/2017	1,952	0.15	250,000 Rockies Express Pipeline LLC 6.85% 15/07/2018	236	0.02
2,560,000 Frontier Communications Corp 8.5% 15/04/2020	2,918	0.23	2,000,000 Sally Holdings LLC / Sally Capital Inc 5.75% 01/06/2022	2,075	0.16
980,000 Frontier Communications Corp 8.75% 15/04/2022	1,116	0.09	1,200,000 Sally Holdings LLC / Sally Capital Inc 6.875% 15/11/2019	1,325	0.10
850,000 Frontier Communications Corp 9.25% 01/07/2021	1,002	0.08	1,100,000 SESI LLC 6.375% 01/05/2019	1,165	0.09
400,000 International Lease Finance Corp 6.75% 01/09/2016	445	0.04	1,420,000 SESI LLC 7.125% 15/12/2021	1,566	0.12
500,000 International Lease Finance Corp 7.125% 01/09/2018	576	0.05	490,000 Sprint Communications Inc 7% 01/03/2020	540	0.04
1,450,000 Kinder Morgan Finance Co LLC 5.7% 05/01/2016	1,562	0.12	1,680,000 Sprint Communications Inc 9% 15/11/2018	2,037	0.16
460,000 Kinder Morgan Finance Co LLC 6% 15/01/2018	503	0.04	600,000 Steel Dynamics Inc 5.25% 15/04/2023	595	0.05
1,550,000 L Brands Inc 6.9% 15/07/2017	1,771	0.14	850,000 Steel Dynamics Inc 6.125% 15/08/2019	924	0.07
250,000 Lear Corp 4.75% 15/01/2023	241	0.02	800,000 Tesoro Corp 4.25% 01/10/2017	829	0.07
940,000 Newfield Exploration Co 6.875% 01/02/2020	1,004	0.08	925,000 Tesoro Corp 5.375% 01/10/2022	914	0.07
970,000 Newfield Exploration Co 7.125% 15/05/2018	1,007	0.08	1,700,000 Toys R Us Property Co II LLC 8.5% 01/12/2017	1,751	0.14
2,700,000 Peabody Energy Corp 6% 15/11/2018	2,854	0.23	300,000 TRW Automotive Inc 4.5% 01/03/2021	305	0.02
2,412,000 Peabody Energy Corp 6.25% 15/11/2021	2,493	0.20	2,000,000 UBS Preferred Funding Trust V 6.243% 29/05/2049	2,137	0.17
1,080,000 Peabody Energy Corp 6.5% 15/09/2020	1,138	0.09	470,000 United Airlines Inc 6.75% 15/09/2015	485	0.04
300,000 Peabody Energy Corp 7.375% 01/11/2016	338	0.03	1,250,000 United Rentals North America Inc 5.75% 15/07/2018	1,341	0.11
1,225,000 QVC Inc 4.375% 15/03/2023	1,161	0.09	2,325,000 Whiting Petroleum Corp 5% 15/03/2019	2,409	0.19
950,000 QVC Inc 5.125% 02/07/2022	955	0.08	1,500,000 Whiting Petroleum Corp 5.75% 15/03/2021	1,584	0.12
500,000 QVC Inc 7.375% 15/10/2020	541	0.04	575,000 Whiting Petroleum Corp 5.75% 15/03/2021	607	0.05
			2,880,000 Wynn Las Vegas LLC / Wynn Las Vegas Capital Corp 7.75% 15/08/2020	3,242	0.26

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Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
United States (cont)				United States (cont)			
Corporate bonds - Ba2/*- rating				Corporate bonds - Ba3 rating (cont)			
3,300,000	CHS/Community Health Systems Inc 5.125% 15/08/2018	3,428	0.27	1,390,000	Chesapeake Oilfield Operating LLC / Chesapeake Oilfield Finance Inc 6.625% 15/11/2019	1,456	0.11
1,250,000	Crown Americas LLC / Crown Americas Capital Corp III 6.25% 01/02/2021	1,326	0.11	3,200,000	CIT Group Inc 4.25% 15/08/2017	3,348	0.26
1,925,000	Crown Americas LLC / Crown Americas Capital Corp IV 4.5% 15/01/2023	1,797	0.14	840,000	CIT Group Inc 4.75% 15/02/2015	875	0.07
Corporate bonds - Ba3 rating				3,230,000	CIT Group Inc 5% 15/05/2017	3,480	0.27
2,425,000	Access Midstream Partners LP / ACMP Finance Corp 4.875% 15/05/2023	2,408	0.19	2,350,000	CIT Group Inc 5% 15/08/2022	2,373	0.19
200,000	Access Midstream Partners LP / ACMP Finance Corp 5.875% 15/04/2021	213	0.02	1,500,000	CIT Group Inc 5% 01/08/2023	1,503	0.12
1,370,000	Access Midstream Partners LP / ACMP Finance Corp 6.125% 15/07/2022	1,465	0.12	2,825,000	CIT Group Inc 5.25% 15/03/2018	3,055	0.24
1,300,000	AES Corp 4.875% 15/05/2023	1,241	0.10	1,250,000	CIT Group Inc 5.375% 15/05/2020	1,337	0.11
2,310,000	AES Corp 7.375% 01/07/2021	2,613	0.21	1,920,000	CIT Group Inc 5.5% 15/02/2019	2,080	0.16
2,620,000	AES Corp 8% 15/10/2017	3,061	0.24	250,000	CIT Group Inc 6.625% 01/04/2018	282	0.02
1,100,000	AES Corp 8% 01/06/2020	1,282	0.10	1,500,000	Concho Resources Inc 5.5% 01/10/2022	1,558	0.12
275,000	AES Corp 9.75% 15/04/2016	325	0.03	2,500,000	Concho Resources Inc 5.5% 01/04/2023	2,598	0.21
770,000	AmeriGas Partners LP / AmeriGas Finance Corp 6.25% 20/08/2019	824	0.07	1,420,000	Concho Resources Inc 6.5% 15/01/2022	1,554	0.12
100,000	Axiall Corp 4.875% 15/05/2023	96	0.01	930,000	Concho Resources Inc 7% 15/01/2021	1,037	0.08
500,000	Building Materials Corp of America 6.75% 01/05/2021	540	0.04	2,600,000	CSC Holdings LLC 6.75% 15/11/2021	2,840	0.22
280,000	Building Materials Corp of America 6.875% 15/08/2018	298	0.02	1,130,000	CSC Holdings LLC 8.625% 15/02/2019	1,336	0.11
324,000	CDW LLC / CDW Finance Corp 8% 15/12/2018	355	0.03	3,400,000	DISH DBS Corp 4.25% 01/04/2018	3,450	0.27
625,000	Centex Corp 6.5% 01/05/2016	700	0.06	2,050,000	DISH DBS Corp 4.625% 15/07/2017	2,131	0.17
800,000	Chesapeake Energy Corp 3.25% 15/03/2016	810	0.06	3,000,000	DISH DBS Corp 5% 15/03/2023	2,870	0.23
1,925,000	Chesapeake Energy Corp 5.375% 15/06/2021	1,996	0.16	2,000,000	DISH DBS Corp 5.125% 01/05/2020	2,017	0.16
1,750,000	Chesapeake Energy Corp 5.75% 15/03/2023	1,861	0.15	4,200,000	DISH DBS Corp 5.875% 15/07/2022	4,306	0.34
1,970,000	Chesapeake Energy Corp 6.125% 15/02/2021	2,155	0.17	1,500,000	DISH DBS Corp 6.625% 01/10/2014	1,568	0.12
1,025,000	Chesapeake Energy Corp 6.5% 15/08/2017	1,148	0.09	4,445,000	DISH DBS Corp 6.75% 01/06/2021	4,802	0.38
2,610,000	Chesapeake Energy Corp 6.625% 15/08/2020	2,940	0.23	1,900,000	DISH DBS Corp 7.125% 01/02/2016	2,098	0.17
1,100,000	Chesapeake Energy Corp 6.875% 15/11/2020	1,246	0.10	1,200,000	DISH DBS Corp 7.75% 31/05/2015	1,313	0.10
1,240,000	Chesapeake Energy Corp 7.25% 15/12/2018	1,427	0.11	2,650,000	DISH DBS Corp 7.875% 01/09/2019	3,084	0.24
1,925,000	Chesapeake Energy Corp 9.5% 15/02/2015	2,112	0.17	550,000	Eagle Spinco Inc 4.625% 15/02/2021	533	0.04
				1,250,000	EP Energy LLC / Everest Acquisition Finance Inc 6.875% 01/05/2019	1,337	0.11
				975,000	Equinix Inc 4.875% 01/04/2020	977	0.08
				2,000,000	Equinix Inc 5.375% 01/04/2023	1,984	0.16
				1,200,000	Equinix Inc 7% 15/07/2021	1,310	0.10
				700,000	Graphic Packaging International Inc 4.75% 15/04/2021	690	0.05
				1,990,000	Hanesbrands Inc 6.375% 15/12/2020	2,164	0.17
				3,100,000	HCA Inc 4.75% 01/05/2023	2,968	0.23
				3,100,000	HCA Inc 5.875% 15/03/2022	3,263	0.26
				5,720,000	HCA Inc 6.5% 15/02/2020	6,363	0.50
				2,490,000	HCA Inc 7.25% 15/09/2020	2,727	0.22
				2,520,000	HCA Inc 7.875% 15/02/2020	2,728	0.22

iShares \$ High Yield Corporate Bond UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
United States (cont)			United States (cont)		
Corporate bonds - Ba3 rating (cont)			Corporate bonds - Ba3 rating (cont)		
1,300,000 HCA Inc 8.5% 15/04/2019	1,393	0.11	1,250,000 Lennar Corp 4.75% 15/11/2022	1,184	0.09
300,000 Health Management Associates Inc 6.125% 15/04/2016	330	0.03	500,000 Lennar Corp 5.6% 31/05/2015	530	0.04
3,250,000 Hexion US Finance Corp 6.625% 15/04/2020	3,327	0.26	580,000 Lennar Corp 12.25% 01/06/2017	754	0.06
850,000 Hornbeck Offshore Services Inc 5% 01/03/2021	834	0.07	2,100,000 MarkWest Energy Partners LP / MarkWest Energy Finance Corp 4.5% 15/07/2023	2,024	0.16
2,180,000 Hughes Satellite Systems Corp 6.5% 15/06/2019	2,338	0.18	1,375,000 MarkWest Energy Partners LP / MarkWest Energy Finance Corp 5.5% 15/02/2023	1,428	0.11
940,000 Huntington Ingalls Industries Inc 6.875% 15/03/2018	1,012	0.08	1,103,000 MarkWest Energy Partners LP / MarkWest Energy Finance Corp 6.25% 15/06/2022	1,196	0.09
1,410,000 Huntington Ingalls Industries Inc 7.125% 15/03/2021	1,526	0.12	910,000 MarkWest Energy Partners LP / MarkWest Energy Finance Corp 6.75% 01/11/2020	992	0.08
1,000,000 Icahn Enterprises LP / Icahn Enterprises Finance Corp 6% 01/08/2020	1,020	0.08	750,000 Masco Corp 5.95% 15/03/2022	797	0.06
2,000,000 Icahn Enterprises LP / Icahn Enterprises Finance Corp 7.75% 15/01/2016	2,062	0.16	1,920,000 Masco Corp 6.125% 03/10/2016	2,141	0.17
4,680,000 Icahn Enterprises LP / Icahn Enterprises Finance Corp 8% 15/01/2018	4,908	0.39	750,000 Masco Corp 7.125% 15/03/2020	855	0.07
1,500,000 International Lease Finance Corp 3.875% 15/04/2018	1,502	0.12	3,200,000 MetroPCS Wireless Inc 6.25% 01/04/2021	3,352	0.26
1,000,000 International Lease Finance Corp 4.625% 15/04/2021	974	0.08	1,930,000 MetroPCS Wireless Inc 6.625% 15/11/2020	2,041	0.16
1,400,000 International Lease Finance Corp 4.875% 01/04/2015	1,451	0.11	3,650,000 MetroPCS Wireless Inc 6.625% 01/04/2023	3,823	0.30
2,500,000 International Lease Finance Corp 5.75% 15/05/2016	2,670	0.21	2,060,000 MetroPCS Wireless Inc 7.875% 01/09/2018	2,225	0.18
1,350,000 International Lease Finance Corp 5.875% 01/04/2019	1,450	0.11	850,000 NCR Corp 4.625% 15/02/2021	839	0.07
1,500,000 International Lease Finance Corp 5.875% 15/08/2022	1,541	0.12	1,500,000 NCR Corp 5% 15/07/2022	1,472	0.12
3,000,000 International Lease Finance Corp 6.25% 15/05/2019	3,268	0.26	1,025,000 PolyOne Corp 5.25% 15/03/2023	1,019	0.08
2,165,000 International Lease Finance Corp 8.25% 15/12/2020	2,563	0.20	1,600,000 PVH Corp 4.5% 15/12/2022	1,528	0.12
1,840,000 International Lease Finance Corp 8.625% 15/09/2015	2,052	0.16	1,125,000 PVH Corp 7.375% 15/05/2020	1,235	0.10
1,200,000 International Lease Finance Corp 8.625% 15/01/2022	1,451	0.11	560,000 Realogy Group LLC 7.625% 15/01/2020	626	0.05
2,750,000 International Lease Finance Corp 8.75% 15/03/2017	3,235	0.26	750,000 RR Donnelley & Sons Co 7% 15/02/2022	795	0.06
950,000 International Lease Finance Corp 8.875% 01/09/2017	1,130	0.09	700,000 RR Donnelley & Sons Co 7.625% 15/06/2020	773	0.06
975,000 Lennar Corp 4.75% 15/12/2017	1,021	0.08	650,000 RR Donnelley & Sons Co 7.875% 15/03/2021	725	0.06
			1,400,000 RR Donnelley & Sons Co 8.25% 15/03/2019	1,610	0.13
			3,825,000 Sabine Pass Liquefaction LLC 5.625% 01/02/2021	3,854	0.30
			2,150,000 Sabine Pass Liquefaction LLC 5.625% 15/04/2023	2,099	0.17
			1,111,000 SM Energy Co 5% 15/01/2024	1,085	0.09

iShares \$ High Yield Corporate Bond UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
United States (cont)			United States (cont)		
Corporate bonds - Ba3 rating (cont)			Corporate bonds - Ba3/*- rating		
823,000 SM Energy Co 6.5% 01/01/2023	872	0.07	600,000 Oil States International Inc 5.125% 15/01/2023	665	0.05
1,300,000 SPX Corp 6.875% 01/09/2017	1,463	0.12	1,100,000 Oil States International Inc 6.5% 01/06/2019	1,171	0.09
400,000 SPX Corp 7.625% 15/12/2014	428	0.03	Corporate bonds - Baa2 rating		
964,000 Suburban Propane Partners LP/Suburban Energy Finance Corp 7.5% 01/10/2018	1,040	0.08	1,000,000 Best Buy Co Inc 5% 01/08/2018	1,045	0.08
275,000 T-Mobile USA Inc 5.25% 01/09/2018	286	0.02	1,275,000 Best Buy Co Inc 5.5% 15/03/2021	1,288	0.10
2,500,000 T-Mobile USA Inc 6.464% 28/04/2019	2,653	0.21	Corporate bonds - Baa3 rating		
2,475,000 T-Mobile USA Inc 6.542% 28/04/2020	2,623	0.21	1,480,000 Clearwire Communications LLC / Clearwire Finance Inc 12% 01/12/2015	1,534	0.12
2,800,000 T-Mobile USA Inc 6.633% 28/04/2021	2,968	0.23	64,000 Clearwire Communications LLC / Clearwire Finance Inc 12% 01/12/2017	75	0.01
2,400,000 T-Mobile USA Inc 6.731% 28/04/2022	2,538	0.20	270,000 DCP Midstream LLC 5.85% 21/05/2043	254	0.02
175,000 T-Mobile USA Inc 6.836% 28/04/2023	185	0.01	1,500,000 Plains Exploration & Production Co 6.5% 15/11/2020	1,654	0.13
500,000 Targa Resources Partners LP / Targa Resources Partners Finance Corp 4.25% 15/11/2023	467	0.04	1,950,000 Wynn Las Vegas LLC / Wynn Las Vegas Capital Corp 5.375% 15/03/2022	2,006	0.16
150,000 Targa Resources Partners LP / Targa Resources Partners Finance Corp 5.25% 01/05/2023	150	0.01	Corporate bonds - Ca rating		
850,000 Targa Resources Partners LP / Targa Resources Partners Finance Corp 6.875% 01/02/2021	914	0.07	750,000 Caesars Entertainment Operating Co Inc 5.625% 01/06/2015	686	0.06
600,000 Tenet Healthcare Corp 4.375% 01/10/2021	574	0.05	600,000 Caesars Entertainment Operating Co Inc 10.75% 01/02/2016	502	0.04
1,450,000 Tenet Healthcare Corp 4.5% 01/04/2021	1,406	0.11	830,000 Clear Channel Communications Inc 10.75% 01/08/2016	799	0.06
950,000 Tenet Healthcare Corp 4.75% 01/06/2020	943	0.07	1,810,000 Texas Competitive Electric Holdings Co LLC / TCEH Finance Inc 15% 01/04/2021	525	0.04
3,125,000 Tenet Healthcare Corp 6% 01/10/2020	3,309	0.26	Corporate bonds - Caa1 rating		
2,400,000 Tenet Healthcare Corp 6.25% 01/11/2018	2,616	0.21	1,050,000 AK Steel Corp 7.625% 15/05/2020	946	0.08
850,000 Verso Paper Holdings LLC / Verso Paper Inc 11.75% 15/01/2019	880	0.07	700,000 Alere Inc 6.5% 15/06/2020	723	0.06
1,550,000 Vulcan Materials Co 6.5% 01/12/2016	1,717	0.14	635,000 Alere Inc 8.625% 01/10/2018	690	0.05
825,000 Vulcan Materials Co 7% 15/06/2018	932	0.07	1,480,000 AMC Entertainment Inc 9.75% 01/12/2020	1,692	0.13
843,000 Vulcan Materials Co 7.5% 15/06/2021	947	0.07	500,000 APX Group Inc 8.75% 01/12/2020	511	0.04
314,000 WMG Acquisition Corp 6% 15/01/2021	330	0.03	2,175,000 Arch Coal Inc 7% 15/06/2019	1,696	0.13
Corporate bonds - Ba3/** rating			820,000 Arch Coal Inc 7.25% 01/10/2020	625	0.05
1,945,000 General Motors Financial Co Inc 2.75% 15/05/2016	1,967	0.16	2,000,000 Arch Coal Inc 7.25% 15/06/2021	1,520	0.12
1,200,000 General Motors Financial Co Inc 3.25% 15/05/2018	1,198	0.09	1,200,000 Arch Coal Inc 8.75% 01/08/2016	1,203	0.10
1,335,000 General Motors Financial Co Inc 4.25% 15/05/2023	1,281	0.10	805,000 Avaya Inc 10.5% 01/03/2021	694	0.06
1,684,000 General Motors Financial Co Inc 4.75% 15/08/2017	1,786	0.14	700,000 Berry Plastics Corp 9.5% 15/05/2018	759	0.06
650,000 General Motors Financial Co Inc 6.75% 01/06/2018	735	0.06	1,800,000 Berry Plastics Corp 9.75% 15/01/2021	2,113	0.17

iShares \$ High Yield Corporate Bond UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
United States (cont)			United States (cont)		
Corporate bonds - Caa1 rating (cont)			Corporate bonds - Caa1 rating (cont)		
1,500,000 Biomet Inc 6.5% 01/10/2020	1,556	0.12	400,000 Party City Holdings Inc 8.875% 01/08/2020	438	0.03
825,000 BMC Software Finance Inc 8.125% 15/07/2021	872	0.07	1,450,000 Penn Virginia Corp 8.5% 01/05/2020	1,523	0.12
1,130,000 Cincinnati Bell Inc 8.75% 15/03/2018	1,198	0.09	250,000 Realogy Group LLC / Sunshine Group Florida Ltd 3.375% 01/05/2016	251	0.02
3,675,000 Clear Channel Communications Inc 9% 15/12/2019	3,726	0.29	600,000 Sabre Holdings Corp 8.35% 15/03/2016	670	0.05
3,635,000 Clear Channel Communications Inc 9% 01/03/2021	3,653	0.29	1,550,000 ServiceMaster Co 7% 15/08/2020	1,527	0.12
1,050,000 Clear Channel Communications Inc 11.25% 01/03/2021	1,129	0.09	1,200,000 ServiceMaster Co 8% 15/02/2020	1,229	0.10
2,010,000 Del Monte Corp 7.625% 15/02/2019	2,095	0.17	2,250,000 SunGard Data Systems Inc 6.625% 01/11/2019	2,349	0.19
875,000 DJO Finance LLC / DJO Finance Corp 9.875% 15/04/2018	938	0.07	1,550,000 SunGard Data Systems Inc 7.375% 15/11/2018	1,646	0.13
1,505,000 Energy Future Intermediate Holding Co LLC / EFII Finance Inc 12.25% 01/03/2022	1,738	0.14	1,190,000 SunGard Data Systems Inc 7.625% 15/11/2020	1,291	0.10
1,290,000 First Data Corp 8.25% 15/01/2021	1,372	0.11	650,000 SUPERVALU Inc 6.75% 01/06/2021	639	0.05
1,800,000 First Data Corp 10.625% 15/06/2021	1,930	0.15	1,570,000 SUPERVALU Inc 8% 01/05/2016	1,753	0.14
1,500,000 First Data Corp 11.25% 15/01/2021	1,648	0.13	950,000 Toys R Us Inc 10.375% 15/08/2017	884	0.07
6,060,000 First Data Corp 12.625% 15/01/2021	7,007	0.55	875,000 TransDigm Inc 5.5% 15/10/2020	879	0.07
1,315,000 Freescale Semiconductor Inc 8.05% 01/02/2020	1,417	0.11	1,000,000 TransDigm Inc 7.5% 15/07/2021	1,088	0.09
1,150,000 Freescale Semiconductor Inc 10.75% 01/08/2020	1,295	0.10	3,980,000 TransDigm Inc 7.75% 15/12/2018	4,278	0.34
2,675,000 Halcon Resources Corp 8.875% 15/05/2021	2,780	0.22	1,575,000 VWR Funding Inc 7.25% 15/09/2017	1,693	0.13
750,000 Halcon Resources Corp 9.25% 15/02/2022	792	0.06	1,700,000 WideOpenWest Finance LLC / WideOpenWest Capital Corp 10.25% 15/07/2019	1,876	0.15
1,200,000 Halcon Resources Corp 9.75% 15/07/2020	1,298	0.10	800,000 Zayo Group LLC / Zayo Capital Inc 10.125% 01/07/2020	926	0.07
825,000 Hexion US Finance Corp / Hexion Nova Scotia Finance ULC 9% 15/11/2020	788	0.06	Corporate bonds - Caa1/**+ rating		
1,950,000 Infor US Inc 9.375% 01/04/2019	2,199	0.17	2,870,000 Cricket Communications Inc 7.75% 15/10/2020	3,279	0.26
820,000 Infor US Inc 11.5% 15/07/2018	950	0.08	1,025,000 Mohegan Tribal Gaming Authority 9.75% 01/09/2021	1,104	0.09
1,135,000 Kinetic Concepts Inc / KCI USA Inc 12.5% 01/11/2019	1,223	0.10	Corporate bonds - Caa2 rating		
800,000 Laureate Education Inc 9.25% 01/09/2019	880	0.07	650,000 Caesars Entertainment Resort Properties LLC / Caesars Entertainment Resort Prope 11% 01/10/2021	636	0.05
500,000 Midstates Petroleum Co Inc / Midstates Petroleum Co LLC 9.25% 01/06/2021	513	0.04	1,350,000 Ceridian Corp 11.25% 15/11/2015	1,362	0.11
300,000 Midstates Petroleum Co Inc / Midstates Petroleum Co LLC 10.75% 01/10/2020	322	0.03	1,150,000 Claire's Stores Inc 8.875% 15/03/2019	1,248	0.10
1,000,000 Momentive Performance Materials Inc 9% 15/01/2021	893	0.07	3,514,000 First Data Corp 11.25% 31/03/2016	3,536	0.28
			2,000,000 First Data Corp 11.75% 15/08/2021	2,032	0.16
			134,000 Freescale Semiconductor Inc 10.125% 15/12/2016	137	0.01

iShares \$ High Yield Corporate Bond UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value
United States (cont)		
Corporate bonds - Caa2 rating (cont)		
2,200,000 HD Supply Inc 7.5% 15/07/2020	2,326	0.18
2,250,000 HD Supply Inc 11.5% 15/07/2020	2,703	0.21
250,000 inVentiv Health Inc 11% 15/08/2018	217	0.02
650,000 JC Penney Corp Inc 5.65% 01/06/2020	491	0.04
1,000,000 Level 3 Communications Inc 11.875% 01/02/2019	1,161	0.09
500,000 Neiman Marcus Group LTD Inc 8% 15/10/2021	511	0.04
2,850,000 NII Capital Corp 7.625% 01/04/2021	1,667	0.13
1,090,000 NII Capital Corp 8.875% 15/12/2019	665	0.05
1,250,000 NII Capital Corp 10% 15/08/2016	972	0.08
450,000 Nuveen Investments Inc 9.125% 15/10/2017	437	0.03
350,000 Nuveen Investments Inc 9.5% 15/10/2020	333	0.03
2,150,000 Reynolds Group Issuer Inc / Reynolds Group Issuer LLC / Reynolds Group Issuer Lu 8.25% 15/02/2021	2,231	0.18
2,390,000 Reynolds Group Issuer Inc / Reynolds Group Issuer LLC / Reynolds Group Issuer Lu 8.5% 15/05/2018	2,521	0.20
3,100,000 Reynolds Group Issuer Inc / Reynolds Group Issuer LLC / Reynolds Group Issuer Lu 9% 15/04/2019	3,309	0.26
4,650,000 Reynolds Group Issuer Inc / Reynolds Group Issuer LLC / Reynolds Group Issuer Lu 9.875% 15/08/2019	5,138	0.41
1,550,000 Rite Aid Corp 6.75% 15/06/2021	1,635	0.13
2,210,000 Rite Aid Corp 9.25% 15/03/2020	2,552	0.20
750,000 Univision Communications Inc 8.5% 15/05/2021	831	0.07
2,850,000 US Foods Inc 8.5% 30/06/2019	3,064	0.24
700,000 USG Corp 6.3% 15/11/2016	751	0.06
950,000 USG Corp 9.75% 15/01/2018	1,119	0.09
825,000 Walter Energy Inc 8.5% 15/04/2021	698	0.05
925,000 Walter Energy Inc 9.875% 15/12/2020	821	0.06
Corporate bonds - Caa2/** rating		
1,000,000 US Airways Group Inc 6.125% 01/06/2018	983	0.08
Corporate bonds - Caa3 rating		
700,000 Affinion Group Inc 7.875% 15/12/2018	574	0.05
7,310,000 Caesars Entertainment Operating Co Inc 10% 15/12/2018	3,664	0.29

Holding Investment	Fair value \$'000	% of net asset value
United States (cont)		
Corporate bonds - Caa3 rating (cont)		
1,730,000 Caesars Entertainment Operating Co Inc 12.75% 15/04/2018	1,021	0.08
150,000 Ceridian HCM Holding Inc 11% 15/03/2021	175	0.01
1,075,000 Texas Competitive Electric Holdings Co LLC / TCEH Finance Inc 11.5% 01/10/2020	763	0.06
Corporate bonds - WR rating		
300,000 PAETEC Holding Corp 9.875% 01/12/2018	336	0.03
Total United States	1,085,707	85.73
Total bonds	1,215,088	95.94
Total value of investments	1,215,088	95.94
Cash[†]	38,294	3.03
Other net assets	13,079	1.03
Net asset value attributable to redeemable participating shareholders at the end of the year	1,266,461	100.00

[†] Substantially all cash positions are held with State Street Bank and Trust Company.

All credit ratings are shown as at 31 October 2013.

Analysis of total current assets gross of all liabilities (unaudited)	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	1,215,088	92.42
Other assets	99,647	7.58
Total current assets	1,314,735	100.00

iShares \$ High Yield Corporate Bond UCITS ETF

Schedule of material purchases and sales

For the year ended 31 October 2013

The 20 largest sales

Holding Investments	Proceeds \$'000
3,550,000 LyondellBasell Industries NV 5% 15/04/2019	3,966
2,750,000 Plains Exploration & Production Co 6.875% 15/02/2023	3,008
2,500,000 Energy Future Intermediate Holding Co LLC / EFIH Finance Inc 10% 01/12/2020	2,848
2,500,000 HBOS Plc 6.75% 21/05/2018	2,813
2,000,000 Ally Financial Inc 4.5% 11/02/2014	2,055
1,900,000 Plains Exploration & Production Co 6.75% 01/02/2022	2,024
1,750,000 Envision Healthcare Corp 8.125% 01/06/2019	1,897
1,750,000 CIT Group Inc 5% 15/08/2022	1,876
1,540,000 LyondellBasell Industries NV 6% 15/11/2021	1,801
1,750,000 International Lease Finance Corp 5.65% 01/06/2014	1,798
1,800,000 CC Holdings GS V LLC / Crown Castle GS III Corp 3.849% 15/04/2023	1,607
1,350,000 Plains Exploration & Production Co 6.5% 15/11/2020	1,430
1,250,000 International Lease Finance Corp 8.625% 15/09/2015	1,422
1,250,000 HCA Inc 6.5% 15/02/2020	1,421
1,250,000 Energy Future Intermediate Holding Co LLC / EFIH Finance Inc 12.25% 01/03/2022	1,394
1,250,000 Fidelity National Information Services Inc 5% 15/03/2022	1,378
1,500,000 Avaya Inc 10.5% 01/03/2021	1,333
1,200,000 Plains Exploration & Production Co 6.625% 01/05/2021	1,274
1,070,000 Enterprise Products Operating LLC 7.034% 15/01/2068	1,241
1,119,000 Ply Gem Industries Inc 8.25% 15/02/2018	1,203

The 20 largest purchases

Holding Investments	Cost \$'000
4,800,000 SLM Corp 8.45% 15/06/2018	5,537
5,200,000 Royal Bank of Scotland Group Plc 6.125% 15/12/2022	5,516
5,200,000 Reynolds Group Issuer Inc / Reynolds Group Issuer LLC / Reynolds Group Issuer Lu 5.75% 15/10/2020	5,343
5,000,000 Sprint Communications Inc 6% 15/11/2022	5,034
4,625,000 Tenet Healthcare Corp 8.125% 01/04/2022	4,960
5,000,000 SLM Corp 5.5% 15/01/2019	4,944
4,050,000 ArcelorMittal 6% 01/03/2021	4,302
4,305,000 Intelsat Jackson Holdings SA 5.5% 01/08/2023	4,188
3,825,000 Sabine Pass Liquefaction LLC 5.625% 01/02/2021	3,940
3,650,000 MetroPCS Wireless Inc 6.625% 01/04/2023	3,783
3,300,000 EP Energy LLC / EP Energy Finance Inc 9.375% 01/05/2020	3,760
4,075,000 Clear Channel Communications Inc 9% 15/12/2019	3,734
3,625,000 Clear Channel Worldwide Holdings Inc 6.5% 15/11/2022	3,719
2,775,000 ArcelorMittal 10.35% 01/06/2019	3,507
3,150,000 ArcelorMittal 6.125% 01/06/2018	3,433
3,400,000 DISH DBS Corp 4.25% 01/04/2018	3,304
3,000,000 SLM Corp 8% 25/03/2020	3,295
3,200,000 MetroPCS Wireless Inc 6.25% 01/04/2021	3,287
3,125,000 Tenet Healthcare Corp 6% 01/10/2020	3,200
3,100,000 HCA Inc 4.75% 01/05/2023	3,076

The UCITS notices issued by the Central Bank of Ireland require a Schedule of Portfolio changes during the year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the year is available, upon request, at no cost from the Administrator.

iShares \$ TIPS UCITS ETF

Income statement

For the year ended 31 October 2013

	Notes	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Operating income	2	9,658	14,818
Net (losses)/gains on financial assets/liabilities at fair value through profit or loss	3	(52,450)	21,884
Total (losses)/gains		(42,792)	36,702
Operating expenses	4	(1,435)	(1,248)
Net operating (loss)/profit		(44,227)	35,454
Net (loss)/profit for the financial year		(44,227)	35,454
Adjustment to align to the valuation methodology as set out in the prospectus	7	(68)	2,278
(Decrease)/increase in net assets attributable to redeemable participating shareholders from operations		(44,295)	37,732

There are no recognised gains or losses arising in the year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

Statement of changes in net assets attributable to redeemable participating shareholders

For the year ended 31 October 2013

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the year	539,756	411,207
(Decrease)/increase in net assets attributable to redeemable participating shareholders from operations	(44,295)	37,732
Share transactions:		
Proceeds from issue of redeemable participating shares	377,971	268,561
Payments on redemption of redeemable participating shares	(368,118)	(177,744)
Increase in net assets resulting from share transactions	9,853	90,817
Net assets attributable to redeemable participating shareholders at the end of the year	505,314	539,756

The accompanying notes form an integral part of these financial statements.

iShares \$ TIPS UCITS ETF

Balance sheet

As at 31 October 2013

	Notes	31 October 2013 \$'000	31 October 2012 \$'000
CURRENT ASSETS			
Cash and cash equivalents		27,658	1,156
Receivables	11	1,810	1,754
Financial assets at fair value through profit or loss	12	501,811	535,843
Total current assets		531,279	538,753
CURRENT LIABILITIES			
Payables	13	(27,012)	(112)
Total current liabilities		(27,012)	(112)
Net assets attributable to redeemable participating shareholders		504,267	538,641
Adjustment to align to the valuation methodology as set out in the prospectus	7	1,047	1,115
Net asset value attributable to redeemable participating shareholders at the end of the year		505,314	539,756

The accompanying notes form an integral part of these financial statements. Details of the NAV per share are set out in note 10.

iShares \$ TIPS UCITS ETF

Notes to the financial statements

For the year ended 31 October 2013

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 54 to 58. The financial instruments and risks are set out on pages 59 to 98. The notes relating to tax, soft commissions and exchange rates are set out in the notes on pages 101 to 109.

2. OPERATING INCOME

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Bond interest income	9,434	14,818
Securities lending income	224	-
	9,658	14,818

3. NET (LOSSES)/GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net (losses)/gains on investments in securities held at fair value through profit or loss	(52,451)	21,884
Net gains on other investments	1	-
	(52,450)	21,884

4. OPERATING EXPENSES

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Management fees	(1,435)	(1,248)
	(1,435)	(1,248)

5. MANAGEMENT FEES

Fees earned by the Manager during the year and balances outstanding as at 31 October 2013 and 31 October 2012 are disclosed in note 4 and note 13 respectively.

Please refer to page 101 for each Fund's management fee rate.

The Manager is responsible for discharging, from this fee, all fees of the Investment Manager, the Administrator and the Custodian and any distributing agent appointed by the distributor through whom the shares will be marketed, together with all reasonable out of pocket expenses of such service providers, (including sub-custodial fees and expenses, (which will be at normal commercial rates) and transaction related charges of the Administrator and Custodian). The Manager will also be responsible for discharging from its fee for each share class an attributable proportion of the organisational and operating expenses, including audit and Directors fees, of the Company. The fee will be accrued daily based on the daily net asset value of the share classes and will be paid monthly in arrears. Where the actual fees and costs incurred exceed the amount paid to the Manager, the excess will be discharged by the Manager from its own assets.

6. EQUALISATION

The Shares in the Fund are accumulating and therefore it is not intended to distribute dividends to the shareholders. The income and other profits will be accumulated and reinvested on behalf of shareholders.

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Equalisation income	(45,567)	(26,200)
Equalisation expense	45,867	17,883
	(300)	(8,317)

Any equalisation income is included in the proceeds from issue of redeemable participating shares figure in the statement of changes. Any equalisation expense is included in the payments on redemption of redeemable participating shares figure in the statement of changes.

iShares \$ TIPS UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

7. ADJUSTMENT TO ALIGN TO THE VALUATION METHODOLOGY AS SET OUT IN THE PROSPECTUS

The adjustment between the financial statements net asset value and the valuation methodology set out in the prospectus is shown below:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Balance brought forward	1,115	(1,163)
Adjustment to align to the valuation methodology as set out in the prospectus	(68)	2,278
Total adjustment for the year	(68)	2,278
Balance carried forward	1,047	1,115

Further details are set out in the accounting policies note m) on page 58.

8. TRANSACTION COSTS

Transaction costs on this Fund are not separately identifiable for the years ended 31 October 2013 and 31 October 2012. Please refer to note 10 on page 103 for further details.

9. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 October 2013 No. of Shares	31 October 2012 No. of Shares
Number of redeemable participating shares:		
Balance at the beginning of year	2,620,000	2,160,000
Issued during the year	1,920,000	1,360,000
Redeemed during the year	(1,900,000)	(900,000)
Balance at the end of year	2,640,000	2,620,000

10. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	No. of Shares
Shares in issue	
As at 31 October 2013	2,640,000
As at 31 October 2012	2,620,000
As at 31 October 2011	2,160,000

	\$'000
Net asset value	
As at 31 October 2013	505,314
As at 31 October 2012	539,756
As at 31 October 2011	411,207

Net asset value per share	
As at 31 October 2013	\$191.41
As at 31 October 2012	\$206.01
As at 31 October 2011	\$190.37

11. RECEIVABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Securities lending income receivable	33	-
Bond income receivable	1,777	1,754
	1,810	1,754

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013 \$'000	31 October 2012 \$'000
Financial assets:		
Investment in bonds	501,811	535,843
	501,811	535,843

iShares \$ TIPS UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

13. PAYABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Purchase of securities awaiting settlement	(26,798)	-
Management fees payable	(214)	(112)
	(27,012)	(112)

14. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the years ended 31 October 2013 and 31 October 2012 other than those disclosed in note 17 on page 105.

15. RELATED PARTIES

The related parties are set out on pages 106 to 108.

16. EFFICIENT PORTFOLIO MANAGEMENT

The Company may, subject to the conditions and within the limits from time to time laid down by the Central Bank of Ireland and the prospectus, engage in securities lending and employ techniques and instruments relating to transferable securities for efficient portfolio management purposes.

During the year the Company engaged in securities lending. The Company receives either cash collateral or securities as collateral, as determined within the schedule, for a value in excess of the market value of the securities loaned. As at the 31 October 2013 the collateral consists of securities admitted to or dealt on a regulated market.

The collateral is registered and held in the name of BlackRock Advisors (UK) Limited on behalf of the Funds in any or all of the following collateral agents and central securities depositories: JP Morgan Chase, Bank of New York Mellon Corporation, Euroclear or CREST, depending on the type of collateral the counterparty needs to give as per the schedule in order to cover the required value of exposure. Further details can be seen on page 81.

The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary.

The securities lending agent appointed pursuant to the stock lending agreement is BlackRock Advisors (UK) Limited. Securities lending income is split between the Fund and the securities lending agent in a ratio of 60:40 in favour of the Fund, with all operational costs borne out of the securities lending agents share.

	31 October 2013 \$'000	31 October 2012 \$'000
Income earned during year	224	-
Value of securities on loan at year end	195,710	-
Value of collateral held by the Company at year end	216,270	-

Please see note 17 for more information on financial derivative instruments.

17. FINANCIAL DERIVATIVE INSTRUMENTS

The Fund may buy and sell financial derivative instruments. See further details in the Fund's Schedule of Investments and note 3 to the financial statements.

18. SIGNIFICANT EVENTS DURING THE YEAR

Please refer to note 22 on pages 108 and 109.

19. SUBSEQUENT EVENTS

Please refer to note 23 on page 109.

iShares \$ TIPS UCITS ETF

Schedule of investments

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market		
Bonds		
United States		
Government bonds - Aaa rating		
20,328,000 United States Treasury Inflation Indexed Bonds 0.125% 15/04/2016	22,129	4.38
24,552,000 United States Treasury Inflation Indexed Bonds 0.125% 15/04/2017	26,136	5.17
16,500,000 United States Treasury Inflation Indexed Bonds 0.125% 15/04/2018	17,268	3.42
23,232,000 United States Treasury Inflation Indexed Bonds 0.125% 15/01/2022	23,776	4.70
21,780,000 United States Treasury Inflation Indexed Bonds 0.125% 15/07/2022	21,891	4.33
21,252,000 United States Treasury Inflation Indexed Bonds 0.125% 15/01/2023	21,010	4.16
15,180,000 United States Treasury Inflation Indexed Bonds 0.375% 15/07/2023	15,224	3.01
11,616,000 United States Treasury Inflation Indexed Bonds 0.5% 15/04/2015	12,792	2.53
17,952,000 United States Treasury Inflation Indexed Bonds 0.625% 15/07/2021	19,448	3.85
8,580,000 United States Treasury Inflation Indexed Bonds 0.625% 15/02/2043	7,204	1.43
12,144,000 United States Treasury Inflation Indexed Bonds 0.75% 15/02/2042	10,825	2.14
20,196,000 United States Treasury Inflation Indexed Bonds 1.125% 15/01/2021	23,295	4.61
17,292,000 United States Treasury Inflation Indexed Bonds 1.25% 15/07/2020	20,344	4.03
8,184,000 United States Treasury Inflation Indexed Bonds 1.375% 15/07/2018	9,779	1.94
9,108,000 United States Treasury Inflation Indexed Bonds 1.375% 15/01/2020	10,836	2.14
9,108,000 United States Treasury Inflation Indexed Bonds 1.625% 15/01/2015	11,504	2.28
9,108,000 United States Treasury Inflation Indexed Bonds 1.625% 15/01/2018	11,199	2.22
8,580,000 United States Treasury Inflation Indexed Bonds 1.75% 15/01/2028	10,745	2.13
9,636,000 United States Treasury Inflation Indexed Bonds 1.875% 15/07/2015	12,194	2.41
8,844,000 United States Treasury Inflation Indexed Bonds 1.875% 15/07/2019	11,007	2.18
8,712,000 United States Treasury Inflation Indexed Bonds 2% 15/01/2016	10,961	2.17
10,560,000 United States Treasury Inflation Indexed Bonds 2% 15/01/2026	14,377	2.84

Holding Investment	Fair value \$'000	% of net asset value
United States (cont)		
Government bonds - Aaa rating (cont)		
6,996,000 United States Treasury Inflation Indexed Bonds 2.125% 15/01/2019	8,673	1.72
8,052,000 United States Treasury Inflation Indexed Bonds 2.125% 15/02/2040	10,374	2.05
12,672,000 United States Treasury Inflation Indexed Bonds 2.125% 15/02/2041	16,122	3.19
9,240,000 United States Treasury Inflation Indexed Bonds 2.375% 15/01/2017	11,889	2.35
14,520,000 United States Treasury Inflation Indexed Bonds 2.375% 15/01/2025	21,544	4.26
8,844,000 United States Treasury Inflation Indexed Bonds 2.375% 15/01/2027	12,359	2.45
10,296,000 United States Treasury Inflation Indexed Bonds 2.5% 15/07/2016	13,147	2.60
7,524,000 United States Treasury Inflation Indexed Bonds 2.5% 15/01/2029	10,094	2.00
8,052,000 United States Treasury Inflation Indexed Bonds 2.625% 15/07/2017	10,319	2.04
2,772,000 United States Treasury Inflation Indexed Bonds 3.375% 15/04/2032	5,125	1.01
8,448,000 United States Treasury Inflation Indexed Bonds 3.625% 15/04/2028	16,910	3.35
10,428,000 United States Treasury Inflation Indexed Bonds 3.875% 15/04/2029	21,311	4.22
Total United States	501,811	99.31
Total bonds	501,811	99.31
Total value of investments	501,811	99.31
Cash[†]	27,658	5.47
Other net liabilities	(25,202)	(4.99)
Net assets attributable to redeemable participating shareholders	504,267	99.79
Adjustment to align to the valuation methodology as set out in the prospectus	1,047	0.21
Net asset value attributable to redeemable participating shareholders at the end of the year	505,314	100.00

[†] Substantially all cash positions are held with State Street Bank and Trust Company.

All credit ratings are shown as at 31 October 2013.

iShares \$ TIPS UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Analysis of total current assets gross of all liabilities (unaudited)	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	501,811	94.45
Other assets	29,468	5.55
Total current assets	531,279	100.00

iShares \$ TIPS UCITS ETF

Schedule of material purchases and sales

For the year ended 31 October 2013

The 20 largest sales

Holding Investments	Proceeds \$'000
10,709,000 United States Treasury Inflation Indexed Bonds 3.875% 15/04/2029	22,831
17,370,000 United States Treasury Inflation Indexed Bonds 2% 15/07/2014	22,207
13,485,000 United States Treasury Inflation Indexed Bonds 2.375% 15/01/2025	20,526
17,004,000 United States Treasury Inflation Indexed Bonds 1.125% 15/01/2021	20,077
17,339,000 United States Treasury Inflation Indexed Bonds 0.625% 15/07/2021	19,053
17,768,000 United States Treasury Inflation Indexed Bonds 0.125% 15/01/2022	18,560
17,238,000 United States Treasury Inflation Indexed Bonds 0.125% 15/04/2017	18,414
7,835,000 United States Treasury Inflation Indexed Bonds 3.625% 15/04/2028	16,257
12,555,000 United States Treasury Inflation Indexed Bonds 2% 15/01/2014	16,212
15,632,000 United States Treasury Inflation Indexed Bonds 0.125% 15/07/2022	15,982
14,630,000 United States Treasury Inflation Indexed Bonds 0.125% 15/04/2016	15,980
12,445,000 United States Treasury Inflation Indexed Bonds 1.25% 15/07/2020	14,851
10,763,000 United States Treasury Inflation Indexed Bonds 2.125% 15/02/2041	14,316
13,521,000 United States Treasury Inflation Indexed Bonds 0.125% 15/01/2023	13,493
10,245,000 United States Treasury Inflation Indexed Bonds 2.5% 15/07/2016	13,296
9,966,000 United States Treasury Inflation Indexed Bonds 1.625% 15/01/2015	12,698
10,011,000 United States Treasury Inflation Indexed Bonds 1.375% 15/01/2020	12,020
9,978,000 United States Treasury Inflation Indexed Bonds 1.25% 15/04/2014	11,177
8,618,000 United States Treasury Inflation Indexed Bonds 2% 15/01/2016	10,952
7,352,000 United States Treasury Inflation Indexed Bonds 2.375% 15/01/2027	10,709

The 20 largest purchases

Holding Investments	Cost \$'000
34,773,000 United States Treasury Inflation Indexed Bonds 0.125% 15/01/2023	36,268
26,725,000 United States Treasury Inflation Indexed Bonds 0.125% 15/04/2017	28,811
22,675,000 United States Treasury Inflation Indexed Bonds 0.125% 15/04/2018	23,993
21,430,000 United States Treasury Inflation Indexed Bonds 0.125% 15/07/2022	22,654
9,740,000 United States Treasury Inflation Indexed Bonds 3.875% 15/04/2029	21,107
19,067,000 United States Treasury Inflation Indexed Bonds 0.375% 15/07/2023	18,936
15,847,000 United States Treasury Inflation Indexed Bonds 1.125% 15/01/2021	18,806
11,630,000 United States Treasury Inflation Indexed Bonds 2.375% 15/01/2025	18,134
16,896,000 United States Treasury Inflation Indexed Bonds 0.125% 15/01/2022	17,883
14,784,000 United States Treasury Inflation Indexed Bonds 0.125% 15/04/2016	16,194
14,462,000 United States Treasury Inflation Indexed Bonds 0.625% 15/07/2021	16,194
12,576,000 United States Treasury Inflation Indexed Bonds 1.25% 15/07/2020	15,220
14,029,000 United States Treasury Inflation Indexed Bonds 0.75% 15/02/2042	14,531
10,073,000 United States Treasury Inflation Indexed Bonds 2.125% 15/02/2041	14,026
6,589,000 United States Treasury Inflation Indexed Bonds 3.625% 15/04/2028	13,942
13,420,000 United States Treasury Inflation Indexed Bonds 0.625% 15/02/2043	12,372
7,680,000 United States Treasury Inflation Indexed Bonds 2% 15/01/2026	11,004
7,572,000 United States Treasury Inflation Indexed Bonds 2.5% 15/07/2016	9,824
7,677,000 United States Treasury Inflation Indexed Bonds 1.625% 15/01/2015	9,807
7,984,000 United States Treasury Inflation Indexed Bonds 1.375% 15/01/2020	9,755

The UCITS notices issued by the Central Bank of Ireland require a Schedule of Portfolio changes during the year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the year is available, upon request, at no cost from the Administrator.

iShares \$ Treasury Bond 7-10yr UCITS ETF

Income statement

For the year ended 31 October 2013

	Notes	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Operating income	2	11,063	16,043
Net (losses)/gains on financial assets/liabilities at fair value through profit or loss	3	(20,535)	31,848
Total (losses)/gains		(9,472)	47,891
Operating expenses	4	(1,115)	(1,645)
Net operating (loss)/profit		(10,587)	46,246
Finance costs:			
Distributions to redeemable participating shareholders	6	(9,685)	(14,333)
Interest expense	7	-	(3)
Total finance costs		(9,685)	(14,336)
Net (loss)/profit for the financial year		(20,272)	31,910
Adjustment to align to the valuation methodology as set out in the prospectus	8	223	2,908
(Decrease)/increase in net assets attributable to redeemable participating shareholders from operations		(20,049)	34,818

There are no recognised gains or losses arising in the year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

Statement of changes in net assets attributable to redeemable participating shareholders

For the year ended 31 October 2013

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the year	644,045	557,630
(Decrease)/increase in net assets attributable to redeemable participating shareholders from operations	(20,049)	34,818
Share transactions:		
Proceeds from issue of redeemable participating shares	592,692	705,957
Payments on redemption of redeemable participating shares	(539,256)	(654,360)
Increase in net assets resulting from share transactions	53,436	51,597
Net assets attributable to redeemable participating shareholders at the end of the year	677,432	644,045

The accompanying notes form an integral part of these financial statements.

iShares \$ Treasury Bond 7-10yr UCITS ETF

Balance sheet

As at 31 October 2013

	Notes	31 October 2013 \$'000	31 October 2012 \$'000
CURRENT ASSETS			
Cash and cash equivalents		8,167	570
Receivables	12	19,232	10,974
Financial assets at fair value through profit or loss	13	671,079	637,471
Total current assets		698,478	649,015
CURRENT LIABILITIES			
Payables	14	(15,464)	(112)
Distributions payable to redeemable participating shareholders	6	(6,364)	(5,417)
Total current liabilities		(21,828)	(5,529)
Net assets attributable to redeemable participating shareholders		676,650	643,486
Adjustment to align to the valuation methodology as set out in the prospectus	8	782	559
Net asset value attributable to redeemable participating shareholders at the end of the year		677,432	644,045

The accompanying notes form an integral part of these financial statements. Details of the NAV per share are set out in note 11.

iShares \$ Treasury Bond 7-10yr UCITS ETF

Notes to the financial statements

For the year ended 31 October 2013

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 54 to 58. The financial instruments and risks are set out on pages 59 to 98. The notes relating to tax, soft commissions and exchange rates are set out in the notes on pages 101 to 109.

2. OPERATING INCOME

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Deposit interest income	1	5
Bond interest income	10,446	16,038
Securities lending income	616	-
	11,063	16,043

3. NET (LOSSES)/GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net (losses)/gains on investments		
in securities held at fair value through profit or loss	(20,536)	31,848
Net gains on other investments	1	-
	(20,535)	31,848

4. OPERATING EXPENSES

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Management fees	(1,115)	(1,645)
	(1,115)	(1,645)

5. MANAGEMENT FEES

Fees earned by the Manager during the year and balances outstanding as at 31 October 2013 and 31 October 2012 are disclosed in note 4 and note 14 respectively.

Please refer to page 101 for each Fund's management fee rate.

The Manager is responsible for discharging, from this fee, all fees of the Investment Manager, the Administrator and the Custodian and any distributing agent appointed by the distributor through whom the shares will be marketed, together with all reasonable out of pocket expenses of such service providers, (including sub-custodial fees and expenses, (which will be at normal commercial rates) and transaction related charges of the Administrator and Custodian). The Manager will also be responsible for discharging from its fee for each share class an attributable proportion of the organisational and operating expenses, including audit and Directors fees, of the Company. The fee will be accrued daily based on the daily net asset value of the share classes and will be paid monthly in arrears. Where the actual fees and costs incurred exceed the amount paid to the Manager, the excess will be discharged by the Manager from its own assets.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of Shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the year were as follows:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
April 2012	-	7,573
October 2012	-	5,417
April 2013	3,798	-
October 2013	6,364	-
	10,162	12,990
Equalisation income	(3,013)	(2,234)
Equalisation expense	2,536	3,577
	9,685	14,333

7. INTEREST EXPENSE

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Bank interest	-	(3)
	-	(3)

iShares \$ Treasury Bond 7-10yr UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

8. ADJUSTMENT TO ALIGN TO THE VALUATION METHODOLOGY AS SET OUT IN THE PROSPECTUS

The adjustment between the financial statements net asset value and the valuation methodology set out in the prospectus is shown below:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Balance brought forward	559	(2,349)
Adjustment to align to the valuation methodology as set out in the prospectus	223	2,908
Total adjustment for the year	223	2,908
Balance carried forward	782	559

Further details are set out in the accounting policies note m) on page 58.

9. TRANSACTION COSTS

Transaction costs on this Fund are not separately identifiable for the years ended 31 October 2013 and 31 October 2012. Please refer to note 10 on page 103 for further details.

10. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 October 2013 No. of Shares	31 October 2012 No. of Shares
Number of redeemable participating shares:		
Balance at the beginning of year	3,220,000	2,920,000
Issued during the year	3,120,000	3,620,000
Redeemed during the year	(2,780,000)	(3,320,000)
Balance at the end of year	3,560,000	3,220,000

11. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	No. of Shares
Shares in issue	
As at 31 October 2013	3,560,000
As at 31 October 2012	3,220,000
As at 31 October 2011	2,920,000

	\$'000
Net asset value	
As at 31 October 2013	677,432
As at 31 October 2012	644,045
As at 31 October 2011	557,630

Net asset value per share	
As at 31 October 2013	\$190.29
As at 31 October 2012	\$200.01
As at 31 October 2011	\$190.97

12. RECEIVABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Sales of securities awaiting settlement	7,621	-
Securities lending income receivable	58	-
Bond income receivable	5,189	5,557
Distributions payable held with Registrar*	6,364	5,417
	19,232	10,974

* Further details are set out in note 12 on page 104.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013 \$'000	31 October 2012 \$'000
Financial assets:		
Investment in bonds	671,079	637,471
	671,079	637,471

14. PAYABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Payable for fund shares repurchased	(7,626)	-
Purchase of securities awaiting settlement	(7,615)	-
Management fees payable	(223)	(112)
	(15,464)	(112)

iShares \$ Treasury Bond 7-10yr UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

15. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the years ended 31 October 2013 and 31 October 2012 other than those disclosed in note 17 on page 105.

16. RELATED PARTIES

The related parties are set out on pages 106 to 108.

17. EFFICIENT PORTFOLIO MANAGEMENT

The Company may, subject to the conditions and within the limits from time to time laid down by the Central Bank of Ireland and the prospectus, engage in securities lending and employ techniques and instruments relating to transferable securities for efficient portfolio management purposes.

During the year the Company engaged in securities lending. The Company receives either cash collateral or securities as collateral, as determined within the schedule, for a value in excess of the market value of the securities loaned. As at the 31 October 2013 the collateral consists of securities admitted to or dealt on a regulated market.

The collateral is registered and held in the name of BlackRock Advisors (UK) Limited on behalf of the Funds in any or all of the following collateral agents and central securities depositories: JP Morgan Chase, Bank of New York Mellon Corporation, Euroclear or CREST, depending on the type of collateral the counterparty needs to give as per the schedule in order to cover the required value of exposure. Further details can be seen on page 81.

The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary.

The securities lending agent appointed pursuant to the stock lending agreement is BlackRock Advisors (UK) Limited. Securities lending income is split between the Fund and the securities lending agent in a ratio of 60:40 in favour of the Fund, with all operational costs borne out of the securities lending agents share.

	31 October 2013 \$'000	31 October 2012 \$'000
Income earned during year	616	-
Value of securities on loan at year end	349,948	306,769
Value of collateral held by the Company at year end	386,773	338,406

Please see note 18 for more information on financial derivative instruments.

18. FINANCIAL DERIVATIVE INSTRUMENTS

The Fund may buy and sell financial derivative instruments. See further details in the Fund's Schedule of Investments and note 3 to the financial statements.

19. SIGNIFICANT EVENTS DURING THE YEAR

Please refer to note 22 on pages 108 and 109.

20. SUBSEQUENT EVENTS

Please refer to note 23 on page 109.

iShares \$ Treasury Bond 7-10yr UCITS ETF

Schedule of investments

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market		
Bonds		
United States		
Government bonds - Aaa rating		
United States Treasury Note/Bond		
55,180,000 1.625% 15/08/2022	51,783	7.64
United States Treasury Note/Bond		
58,206,000 1.625% 15/11/2022	54,277	8.01
United States Treasury Note/Bond		
59,096,000 1.75% 15/05/2022	56,363	8.32
United States Treasury Note/Bond		
50,552,000 1.75% 15/05/2023	47,164	6.96
United States Treasury Note/Bond		
58,384,000 2% 15/11/2021	57,417	8.48
United States Treasury Note/Bond		
63,546,000 2% 15/02/2022	62,176	9.18
United States Treasury Note/Bond		
55,892,000 2% 15/02/2023	53,613	7.91
United States Treasury Note/Bond		
57,138,000 2.125% 15/08/2021	56,995	8.41
United States Treasury Note/Bond		
45,034,000 2.5% 15/08/2023	44,816	6.62
United States Treasury Note/Bond		
57,850,000 2.625% 15/11/2020	60,435	8.92
United States Treasury Note/Bond		
56,426,000 3.125% 15/05/2021	60,596	8.95
United States Treasury Note/Bond		
58,918,000 3.625% 15/02/2021	65,444	9.66
Total United States	671,079	99.06
Total bonds	671,079	99.06
Total value of investments	671,079	99.06
Cash[†]	8,167	1.21
Other net liabilities	(2,596)	(0.39)
Net assets attributable to redeemable participating shareholders	676,650	99.88
Adjustment to align to the valuation methodology as set out in the prospectus	782	0.12

Holding Investment	Fair value \$'000	% of net asset value
Net asset value attributable to redeemable participating shareholders at the end of the year		
	677,432	100.00

[†] Substantially all cash positions are held with State Street Bank and Trust Company.

All credit ratings are shown as at 31 October 2013.

Analysis of total current assets gross of all liabilities (unaudited)	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	671,079	96.08
Other assets	27,399	3.92
Total current assets	698,478	100.00

iShares \$ Treasury Bond 7-10yr UCITS ETF

Schedule of material purchases and sales

For the year ended 31 October 2013

The 20 largest sales**

Holding Investments	Proceeds \$'000
82,728,000 United States Treasury Note/Bond 2.625% 15/08/2020	87,136
66,281,000 United States Treasury Note/Bond 3.625% 15/02/2020	77,086
65,292,000 United States Treasury Note/Bond 3.5% 15/05/2020	74,607
55,728,000 United States Treasury Note/Bond 3.375% 15/11/2019	64,585
58,314,000 United States Treasury Note/Bond 3.125% 15/05/2021	64,243
56,268,000 United States Treasury Note/Bond 3.625% 15/02/2021	63,845
62,950,000 United States Treasury Note/Bond 2% 15/02/2022	62,712
51,723,000 United States Treasury Note/Bond 2.625% 15/11/2020	55,187
54,881,000 United States Treasury Note/Bond 1.75% 15/05/2022	53,676
52,029,000 United States Treasury Note/Bond 2.125% 15/08/2021	52,945
51,926,000 United States Treasury Note/Bond 2% 15/11/2021	52,182
50,505,000 United States Treasury Note/Bond 1.625% 15/08/2022	48,265
37,183,000 United States Treasury Note/Bond 1.625% 15/11/2022	35,294
28,076,000 United States Treasury Note/Bond 2% 15/02/2023	26,927
16,155,000 United States Treasury Note/Bond 1.75% 15/05/2023	14,845
8,757,000 United States Treasury Note/Bond 2.5% 15/08/2023	8,594

The 20 largest purchases*

Holding Investments	Cost \$'000
95,389,000 United States Treasury Note/Bond 1.625% 15/11/2022	91,299
83,968,000 United States Treasury Note/Bond 2% 15/02/2023	82,391
67,047,000 United States Treasury Note/Bond 3.625% 15/02/2021	74,959
73,849,000 United States Treasury Note/Bond 2% 15/02/2022	72,321
64,508,000 United States Treasury Note/Bond 3.125% 15/05/2021	69,990
71,553,000 United States Treasury Note/Bond 1.625% 15/08/2022	67,971
65,677,000 United States Treasury Note/Bond 1.75% 15/05/2022	63,257
60,146,000 United States Treasury Note/Bond 2.625% 15/11/2020	63,182
66,707,000 United States Treasury Note/Bond 1.75% 15/05/2023	62,087
61,672,000 United States Treasury Note/Bond 2.125% 15/08/2021	61,702
58,951,000 United States Treasury Note/Bond 2% 15/11/2021	58,215
53,791,000 United States Treasury Note/Bond 2.5% 15/08/2023	52,769
38,131,000 United States Treasury Note/Bond 2.625% 15/08/2020	40,889
15,704,000 United States Treasury Note/Bond 3.5% 15/05/2020	18,150
12,990,000 United States Treasury Note/Bond 3.625% 15/02/2020	15,283
3,564,000 United States Treasury Note/Bond 3.375% 15/11/2019	4,115

The UCITS notices issued by the Central Bank of Ireland require a Schedule of Portfolio changes during the year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the year is available, upon request, at no cost from the Administrator.

* For this Fund there were only 16 purchases during the year.

** For this Fund there were only 16 sales during the year.

iShares £ Index-Linked Gilts UCITS ETF

Income statement

For the year ended 31 October 2013

	Notes	Year ended 31 October 2013 £'000	Year ended 31 October 2012 £'000
Operating income	2	25,005	26,744
Net gains on financial assets/liabilities at fair value through profit or loss	3	27,934	3,513
Total gains		52,939	30,257
Operating expenses	4	(2,178)	(1,891)
Net operating profit		50,761	28,366
Finance costs:			
Distributions to redeemable participating shareholders	6	(22,964)	(25,105)
Interest expense	7	-	(21)
Total finance costs		(22,964)	(25,126)
Net profit for the financial year		27,797	3,240
Adjustment to align to the valuation methodology as set out in the prospectus	8	1,194	(1,050)
Increase in net assets attributable to redeemable participating shareholders from operations		28,991	2,190

There are no recognised gains or losses arising in the year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

Statement of changes in net assets attributable to redeemable participating shareholders

For the year ended 31 October 2013

	Year ended 31 October 2013 £'000	Year ended 31 October 2012 £'000
Net assets attributable to redeemable participating shareholders at the beginning of the year	778,209	671,811
Increase in net assets attributable to redeemable participating shareholders from operations	28,991	2,190
Share transactions:		
Proceeds from issue of redeemable participating shares	274,091	201,602
Payments on redemption of redeemable participating shares	(305,374)	(97,394)
(Decrease)/increase in net assets resulting from share transactions	(31,283)	104,208
Net assets attributable to redeemable participating shareholders at the end of the year	775,917	778,209

The accompanying notes form an integral part of these financial statements.

iShares £ Index-Linked Gilts UCITS ETF

Balance sheet

As at 31 October 2013

	Notes	31 October 2013 £'000	31 October 2012 £'000
CURRENT ASSETS			
Cash and cash equivalents		908	771
Receivables	12	12,742	21,310
Financial assets at fair value through profit or loss	13	771,539	777,843
Total current assets		785,189	799,924
CURRENT LIABILITIES			
Payables	14	(325)	(9,696)
Distributions payable to redeemable participating shareholders	6	(10,181)	(12,059)
Total current liabilities		(10,506)	(21,755)
Net assets attributable to redeemable participating shareholders		774,683	778,169
Adjustment to align to the valuation methodology as set out in the prospectus	8	1,234	40
Net asset value attributable to redeemable participating shareholders at the end of the year		775,917	778,209

The accompanying notes form an integral part of these financial statements. Details of the NAV per share are set out in note 11.

iShares £ Index-Linked Gilts UCITS ETF

Notes to the financial statements

For the year ended 31 October 2013

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 54 to 58. The financial instruments and risks are set out on pages 59 to 98. The notes relating to tax, soft commissions and exchange rates are set out in the notes on pages 101 to 109.

2. OPERATING INCOME

	Year ended 31 October 2013 £'000	Year ended 31 October 2012 £'000
Deposit interest income	12	34
Bond interest income	24,698	26,601
Securities lending income	295	109
	25,005	26,744

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 October 2013 £'000	Year ended 31 October 2012 £'000
Net gains on investments in securities held at fair value through profit or loss	27,934	3,513
	27,934	3,513

4. OPERATING EXPENSES

	Year ended 31 October 2013 £'000	Year ended 31 October 2012 £'000
Management fees	(2,178)	(1,891)
	(2,178)	(1,891)

5. MANAGEMENT FEES

Fees earned by the Manager during the year and balances outstanding as at 31 October 2013 and 31 October 2012 are disclosed in note 4 and note 14 respectively.

Please refer to page 101 for each Fund's management fee rate.

The Manager is responsible for discharging, from this fee, all fees of the Investment Manager, the Administrator and the Custodian and any distributing agent appointed by the distributor through whom the shares will be marketed, together with all reasonable out of pocket expenses of such service providers, (including sub-custodial fees and expenses, (which will be at normal commercial rates) and transaction related charges of the Administrator and Custodian). The Manager will also be responsible for discharging from its fee for each share class an attributable proportion of the organisational and operating expenses, including audit and Directors fees, of the Company. The fee will be accrued daily based on the daily net asset value of the share classes and will be paid monthly in arrears. Where the actual fees and costs incurred exceed the amount paid to the Manager, the excess will be discharged by the Manager from its own assets.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of Shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the year were as follows:

	Year ended 31 October 2013 £'000	Year ended 31 October 2012 £'000
April 2012	-	14,446
October 2012	-	12,059
April 2013	12,326	-
October 2013	10,181	-
	22,507	26,505
Equalisation income	(1,736)	(1,926)
Equalisation expense	2,193	526
	22,964	25,105

7. INTEREST EXPENSE

	Year ended 31 October 2013 £'000	Year ended 31 October 2012 £'000
Bank interest	-	(21)
	-	(21)

iShares £ Index-Linked Gilts UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

8. ADJUSTMENT TO ALIGN TO THE VALUATION METHODOLOGY AS SET OUT IN THE PROSPECTUS

The adjustment between the financial statements net asset value and the valuation methodology set out in the prospectus is shown below:

	Year ended 31 October 2013 £'000	Year ended 31 October 2012 £'000
Balance brought forward	40	1,090
Adjustment to align to the valuation methodology as set out in the prospectus	1,194	(1,050)
Total adjustment for the year	1,194	(1,050)
Balance carried forward	1,234	40

Further details are set out in the accounting policies note m) on page 58.

9. TRANSACTION COSTS

Transaction costs on this Fund are not separately identifiable for the years ended 31 October 2013 and 31 October 2012. Please refer to note 10 on page 103 for further details.

10. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 October 2013 No. of Shares	31 October 2012 No. of Shares
Number of redeemable participating shares:		
Balance at the beginning of year	61,500,000	53,500,000
Issued during the year	20,500,000	15,500,000
Redeemed during the year	(23,250,000)	(7,500,000)
Balance at the end of year	58,750,000	61,500,000

11. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	No. of Shares
Shares in issue	
As at 31 October 2013	58,750,000
As at 31 October 2012	61,500,000
As at 31 October 2011	53,500,000

	£'000
Net asset value	
As at 31 October 2013	775,917
As at 31 October 2012	778,209
As at 31 October 2011	671,811

Net asset value per share	
As at 31 October 2013	£13.21
As at 31 October 2012	£12.65
As at 31 October 2011	£12.56

12. RECEIVABLES

	31 October 2013 £'000	31 October 2012 £'000
Subscription for shares awaiting settlement	-	6,367
Deposit interest receivable	1	2
Securities lending income receivable	21	23
Bond income receivable	2,539	2,859
Distributions payable held with Registrar*	10,181	12,059
	12,742	21,310

* Further details are set out in note 12 on page 104.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013 £'000	31 October 2012 £'000
Financial assets:		
Investment in bonds	771,485	774,706
Investment in UCITS collective investment schemes	54	3,137
	771,539	777,843

14. PAYABLES

	31 October 2013 £'000	31 October 2012 £'000
Purchase of securities awaiting settlement	-	(9,533)
Management fees payable	(325)	(163)
	(325)	(9,696)

iShares £ Index-Linked Gilts UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

15. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the years ended 31 October 2013 and 31 October 2012 other than those disclosed in note 17 on page 105.

16. RELATED PARTIES

The related parties are set out on pages 106 to 108.

17. EFFICIENT PORTFOLIO MANAGEMENT

The Company may, subject to the conditions and within the limits from time to time laid down by the Central Bank of Ireland and the prospectus, engage in securities lending and employ techniques and instruments relating to transferable securities for efficient portfolio management purposes.

During the year the Company engaged in securities lending. The Company receives either cash collateral or securities as collateral, as determined within the schedule, for a value in excess of the market value of the securities loaned. As at the 31 October 2013 the collateral consists of securities admitted to or dealt on a regulated market.

The collateral is registered and held in the name of BlackRock Advisors (UK) Limited on behalf of the Funds in any or all of the following collateral agents and central securities depositories: JP Morgan Chase, Bank of New York Mellon Corporation, Euroclear or CREST, depending on the type of collateral the counterparty needs to give as per the schedule in order to cover the required value of exposure. Further details can be seen on page 81.

The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary.

The securities lending agent appointed pursuant to the stock lending agreement is BlackRock Advisors (UK) Limited. Securities lending income is split between the Fund and the securities lending agent in a ratio of 60:40 in favour of the Fund, with all operational costs borne out of the securities lending agents share.

	31 October 2013 £'000	31 October 2012 £'000
Income earned during year	295	109
Value of securities on loan at year end	200,175	213,758
Value of collateral held by the Company at year end	220,764	235,821

Please see note 18 for more information on financial derivative instruments.

18. FINANCIAL DERIVATIVE INSTRUMENTS

The Fund may buy and sell financial derivative instruments. See further details in the Fund's Schedule of Investments and note 3 to the financial statements.

19. SIGNIFICANT EVENTS DURING THE YEAR

Please refer to note 22 on pages 108 and 109.

20. SUBSEQUENT EVENTS

Please refer to note 23 on page 109.

iShares £ Index-Linked Gilts UCITS ETF

Schedule of investments

As at 31 October 2013

Holding Investment	Fair value £'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market		
Bonds		
United Kingdom		
Government bonds - Aa1 rating		
2,585,000 United Kingdom Gilt Inflation Linked 0.125% 22/11/2019	2,811	0.36
13,160,000 United Kingdom Gilt Inflation Linked 0.125% 22/03/2024	14,298	1.84
25,615,000 United Kingdom Gilt Inflation Linked 0.125% 22/03/2029	27,935	3.60
27,025,000 United Kingdom Gilt Inflation Linked 0.125% 22/03/2044	28,786	3.71
10,105,000 United Kingdom Gilt Inflation Linked 0.125% 22/03/2068	11,031	1.42
16,685,000 United Kingdom Gilt Inflation Linked 0.25% 22/03/2052	18,883	2.43
25,850,000 United Kingdom Gilt Inflation Linked 0.375% 22/03/2062	32,966	4.25
22,560,000 United Kingdom Gilt Inflation Linked 0.5% 22/03/2050	31,400	4.05
23,735,000 United Kingdom Gilt Inflation Linked 0.625% 22/03/2040	32,047	4.13
22,560,000 United Kingdom Gilt Inflation Linked 0.625% 22/11/2042	31,660	4.08
25,145,000 United Kingdom Gilt Inflation Linked 0.75% 22/03/2034	31,477	4.06
22,325,000 United Kingdom Gilt Inflation Linked 0.75% 22/11/2047	33,852	4.36
24,440,000 United Kingdom Gilt Inflation Linked 1.125% 22/11/2037	38,769	5.00
24,675,000 United Kingdom Gilt Inflation Linked 1.25% 22/11/2017	36,064	4.65
28,905,000 United Kingdom Gilt Inflation Linked 1.25% 22/11/2027	45,055	5.81
26,085,000 United Kingdom Gilt Inflation Linked 1.25% 22/11/2032	37,863	4.88
20,445,000 United Kingdom Gilt Inflation Linked 1.25% 22/11/2055	41,073	5.29
33,370,000 United Kingdom Gilt Inflation Linked 1.875% 22/11/2022	50,266	6.48
18,800,000 United Kingdom Gilt Inflation Linked 2% 26/01/2035	38,346	4.94
15,745,000 United Kingdom Gilt Inflation Linked 2.5% 26/07/2016	54,013	6.96
13,395,000 United Kingdom Gilt Inflation Linked 2.5% 16/04/2020	49,487	6.38
15,510,000 United Kingdom Gilt Inflation Linked 2.5% 17/07/2024	51,562	6.65
10,105,000 United Kingdom Gilt Inflation Linked 4.125% 22/07/2030	31,841	4.10
Total United Kingdom	771,485	99.43

Holding Investment	Fair value £'000	% of net asset value
Total bonds	771,485	99.43
UCITS collective investment schemes		
Ireland		
54,010 Institutional Cash Series plc - Institutional Sterling Liquidity Fund*	54	0.01
Total Ireland	54	0.01
Total UCITS collective investment schemes	54	0.01
Total value of investments	771,539	99.44
Cash†	908	0.11
Other net assets	2,236	0.29
Net assets attributable to redeemable participating shareholders	774,683	99.84
Adjustment to align to the valuation methodology as set out in the prospectus	1,234	0.16
Net asset value attributable to redeemable participating shareholders at the end of the year	775,917	100.00

† Substantially all cash positions are held with State Street Bank and Trust Company.

* Investment in related party.

All credit ratings are shown as at 31 October 2013.

Analysis of total current assets gross of all liabilities (unaudited)	Fair value £'000	% of total current assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	771,485	98.25
UCITS collective investment schemes	54	0.01
Other assets	13,650	1.74
Total current assets	785,189	100.00

iShares £ Index-Linked Gilts UCITS ETF

Schedule of material purchases and sales

For the year ended 31 October 2013

The 20 largest sales

Holding Investments	Proceeds £'000
8,922,000 United Kingdom Gilt Inflation Linked 2.5% 26/07/2016	30,731
18,529,000 United Kingdom Gilt Inflation Linked 1.25% 22/11/2027	28,929
7,407,000 United Kingdom Gilt Inflation Linked 2.5% 16/04/2020	27,669
16,569,000 United Kingdom Gilt Inflation Linked 1.875% 22/11/2022	25,254
16,975,000 United Kingdom Gilt Inflation Linked 1.25% 22/11/2032	24,482
15,444,000 United Kingdom Gilt Inflation Linked 1.125% 22/11/2037	24,199
12,250,000 United Kingdom Gilt Inflation Linked 1.25% 22/11/2055	24,137
6,762,000 United Kingdom Gilt Inflation Linked 2.5% 17/07/2024	22,683
11,030,000 United Kingdom Gilt Inflation Linked 2% 26/01/2035	22,485
13,310,000 United Kingdom Gilt Inflation Linked 0.625% 22/11/2042	18,251
12,190,000 United Kingdom Gilt Inflation Linked 0.75% 22/11/2047	18,123
12,274,000 United Kingdom Gilt Inflation Linked 1.25% 22/11/2017	17,979
12,951,000 United Kingdom Gilt Inflation Linked 0.5% 22/03/2050	17,592
5,535,000 United Kingdom Gilt Inflation Linked 4.125% 22/07/2030	17,508
13,685,000 United Kingdom Gilt Inflation Linked 0.375% 22/03/2062	16,922
11,825,000 United Kingdom Gilt Inflation Linked 0.625% 22/03/2040	15,851
11,329,000 United Kingdom Gilt Inflation Linked 0.75% 22/03/2034	14,119
11,213,000 United Kingdom Gilt Inflation Linked 0.125% 22/03/2029	12,301
10,363,000 United Kingdom Gilt Inflation Linked 0.125% 22/03/2044	10,898
6,683,000 United Kingdom Gilt Inflation Linked 0.25% 22/03/2052	7,393

The 20 largest purchases

Holding Investments	Cost £'000
28,286,000 United Kingdom Gilt Inflation Linked 0.125% 22/03/2044	29,334
13,531,000 United Kingdom Gilt Inflation Linked 1.875% 22/11/2022	20,888
5,971,000 United Kingdom Gilt Inflation Linked 2.5% 26/07/2016	20,684
5,058,000 United Kingdom Gilt Inflation Linked 2.5% 16/04/2020	19,062
5,544,000 United Kingdom Gilt Inflation Linked 2.5% 17/07/2024	18,981
17,069,000 United Kingdom Gilt Inflation Linked 0.125% 22/03/2024	18,883
11,026,000 United Kingdom Gilt Inflation Linked 1.25% 22/11/2027	17,552
14,934,000 United Kingdom Gilt Inflation Linked 0.125% 22/03/2029	16,637
14,266,000 United Kingdom Gilt Inflation Linked 0.25% 22/03/2052	15,715
7,849,000 United Kingdom Gilt Inflation Linked 1.25% 22/11/2055	15,450
10,407,000 United Kingdom Gilt Inflation Linked 0.75% 22/11/2047	15,390
9,380,000 United Kingdom Gilt Inflation Linked 1.125% 22/11/2037	14,896
7,198,000 United Kingdom Gilt Inflation Linked 2% 26/01/2035	14,862
9,850,000 United Kingdom Gilt Inflation Linked 1.25% 22/11/2032	14,469
9,397,000 United Kingdom Gilt Inflation Linked 1.25% 22/11/2017	13,824
9,681,000 United Kingdom Gilt Inflation Linked 0.5% 22/03/2050	13,188
10,507,000 United Kingdom Gilt Inflation Linked 0.375% 22/03/2062	13,136
10,398,000 United Kingdom Gilt Inflation Linked 0.75% 22/03/2034	13,026
3,832,000 United Kingdom Gilt Inflation Linked 4.125% 22/07/2030	12,351
8,564,000 United Kingdom Gilt Inflation Linked 0.625% 22/11/2042	11,927

The UCITS notices issued by the Central Bank of Ireland require a Schedule of Portfolio changes during the year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the year is available, upon request, at no cost from the Administrator.

iShares Asia Property Yield UCITS ETF

Income statement

For the year ended 31 October 2013

	Notes	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Operating income	2	11,110	9,929
Net (losses)/gains on financial assets/liabilities at fair value through profit or loss	3	(4,160)	32,684
Total gains		6,950	42,613
Operating expenses	4	(1,625)	(1,193)
Net operating profit		5,325	41,420
Finance costs:			
Distributions to redeemable participating shareholders	6	(7,930)	(8,541)
Interest expense	7	(1)	(3)
Total finance costs		(7,931)	(8,544)
Net (loss)/gain for the financial year before tax		(2,606)	32,876
Non-reclaimable withholding tax		(567)	(378)
Net (loss)/gain for the financial year after tax		(3,173)	32,498
Adjustment to align to the valuation methodology as set out in the prospectus	8	419	76
(Decrease)/increase in net assets attributable to redeemable participating shareholders from operations		(2,754)	32,574

There are no recognised gains or losses arising in the year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

Statement of changes in net assets attributable to redeemable participating shareholders

For the year ended 31 October 2013

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the year	217,365	182,793
(Decrease)/increase in net assets attributable to redeemable participating shareholders from operations	(2,754)	32,574
Share transactions:		
Proceeds from issue of redeemable participating shares	125,893	64,186
Payments on redemption of redeemable participating shares	(77,854)	(62,188)
Increase in net assets resulting from share transactions	48,039	1,998
Net assets attributable to redeemable participating shareholders at the end of the year	262,650	217,365

The accompanying notes form an integral part of these financial statements.

iShares Asia Property Yield UCITS ETF

Balance sheet

As at 31 October 2013

	Notes	31 October 2013 \$'000	31 October 2012 \$'000
CURRENT ASSETS			
Cash and cash equivalents		340	180
Receivables	12	3,072	2,220
Financial assets at fair value through profit or loss	13	261,118	216,422
Total current assets		264,530	218,822
CURRENT LIABILITIES			
Payables	14	(257)	(108)
Distributions payable to redeemable participating shareholders	6	(2,355)	(1,662)
Total current liabilities		(2,612)	(1,770)
Net assets attributable to redeemable participating shareholders		261,918	217,052
Adjustment to align to the valuation methodology as set out in the prospectus	8	732	313
Net asset value attributable to redeemable participating shareholders at the end of the year		262,650	217,365

The accompanying notes form an integral part of these financial statements. Details of the NAV per share are set out in note 11.

iShares Asia Property Yield UCITS ETF

Notes to the financial statements

For the year ended 31 October 2013

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 54 to 58. The financial instruments and risks are set out on pages 59 to 98. The notes relating to tax, soft commissions and exchange rates are set out in the notes on pages 101 to 109.

2. OPERATING INCOME

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Deposit interest income	2	6
Dividend income	11,071	9,880
Securities lending income	37	43
	11,110	9,929

3. NET (LOSSES)/GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net (losses)/gains on investments in securities held at fair value through profit or loss	(4,012)	32,631
Net (losses)/gains on other investments	(148)	53
	(4,160)	32,684

4. OPERATING EXPENSES

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Management fees	(1,625)	(1,193)
	(1,625)	(1,193)

5. MANAGEMENT FEES

Fees earned by the Manager during the year and balances outstanding as at 31 October 2013 and 31 October 2012 are disclosed in note 4 and note 14 respectively.

Please refer to page 101 for each Fund's management fee rate.

The Manager is responsible for discharging, from this fee, all fees of the Investment Manager, the Administrator and the Custodian and any distributing agent appointed by the distributor through whom the shares will be marketed, together with all reasonable out of pocket expenses of such service providers, (including sub-custodial fees and expenses, (which will be at normal commercial rates) and transaction related charges of the Administrator and Custodian). The Manager will also be responsible for discharging from its fee for each share class an attributable proportion of the organisational and operating expenses, including audit and Directors fees, of the Company. The fee will be accrued daily based on the daily net asset value of the share classes and will be paid monthly in arrears. Where the actual fees and costs incurred exceed the amount paid to the Manager, the excess will be discharged by the Manager from its own assets.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of Shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the year were as follows:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
January 2012	-	1,551
April 2012	-	2,803
July 2012	-	2,577
October 2012	-	1,662
January 2013	2,129	-
April 2013	2,143	-
July 2013	1,391	-
October 2013	2,355	-
	8,018	8,593
Equalisation income	(397)	(507)
Equalisation expense	309	455
	7,930	8,541

iShares Asia Property Yield UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

7. INTEREST EXPENSE

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Bank interest	(1)	(3)
	(1)	(3)

8. ADJUSTMENT TO ALIGN TO THE VALUATION METHODOLOGY AS SET OUT IN THE PROSPECTUS

The adjustment between the financial statements net asset value and the valuation methodology set out in the prospectus is shown below:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Balance brought forward	313	237
Adjustment to align to the valuation methodology as set out in the prospectus	419	76
Total adjustment for the year	419	76
Balance carried forward	732	313

Further details are set out in the accounting policies note m) on page 58.

9. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the years ended 31 October 2013 and 31 October 2012. Please refer to note 10 on page 103 for further details.

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Transactions costs	153	203

10. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 October 2013 No. of Shares	31 October 2012 No. of Shares
Number of redeemable participating shares:		
Balance at the beginning of year	8,600,000	8,500,000
Issued during the year	4,600,000	2,900,000
Redeemed during the year	(3,000,000)	(2,800,000)
Balance at the end of year	10,200,000	8,600,000

11. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	No. of Shares
Shares in issue	
As at 31 October 2013	10,200,000
As at 31 October 2012	8,600,000
As at 31 October 2011	8,500,000

	\$'000
Net asset value	
As at 31 October 2013	262,650
As at 31 October 2012	217,365
As at 31 October 2011	182,793

Net asset value per share	
As at 31 October 2013	\$25.75
As at 31 October 2012	\$25.27
As at 31 October 2011	\$21.51

iShares Asia Property Yield UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

12. RECEIVABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Sale of securities awaiting settlement	11	12
Dividend income receivable	702	543
Securities lending income receivable	4	3
Distributions payable held with Registrar*	2,355	1,662
	3,072	2,220

* Further details are set out in note 12 on page 104.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013 \$'000	31 October 2012 \$'000
Financial assets:		
Investment in equities	261,118	216,422
	261,118	216,422

14. PAYABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Management fees payable	(257)	(108)
	(257)	(108)

15. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the years ended 31 October 2013 and 31 October 2012 other than those disclosed in note 17 on page 105.

16. RELATED PARTIES

The related parties are set out on pages 106 to 108.

17. EFFICIENT PORTFOLIO MANAGEMENT

The Company may, subject to the conditions and within the limits from time to time laid down by the Central Bank of Ireland and the prospectus, engage in securities lending and employ techniques and instruments relating to transferable securities for efficient portfolio management purposes.

During the year the Company engaged in securities lending. The Company receives either cash collateral or securities as collateral, as determined within the schedule, for a value in excess of the market value of the securities loaned. As at the 31 October 2013 the collateral consists of securities admitted to or dealt on a regulated market.

The collateral is registered and held in the name of BlackRock Advisors (UK) Limited on behalf of the Funds in any or all of the following collateral agents and central securities depositaries: JP Morgan Chase, Bank of New York Mellon Corporation, Euroclear or CREST, depending on the type of collateral the counterparty needs to give as per the schedule in order to cover the required value of exposure. Further details can be seen on page 81.

The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary.

The securities lending agent appointed pursuant to the stock lending agreement is BlackRock Advisors (UK) Limited. Securities lending income is split between the Fund and the securities lending agent in a ratio of 60:40 in favour of the Fund, with all operational costs borne out of the securities lending agents share.

	31 October 2013 \$'000	31 October 2012 \$'000
Income earned during year	37	43
Value of securities on loan at year end	15,265	11,501
Value of collateral held by the Company at year end	17,008	12,885

Please see note 18 for more information on financial derivative instruments.

18. FINANCIAL DERIVATIVE INSTRUMENTS

The Fund may buy and sell financial derivative instruments. See further details in the Fund's Schedule of Investments and note 3 to the financial statements.

19. SIGNIFICANT EVENTS DURING THE YEAR

Please refer to note 22 on pages 108 and 109.

20. SUBSEQUENT EVENTS

Please refer to note 23 on page 109.

iShares Asia Property Yield UCITS ETF

Schedule of investments

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market		
Equities		
Australia		
Real estate investment trusts		
633,565 BWP Trust Reits NPV	1,374	0.52
2,002,069 CFS Retail Property Trust Group Reits NPV	3,924	1.49
333,240 Charter Hall Retail REIT NPV	1,272	0.48
2,380,044 Commonwealth Property Office Fund Reits NPV	2,693	1.03
4,514,576 Dexus Property Group Reits NPV	4,617	1.76
1,288,263 Federation Centres Ltd Reits NPV	2,989	1.14
1,737,353 Goodman Group Reits NPV	8,292	3.16
1,594,575 GPT Group Reits NPV	5,572	2.12
8,268,486 GPT Group Unit NPV*	-	0.00
579,104 Investa Office Fund Reits NPV	1,705	0.65
3,714,278 Mirvac Group Reits NPV	6,120	2.33
2,338,211 Stockland Reits NPV	8,857	3.37
2,101,590 Westfield Group Reits NPV	21,513	8.19
2,880,361 Westfield Retail Trust Reits NPV	8,428	3.21
Total Australia	77,356	29.45
Bermuda		
Real estate investment & services		
1,190,000 Hongkong Land Holdings Ltd Com USD 0.10	7,330	2.79
652,000 Kerry Properties Ltd Com HKD 1.00	2,822	1.08
Total Bermuda	10,152	3.87
Cayman Islands		
Real estate investment & services		
1,268,000 Agile Property Holdings Ltd Com HKD 0.10	1,524	0.58
4,436,612 Country Garden Holdings Co Ltd Com HKD 0.10	3,027	1.15
2,628,000 New World China Land Ltd Com HKD 0.10	1,441	0.55
1,406,000 Shimao Property Holdings Ltd Com HKD 0.10	3,526	1.34
3,066,333 Shui On Land Ltd Com USD 0.0025	1,048	0.40
1,561,000 Soho China Ltd Com HKD 0.02	1,369	0.52
Total Cayman Islands	11,935	4.54
Hong Kong		
Diversified industrials		
1,535,000 Wharf Holdings Ltd Com HKD 1.00	12,919	4.92

Holding Investment	Fair value \$'000	% of net asset value
Hong Kong (cont)		
Real estate investment & services		
2,264,000 Hang Lung Properties Ltd Com HKD 1.00	7,446	2.84
1,044,500 Henderson Land Development Co Ltd Com HKD 2.00	6,184	2.35
635,000 Hysan Development Co Ltd Com HKD 5.00	2,945	1.12
3,811,000 New World Development Co Ltd Com HKD 1.00	5,279	2.01
3,018,000 Sino Land Co Ltd Com HKD 1.00	4,196	1.60
1,563,000 Sun Hung Kai Properties Ltd Com HKD 0.50	20,442	7.78
1,186,400 Swire Properties Ltd Com HKD 1.00	3,198	1.22
Real estate investment trusts		
2,588,000 Champion REIT NPV	1,151	0.44
2,316,500 Link REIT NPV	11,623	4.42
Total Hong Kong	75,383	28.70
Japan		
Real estate investment trusts		
187 Activia Properties Inc Reits NPV	1,615	0.62
1,227 Advance Residence Investment Corp Reits NPV	2,764	1.05
310 Daiwa House Residential Investment Corp Reits NPV	1,281	0.49
180 Frontier Real Estate Investment Corp Reits NPV	1,796	0.68
1,799 GLP J-Reit NPV	1,870	0.71
142 Industrial & Infrastructure Fund Investment Corp Com NPV	1,309	0.50
205 Japan Excellent Inc Reits NPV	1,262	0.48
166 Japan Logistics Fund Inc Reits NPV	1,716	0.65
803 Japan Prime Realty Investment Corp Reits NPV	2,656	1.01
598 Japan Real Estate Investment Corp Reits NPV	6,839	2.60
2,341 Japan Retail Fund Investment Corp Reits NPV	4,746	1.81
289 Kenedix Realty Investment Corp Reits NPV	1,296	0.49
232 Mori Hills REIT Investment Corp NPV	1,613	0.61
184 Mori Trust Sogo Reit Inc NPV	1,637	0.62
225 Nippon Accommodations Fund Inc Reits NPV	1,605	0.61
669 Nippon Building Fund Inc Reits NPV	8,278	3.15
359 Nomura Real Estate Office Fund Inc Reits NPV	1,771	0.68

iShares Asia Property Yield UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
Japan (cont)			Net assets attributable to redeemable participating shareholders	261,918	99.72
Real estate investment trusts (cont)					
1,605 Orix JREIT Inc NPV	2,007	0.77	Adjustment to align to the valuation methodology as set out in the prospectus	732	0.28
191 Premier Investment Corp Reits NPV	782	0.30			
186 Tokyu REIT Inc NPV	1,143	0.44			
152 Top REIT Inc NPV	703	0.27			
2,414 United Urban Investment Corp Reits NPV	3,676	1.40	Net asset value attributable to redeemable participating shareholders at the end of the year	262,650	100.00
Total Japan	52,365	19.94			
New Zealand					
Real estate investment trusts					
1,002,580 Kiwi Income Property Trust Reits NPV	904	0.34			
Total New Zealand	904	0.34			
Singapore					
Real estate investment & services					
2,573,000 CapitaLand Ltd Com NPV	6,472	2.47			
783,000 Keppel Land Ltd Com NPV	2,342	0.89			
546,000 UOL Group Ltd Com NPV	2,897	1.10			
454,800 Wing Tai Holdings Ltd Com NPV	810	0.31			
Real estate investment trusts					
1,994,466 Ascendas Real Estate Investment Trust NPV	3,779	1.44			
1,984,000 CapitaCommercial Trust Reits NPV	2,359	0.90			
2,628,600 CapitaMall Trust Reits NPV	4,260	1.62			
638,000 CDL Hospitality Trusts Reits NPV	854	0.32			
1,312,000 Fortune Real Estate Investment Trust NPV	1,059	0.40			
1,495,000 Keppel REIT NPV	1,452	0.55			
1,297,000 Mapletree Commercial Trust Reits NPV	1,302	0.50			
1,173,000 Mapletree Industrial Trust Reits NPV	1,305	0.50			
1,451,520 Mapletree Logistics Trust Reits NPV	1,270	0.48			
2,082,000 Suntec Real Estate Investment Trust Reits NPV	2,862	1.09			
Total Singapore	33,023	12.57			
Total equities	261,118	99.41			
Total value of investments	261,118	99.41			
Cash[†]	340	0.13			
Other net assets	460	0.18			

[†] Substantially all cash positions are held with State Street Bank and Trust Company.

* Investments which are less than \$500 have been rounded to zero.

Analysis of total current assets gross of all liabilities (unaudited)	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	261,118	98.71
Other assets	3,412	1.29
Total current assets	264,530	100.00

iShares Asia Property Yield UCITS ETF

Schedule of material purchases and sales

For the year ended 31 October 2013

The 20 largest sales		The 20 largest purchases	
Holding Investments	Proceeds \$'000	Holding Investments	Cost \$'000
899,000 Sun Hung Kai Properties Ltd Com HKD 0.50	12,229	845,000 Sun Hung Kai Properties Ltd Com HKD 0.50	12,916
810,221 Westfield Group Reits NPV	8,870	1,008,863 Westfield Group Reits NPV	11,576
988,000 Hongkong Land Holdings Ltd Com USD 0.10	6,894	848,000 Wharf Holdings Ltd Com HKD 1.00	7,263
561,000 Wharf Holdings Ltd Com HKD 1.00	4,936	1,281,500 Link REIT NPV	6,917
848,500 Link REIT NPV	4,364	742,000 Hongkong Land Holdings Ltd Com USD 0.10	5,560
162,500 Nomura Real Estate Holdings Inc Com NPV	3,998	1,049,793 Goodman Group Reits NPV	5,225
1,388,000 CapitaLand Ltd Com NPV	3,743	1,346,052 Stockland Reits NPV	5,000
558,000 Henderson Land Development Co Ltd Com HKD 2.00	3,567	1,254,000 Hang Lung Properties Ltd Com HKD 1.00	4,802
1,061,535 Westfield Retail Trust Reits NPV	3,158	419 Nippon Building Fund Inc Reits NPV	4,691
1,919,000 New World Development Co Ltd Com HKD 1.00	3,086	1,423,483 Westfield Retail Trust Reits NPV	4,630
846,633 Stockland Reits NPV	3,043	1,346,000 CapitaLand Ltd Com NPV	4,124
635,984 Goodman Group Reits NPV	3,001	371 Japan Real Estate Investment Corp Reits NPV	4,090
252 Nippon Building Fund Inc Reits NPV	2,970	2,183,790 Mirvac Group Reits NPV	3,584
831,000 Hang Lung Properties Ltd Com HKD 1.00	2,953	504,000 Henderson Land Development Co Ltd Com HKD 2.00	3,575
226 Japan Real Estate Investment Corp Reits NPV	2,535	1,956,000 New World Development Co Ltd Com HKD 1.00	3,414
632,881 GPT Group Reits NPV	2,334	770,595 GPT Group Reits NPV	3,021
1,643 NTT Urban Development Corp Com NPV	2,177	1,668,000 Sino Land Co Ltd Com HKD 1.00	2,930
1,286,138 Mirvac Group Reits NPV	2,068	1,399 Japan Retail Fund Investment Corp Reits NPV	2,833
943,000 Ascendas Real Estate Investment Trust NPV	1,842	1,545,000 CapitaMall Trust Reits NPV	2,688
1,664,749 Dexus Property Group Reits NPV	1,724	2,189,149 Dexus Property Group Reits NPV	2,402

The UCITS notices issued by the Central Bank of Ireland require a Schedule of Portfolio changes during the year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the year is available, upon request, at no cost from the Administrator.

iShares BRIC 50 UCITS ETF

Income statement

For the year ended 31 October 2013

	Notes	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Operating income	2	27,415	33,376
Net gains/(losses) on financial assets/liabilities at fair value through profit or loss	3	12,663	(67,887)
Total gains/(losses)		40,078	(34,511)
Operating expenses	4	(5,950)	(6,987)
Net operating profit/(loss)		34,128	(41,498)
Finance costs:			
Distributions to redeemable participating shareholders	6	(18,439)	(22,955)
Interest expense	7	(4)	(6)
Total finance costs		(18,443)	(22,961)
Net profit/(loss) for the financial year before tax		15,685	(64,459)
Non-reclaimable withholding tax		(3,314)	(3,816)
Net profit/(loss) for the financial year after tax		12,371	(68,275)
Adjustment to align to the valuation methodology as set out in the prospectus	8	(439)	153
Increase/(decrease) in net assets attributable to redeemable participating shareholders from operations		11,932	(68,122)

There are no recognised gains or losses arising in the year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

Statement of changes in net assets attributable to redeemable participating shareholders

For the year ended 31 October 2013

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the year	895,849	1,012,007
Increase/(decrease) in net assets attributable to redeemable participating shareholders from operations	11,932	(68,122)
Share transactions:		
Proceeds from issue of redeemable participating shares	93,422	188,236
Payments on redemption of redeemable participating shares	(435,921)	(236,272)
Decrease in net assets resulting from share transactions	(342,499)	(48,036)
Net assets attributable to redeemable participating shareholders at the end of the year	565,282	895,849

The accompanying notes form an integral part of these financial statements.

iShares BRIC 50 UCITS ETF

Balance sheet

As at 31 October 2013

	Notes	31 October 2013 \$'000	31 October 2012 \$'000
CURRENT ASSETS			
Cash and cash equivalents		1,508	1,467
Margin cash account		93	-
Receivables	12	14,609	21,700
Financial assets at fair value through profit or loss	13	562,272	892,326
Total current assets		578,482	915,493
CURRENT LIABILITIES			
Payables	14	(751)	(558)
Distributions payable to redeemable participating shareholders	6	(13,055)	(20,131)
Total current liabilities		(13,806)	(20,689)
Net assets attributable to redeemable participating shareholders		564,676	894,804
Adjustment to align to the valuation methodology as set out in the prospectus	8	606	1,045
Net asset value attributable to redeemable participating shareholders at the end of the year		565,282	895,849

The accompanying notes form an integral part of these financial statements. Details of the NAV per share are set out in note 11.

iShares BRIC 50 UCITS ETF

Notes to the financial statements

For the year ended 31 October 2013

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 54 to 58. The financial instruments and risks are set out on pages 59 to 98. The notes relating to tax, soft commissions and exchange rates are set out in the notes on pages 101 to 109.

2. OPERATING INCOME

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Deposit interest income	2	9
Dividend income	27,234	32,772
Securities lending income	179	595
	27,415	33,376

3. NET GAINS/(LOSSES) ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net gains/(losses) on investments in securities held at fair value through profit or loss	12,225	(67,898)
Net gains on futures contracts	436	-
Net gains on other investments	2	11
	12,663	(67,887)

4. OPERATING EXPENSES

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Management fees	(5,950)	(6,987)
	(5,950)	(6,987)

5. MANAGEMENT FEES

Fees earned by the Manager during the year and balances outstanding as at 31 October 2013 and 31 October 2012 are disclosed in note 4 and note 14 respectively.

Please refer to page 101 for each Fund's management fee rate.

The Manager is responsible for discharging, from this fee, all fees of the Investment Manager, the Administrator and the Custodian and any distributing agent appointed by the distributor through whom the shares will be marketed, together with all reasonable out of pocket expenses of such service providers, (including sub-custodial fees and expenses, (which will be at normal commercial rates) and transaction related charges of the Administrator and Custodian). The Manager will also be responsible for discharging from its fee for each share class an attributable proportion of the organisational and operating expenses, including audit and Directors fees, of the Company. The fee will be accrued daily based on the daily net asset value of the share classes and will be paid monthly in arrears. Where the actual fees and costs incurred exceed the amount paid to the Manager, the excess will be discharged by the Manager from its own assets.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of Shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the year were as follows:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
April 2012	-	2,104
October 2012	-	20,131
April 2013	1,195	-
October 2013	13,055	-
	14,250	22,235
Equalisation income	(127)	(1,271)
Equalisation expense	4,316	1,991
	18,439	22,955

7. INTEREST EXPENSE

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Bank interest	(4)	(6)
	(4)	(6)

iShares BRIC 50 UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

8. ADJUSTMENT TO ALIGN TO THE VALUATION METHODOLOGY AS SET OUT IN THE PROSPECTUS

The adjustment between the financial statements net asset value and the valuation methodology set out in the prospectus is shown below:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Balance brought forward	1,045	892
Adjustment to align to the valuation methodology as set out in the prospectus	(439)	153
Total adjustment for the year	(439)	153
Balance carried forward	606	1,045

Further details are set out in the accounting policies note m) on page 58.

9. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the years ended 31 October 2013 and 31 October 2012. Please refer to note 10 on page 103 for further details.

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Transactions costs	471	352

10. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 October 2013 No. of Shares	31 October 2012 No. of Shares
Number of redeemable participating shares:		
Balance at the beginning of year	35,000,000	37,500,000
Issued during the year	3,500,000	6,900,000
Redeemed during the year	(17,000,000)	(9,400,000)
Balance at the end of year	21,500,000	35,000,000

11. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	No. of Shares
Shares in issue	
As at 31 October 2013	21,500,000
As at 31 October 2012	35,000,000
As at 31 October 2011	37,500,000

	\$'000
Net asset value	
As at 31 October 2013	565,282
As at 31 October 2012	895,849
As at 31 October 2011	1,012,007

Net asset value per share	
As at 31 October 2013	\$26.29
As at 31 October 2012	\$25.60
As at 31 October 2011	\$26.99

12. RECEIVABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Dividend income receivable	1,542	1,552
Securities lending income receivable	12	17
Distributions payable held with Registrar*	13,055	20,131
	14,609	21,700

* Further details are set out in note 12 on page 104.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013 \$'000	31 October 2012 \$'000
Financial assets:		
Investment in equities	562,231	892,326
Unrealised gains on futures contracts	41	-
	562,272	892,326

14. PAYABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Management fees payable	(751)	(558)
	(751)	(558)

iShares BRIC 50 UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

15. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the years ended 31 October 2013 and 31 October 2012 other than those disclosed in note 17 on page 105.

16. RELATED PARTIES

The related parties are set out on pages 106 to 108.

17. EFFICIENT PORTFOLIO MANAGEMENT

The Company may, subject to the conditions and within the limits from time to time laid down by the Central Bank of Ireland and the prospectus, engage in securities lending and employ techniques and instruments relating to transferable securities for efficient portfolio management purposes.

During the year the Company engaged in securities lending. The Company receives either cash collateral or securities as collateral, as determined within the schedule, for a value in excess of the market value of the securities loaned. As at the 31 October 2013 the collateral consists of securities admitted to or dealt on a regulated market.

The collateral is registered and held in the name of BlackRock Advisors (UK) Limited on behalf of the Funds in any or all of the following collateral agents and central securities depositories: JP Morgan Chase, Bank of New York Mellon Corporation, Euroclear or CREST, depending on the type of collateral the counterparty needs to give as per the schedule in order to cover the required value of exposure. Further details can be seen on page 81.

The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary.

The securities lending agent appointed pursuant to the stock lending agreement is BlackRock Advisors (UK) Limited. Securities lending income is split between the Fund and the securities lending agent in a ratio of 60:40 in favour of the Fund, with all operational costs borne out of the securities lending agents share.

	31 October 2013 \$'000	31 October 2012 \$'000
Income earned during year	179	595
Value of securities on loan at year end	42,881	69,952
Value of collateral held by the Company at year end	47,617	77,555

Please see note 18 for more information on financial derivative instruments.

18. FINANCIAL DERIVATIVE INSTRUMENTS

The Fund may buy and sell financial derivative instruments. See further details in the Fund's Schedule of Investments and note 3 to the financial statements.

19. SIGNIFICANT EVENTS DURING THE YEAR

Please refer to note 22 on pages 108 and 109.

20. SUBSEQUENT EVENTS

Please refer to note 23 on page 109.

iShares BRIC 50 UCITS ETF

Schedule of investments

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market		
Equities		
Bermuda		
Oil & gas		
1,738,000 Kunlun Energy Co Ltd Com HKD 0.01	2,834	0.50
Total Bermuda	2,834	0.50
Brazil		
Banks		
1,286,348 Banco Bradesco SA ADR NPV	18,536	3.28
580,977 Banco Santander Brasil SA ADR NPV	4,020	0.71
1,534,720 Itau Unibanco Holding SA ADR NPV	23,635	4.18
Brewers		
507,466 Cia de Bebidas das Americas ADR NPV	18,878	3.34
Food products		
533,506 BRF SA ADR NPV	12,489	2.21
Industrial metals & mining		
916,065 Vale SA ADR NPV	14,657	2.59
Integrated oil & gas		
978,458 Petroleo Brasileiro SA ADR NPV	17,035	3.01
Telecommunications		
136,806 Telefonica Brasil SA ADR NPV	3,032	0.54
Total Brazil	112,282	19.86
Cayman Islands		
Healthcare products		
447,500 Hengan International Group Co Ltd Com HKD 0.10	5,466	0.97
Internet		
561,500 Tencent Holdings Ltd Com HKD 0.0001	30,592	5.41
Real estate investment & services		
1,120,000 China Resources Land Ltd Com HKD 0.10	3,243	0.57
Total Cayman Islands	39,301	6.95
Hong Kong		
Electricity		
1,148,000 China Resources Power Holdings Co Ltd Com HKD 1.00	2,999	0.53
Mobile telecommunications		
3,183,000 China Mobile Ltd Com HKD 0.10	33,418	5.91
2,752,000 China Unicom Hong Kong Ltd Com HKD 0.10	4,345	0.77
Oil & gas		
9,833,000 CNOOC Ltd Com HKD 0.02	20,140	3.56

Holding Investment	Fair value \$'000	% of net asset value
Hong Kong (cont)		
Real estate investment & services		
2,496,000 China Overseas Land & Investment Ltd Com HKD 0.10	7,710	1.37
Total Hong Kong	68,612	12.14
India		
Banks		
236,490 HDFC Bank Ltd ADR NPV	8,568	1.52
172,006 ICICI Bank Ltd ADR NPV	6,416	1.13
41,535 State Bank of India GDR NPV	2,411	0.43
Computer services		
350,278 Infosys Ltd ADR NPV	18,582	3.29
334,348 Wipro Ltd ADR NPV	3,705	0.65
Engineering & construction		
549,344 Larsen & Toubro Ltd GDR NPV	8,410	1.49
Total India	48,092	8.51
People's Republic of China		
Auto manufacturers		
1,792,000 Dongfeng Motor Group Co Ltd Com CNY 1.00	2,524	0.45
Banks		
14,097,000 Agricultural Bank of China Ltd Com CNY 1.00	6,782	1.20
46,020,855 Bank of China Ltd Com CNY 1.00	21,547	3.81
4,924,493 Bank of Communications Co Ltd Com CNY 1.00	3,601	0.63
44,104,120 China Construction Bank Corp Com CNY 1.00	34,246	6.06
44,050,515 Industrial & Commercial Bank of China Ltd Com CNY 1.00	30,795	5.45
Coal		
2,078,028 China Shenhua Energy Co Ltd Com CNY 1.00	6,326	1.12
Fixed line telecommunications		
9,898,123 China Telecom Corp Ltd Com CNY 1.00	5,158	0.91
Insurance		
4,550,058 China Life Insurance Co Ltd Com CNY 1.00	12,089	2.14
2,355,000 People's Insurance Co Group of China Ltd Com CNY 1.00	1,109	0.20
1,829,485 PICC Property & Casualty Co Ltd Com CNY 1.00	2,789	0.49
1,167,506 Ping An Insurance Group Co of China Ltd Com CNY 1.00	9,186	1.63

iShares BRIC 50 UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value
People's Republic of China (cont)		
Integrated oil & gas		
15,600,966 China Petroleum & Chemical Corp Com CNY 1.00	12,717	2.25
12,902,165 PetroChina Co Ltd Com CNY 1.00	14,761	2.61
Total People's Republic of China	163,630	28.95
Russian Federation		
Banks		
1,650,019 Sberbank of Russia ADR NPV	21,021	3.72
1,585,042 VTB Bank OJSC GDR NPV	4,405	0.78
Chemicals		
161,580 Uralkali OJSC GDR NPV	4,312	0.76
Food retailers and wholesalers		
170,578 Magnit OJSC GDR NPV	10,960	1.94
Mining		
290,277 MMC Norilsk Nickel OJSC ADR NPV	4,395	0.78
Mobile telecommunications		
56,756 MegaFon OAO GDR NPV	2,055	0.36
315,897 Mobile Telesystems OJSC ADR NPV	7,199	1.27
Oil & gas		
3,474,254 Gazprom OAO ADR NPV	32,483	5.75
295,418 Lukoil OAO ADR NPV	19,335	3.42
40,847 NovaTek OAO GDR NPV	5,727	1.01
712,872 Rosneft OAO GDR NPV	5,621	1.00
436,920 Surgutneftegas OAO ADR NPV	3,860	0.68
148,767 Tatneft OAO ADR NPV	6,107	1.08
Total Russian Federation	127,480	22.55
Total equities	562,231	99.46

Financial derivative instruments

Futures contracts

No. of contracts	Underlying exposure \$'000	Unrealised gain \$'000	% of net asset value
41 MSCI Emerging Markets Mini Index Futures December 2013	2,058	41	0.01
Total unrealised gains on futures contracts		41	0.01
Total value of investments	562,272	99.47	

Holding Investment	Fair value \$'000	% of net asset value
Cash[†]	1,601	0.28
Other net assets	803	0.14
Net assets attributable to redeemable participating shareholders	564,676	99.89
Adjustment to align to the valuation methodology as set out in the prospectus	606	0.11
Net asset value attributable to redeemable participating shareholders at the end of the year	565,282	100.00

[†] Cash holdings of \$1,508,125 are held with State Street Bank and Trust Company. \$93,460 is held as security for futures contracts with Barclays Plc.

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

Analysis of total current assets gross of all liabilities (unaudited)	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	562,231	97.19
Exchange traded financial derivative instruments	41	0.01
Other assets	16,210	2.80
Total current assets	578,482	100.00

iShares BRIC 50 UCITS ETF

Schedule of material purchases and sales

For the year ended 31 October 2013

The 20 largest sales

Holding Investments	Proceeds \$'000
3,705,500 China Mobile Ltd Com HKD 0.10	39,850
40,608,000 China Construction Bank Corp Com CNY 1.00	31,797
436,089 Lukoil OAO ADR NPV	27,364
661,688 Cia de Bebidas das Americas ADR NPV	27,228
39,679,000 Industrial & Commercial Bank of China Ltd Com CNY 1.00	27,183
3,080,903 Gazprom OAO ADR NPV	25,387
49,855,000 Bank of China Ltd Com CNY 1.00	22,561
1,341,551 Itau Unibanco Holding SA ADR NPV	20,934
10,657,000 CNOOC Ltd Com HKD 0.02	20,159
1,154,183 Petroleo Brasileiro SA ADR NPV	19,126
1,519,134 Sberbank of Russia ADR NPV	19,048
1,159,398 Banco Bradesco SA ADR NPV	18,214
951,145 Vale SA ADR NPV	15,739
311,451 Infosys Ltd ADR NPV	14,966
11,890,000 PetroChina Co Ltd Com CNY 1.00	14,602
1,525,500 Ping An Insurance Group Co of China Ltd Com CNY 1.00	11,757
12,150,000 China Petroleum & Chemical Corp Com CNY 1.00	11,573
232,472 Magnit OJSC GDR NPV	11,486
4,207,000 China Life Insurance Co Ltd Com CNY 1.00	11,229
491,191 BRF SA ADR NPV	11,213

The 20 largest purchases

Holding Investments	Cost \$'000
698,400 Tencent Holdings Ltd Com HKD 0.0001	25,781
644,037 Larsen & Toubro Ltd GDR NPV	18,623
370,509 Infosys Ltd ADR NPV	16,030
1,642,786 Gazprom OAO ADR NPV	15,422
16,194,000 Industrial & Commercial Bank of China Ltd Com CNY 1.00	11,282
9,882,000 China Construction Bank Corp Com CNY 1.00	7,826
656,000 China Mobile Ltd Com HKD 0.10	7,463
2,616,000 China Resources Land Ltd Com HKD 0.10	7,103
5,486,000 China Petroleum & Chemical Corp Com CNY 1.00	6,093
523,500 Hengan International Group Co Ltd Com HKD 0.10	6,079
313,600 Itau Unibanco Holding SA ADR NPV	5,070
369,530 Sberbank of Russia ADR NPV	4,608
110,511 Cia de Bebidas das Americas ADR NPV	4,574
263,433 Banco Bradesco SA ADR NPV	4,541
69,648 Lukoil OAO ADR NPV	4,448
1,951,000 CNOOC Ltd Com HKD 0.02	4,120
9,117,000 Bank of China Ltd Com CNY 1.00	3,987
2,904,000 PetroChina Co Ltd Com CNY 1.00	3,958
202,210 Petroleo Brasileiro SA ADR NPV	3,883
1,254,353 VTB Bank OJSC GDR NPV	3,836

The UCITS notices issued by the Central Bank of Ireland require a Schedule of Portfolio changes during the year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the year is available, upon request, at no cost from the Administrator.

iShares Developed Markets Property Yield UCITS ETF

Income statement

For the year ended 31 October 2013

	Notes	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Operating income	2	93,705	64,407
Net gains on financial assets/liabilities at fair value through profit or loss	3	65,857	180,733
Total gains		159,562	245,140
Operating expenses	4	(13,862)	(8,832)
Net operating profit		145,700	236,308
Finance costs:			
Distributions to redeemable participating shareholders	6	(65,820)	(48,333)
Interest expense	7	(10)	(7)
Total finance costs		(65,830)	(48,340)
Net profit for the financial year before tax		79,870	187,968
Non-reclaimable withholding tax		(11,310)	(7,285)
Net profit for the financial year after tax		68,560	180,683
Adjustment to align to the valuation methodology as set out in the prospectus	8	474	852
Increase in net assets attributable to redeemable participating shareholders from operations		69,034	181,535

There are no recognised gains or losses arising in the year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

Statement of changes in net assets attributable to redeemable participating shareholders

For the year ended 31 October 2013

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the year	1,803,211	1,130,574
Increase in net assets attributable to redeemable participating shareholders from operations	69,034	181,535
Share transactions:		
Proceeds from issue of redeemable participating shares	901,588	729,301
Payments on redemption of redeemable participating shares	(393,204)	(238,199)
Increase in net assets resulting from share transactions	508,384	491,102
Net assets attributable to redeemable participating shareholders at the end of the year	2,380,629	1,803,211

The accompanying notes form an integral part of these financial statements.

iShares Developed Markets Property Yield UCITS ETF

Balance sheet

As at 31 October 2013

	Notes	31 October 2013 \$'000	31 October 2012 \$'000
CURRENT ASSETS			
Cash and cash equivalents		2,922	10,693
Receivables	12	26,337	14,385
Financial assets at fair value through profit or loss	13	2,373,816	1,792,093
Total current assets		2,403,075	1,817,171
CURRENT LIABILITIES			
Bank overdraft		(1)	(97)
Payables	14	(7,925)	(4,154)
Distributions payable to redeemable participating shareholders	6	(17,045)	(11,760)
Total current liabilities		(24,971)	(16,011)
Net assets attributable to redeemable participating shareholders		2,378,104	1,801,160
Adjustment to align to the valuation methodology as set out in the prospectus	8	2,525	2,051
Net asset value attributable to redeemable participating shareholders at the end of the year		2,380,629	1,803,211

The accompanying notes form an integral part of these financial statements. Details of the NAV per share are set out in note 11.

iShares Developed Markets Property Yield UCITS ETF

Notes to the financial statements

For the year ended 31 October 2013

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 54 to 58. The financial instruments and risks are set out on pages 59 to 98. The notes relating to tax, soft commissions and exchange rates are set out in the notes on pages 101 to 109.

2. OPERATING INCOME

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Deposit interest income	13	20
Dividend income	93,352	64,156
Securities lending income	340	231
	93,705	64,407

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net gains on investments in securities held at fair value through profit or loss	66,150	180,746
Net losses on other investments	(293)	(13)
	65,857	180,733

4. OPERATING EXPENSES

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Management fees	(13,862)	(8,832)
	(13,862)	(8,832)

5. MANAGEMENT FEES

Fees earned by the Manager during the year and balances outstanding as at 31 October 2013 and 31 October 2012 are disclosed in note 4 and note 14 respectively.

Please refer to page 101 for each Fund's management fee rate.

The Manager is responsible for discharging, from this fee, all fees of the Investment Manager, the Administrator and the Custodian and any distributing agent appointed by the distributor through whom the shares will be marketed, together with all reasonable out of pocket expenses of such service providers, (including sub-custodial fees and expenses, (which will be at normal commercial rates) and transaction related charges of the Administrator and Custodian). The Manager will also be responsible for discharging from its fee for each share class an attributable proportion of the organisational and operating expenses, including audit and Directors fees, of the Company. The fee will be accrued daily based on the daily net asset value of the share classes and will be paid monthly in arrears. Where the actual fees and costs incurred exceed the amount paid to the Manager, the excess will be discharged by the Manager from its own assets.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of Shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the year were as follows:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
January 2012	-	8,899
April 2012	-	12,012
July 2012	-	18,558
October 2012	-	11,760
January 2013	15,313	-
April 2013	16,140	-
July 2013	19,195	-
October 2013	17,045	-
	67,693	51,229
Equalisation income	(3,765)	(3,818)
Equalisation expense	1,892	922
	65,820	48,333

iShares Developed Markets Property Yield UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

7. INTEREST EXPENSE

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Bank interest	(10)	(7)
	(10)	(7)

8. ADJUSTMENT TO ALIGN TO THE VALUATION METHODOLOGY AS SET OUT IN THE PROSPECTUS

The adjustment between the financial statements net asset value and the valuation methodology set out in the prospectus is shown below:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Balance brought forward	2,051	1,199
Adjustment to align to the valuation methodology as set out in the prospectus	474	852
Total adjustment for the year	474	852
Balance carried forward	2,525	2,051

Further details are set out in the accounting policies note m) on page 58.

9. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the years ended 31 October 2013 and 31 October 2012. Please refer to note 10 on page 103 for further details.

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Transactions costs	782	891

10. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 October 2012 No. of Shares	31 October 2013 No. of Shares
Number of redeemable participating shares:		
Balance at the beginning of year	84,600,000	59,400,000
Issued during the year	39,600,000	36,800,000
Redeemed during the year	(18,000,000)	(11,600,000)
Balance at the end of year	106,200,000	84,600,000

11. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	No. of Shares
Shares in issue	
As at 31 October 2013	106,200,000
As at 31 October 2012	84,600,000
As at 31 October 2011	59,400,000

	\$'000
Net asset value	
As at 31 October 2013	2,380,629
As at 31 October 2012	1,803,211
As at 31 October 2011	1,130,574

	\$'000
Net asset value per share	
As at 31 October 2013	\$22.42
As at 31 October 2012	\$21.31
As at 31 October 2011	\$19.03

12. RECEIVABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Sale of securities awaiting settlement	5,030	30
Dividend income receivable	4,048	2,527
Securities lending income receivable	41	5
Tax reclaim receivable	173	54
Distributions payable held with Registrar*	17,045	11,760
Other receivables	-	9
	26,337	14,385

* Further details are set out in note 12 on page 104.

iShares Developed Markets Property Yield UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013 \$'000	31 October 2012 \$'000
Financial assets:		
Investment in equities	2,373,816	1,792,093
	2,373,816	1,792,093

14. PAYABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Redemption of shares awaiting settlement	(4,513)	-
Purchase of securities awaiting settlement	(1,097)	(3,272)
Management fees payable	(2,308)	(882)
Other payables	(7)	-
	(7,925)	(4,154)

15. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the years ended 31 October 2013 and 31 October 2012 other than those disclosed in note 17 on page 105.

16. RELATED PARTIES

The related parties are set out on pages 106 to 108.

17. EFFICIENT PORTFOLIO MANAGEMENT

The Company may, subject to the conditions and within the limits from time to time laid down by the Central Bank of Ireland and the prospectus, engage in securities lending and employ techniques and instruments relating to transferable securities for efficient portfolio management purposes.

During the year the Company engaged in securities lending. The Company receives either cash collateral or securities as collateral, as determined within the schedule, for a value in excess of the market value of the securities loaned. As at the 31 October 2013 the collateral consists of securities admitted to or dealt on a regulated market.

The collateral is registered and held in the name of BlackRock Advisors (UK) Limited on behalf of the Funds in any or all of the following collateral agents and central securities depositories: JP Morgan Chase, Bank of New York Mellon Corporation, Euroclear or CREST, depending on the type of collateral the counterparty needs to give as per the schedule in order to cover the required value of exposure. Further details can be seen on page 81.

The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary.

The securities lending agent appointed pursuant to the stock lending agreement is BlackRock Advisors (UK) Limited. Securities lending income was split equally between the securities lending agent and the Fund until 31 October 2010. With effect from 1 November 2010 the ratio changed to 60:40 in favour of the Fund.

	31 October 2013 \$'000	31 October 2012 \$'000
Income earned during year	340	231
Value of securities on loan at year end	108,873	22,568
Value of collateral held by the Company at year end	135,509	25,614

Please see note 18 for more information on financial derivative instruments.

18. FINANCIAL DERIVATIVE INSTRUMENTS

The Fund may buy and sell financial derivative instruments. See further details in the Fund's Schedule of Investments and note 3 to the financial statements.

19. SIGNIFICANT EVENTS DURING THE YEAR

Please refer to note 22 on pages 108 and 109.

20. SUBSEQUENT EVENTS

Please refer to note 23 on page 109.

iShares Developed Markets Property Yield UCITS ETF

Schedule of investments

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market		
Equities		
Australia		
Real estate investment trusts		
1,593,112 BWP Trust Reits NPV	3,455	0.15
5,034,245 CFS Retail Property Trust Group Reits NPV	9,868	0.41
837,940 Charter Hall Retail REIT NPV	3,198	0.13
5,984,674 Commonwealth Property Office Fund Reits NPV	6,772	0.28
11,352,001 Dexus Property Group Reits NPV	11,610	0.49
3,239,365 Federation Centres Ltd Reits NPV	7,515	0.32
4,366,613 Goodman Group Reits NPV	20,840	0.88
4,009,595 GPT Group Reits NPV	14,011	0.59
2,537,345 GPT Group Unit NPV*	-	0.00
1,456,168 Investa Office Fund Reits NPV	4,288	0.18
9,335,362 Mirvac Group Reits NPV	15,382	0.65
5,876,793 Stockland Reits NPV	22,260	0.93
5,282,078 Westfield Group Reits NPV	54,070	2.27
7,239,418 Westfield Retail Trust Reits NPV	21,183	0.89
Total Australia	194,452	8.17
Austria		
Real estate investment & services		
185,942 CA Immobilien Anlagen AG Com NPV	2,827	0.12
153,820 Conwert Immobilien Invest SE Com NPV	1,914	0.08
Total Austria	4,741	0.20
Belgium		
Real estate investment trusts		
22,411 Aedifica SA Reits NPV	1,523	0.06
41,002 Befimmo Reits NPV	2,934	0.12
43,099 Cofinimmo Reits NPV	5,207	0.22
17,035 Intervest Offices & Warehouses Reits NPV	441	0.02
5,073 Leasinvest Real Estate SCA Reits NPV	500	0.02
27,145 Warehouses De Pauw SCA Reits NPV	2,008	0.09
5,022 Wereldhave Belgium NV Reits NPV	570	0.02
Total Belgium	13,183	0.55
Bermuda		
Real estate investment & services		
2,991,000 Hongkong Land Holdings Ltd Com USD 0.10	18,425	0.77
1,639,000 Kerry Properties Ltd Com HKD 1.00	7,092	0.30
Total Bermuda	25,517	1.07

Holding Investment	Fair value \$'000	% of net asset value
Canada		
Real estate investment & services		
638,215 Brookfield Office Properties Inc Com NPV	11,909	0.50
220,378 Extencicare Inc Com NPV	1,407	0.06
210,576 First Capital Realty Inc Com NPV	3,657	0.15
130,207 Killam Properties Inc Com NPV	1,370	0.06
Real estate investment trusts		
172,981 Allied Properties Real Estate Investment Trust NPV	5,560	0.23
320,641 Artis Real Estate Investment Trust NPV	4,409	0.19
101,258 Boardwalk Real Estate Investment Trust NPV	5,745	0.24
259,029 Calloway Real Estate Investment Trust NPV	6,235	0.26
258,732 Canadian Apartment Properties REIT NPV	5,332	0.22
172,629 Canadian Real Estate Investment Trust NPV	7,027	0.30
439,845 Chartwell Retirement Residences Reits NPV	4,496	0.19
318,213 Cominar Real Estate Investment Trust NPV	5,785	0.24
135,961 Crombie Real Estate Investment Trust NPV	1,722	0.07
241,375 Dundee International Real Estate Investment Trust NPV	2,090	0.09
265,413 Dundee Real Estate Investment Trust NPV	7,355	0.31
119,595 Granite Real Estate Investment Trust NPV	4,142	0.17
683,168 H&R Real Estate Investment Trust NPV	14,131	0.59
218,058 InnVest Real Estate Investment Trust NPV	847	0.04
89,883 Morguard Real Estate Investment Trust NPV	1,457	0.06
81,463 Northern Property Real Estate Investment Trust NPV	2,184	0.09
77,067 NorthWest Healthcare Properties Real Estate Investment Trust NPV	813	0.03
346,065 Pure Industrial Real Estate Trust Reits NPV	1,537	0.07
765,687 RioCan Real Estate Investment Trust NPV	18,686	0.79
Total Canada	117,896	4.95
Cayman Islands		
Real estate investment & services		
3,188,000 Agile Property Holdings Ltd Com HKD 0.10	3,832	0.16
11,155,667 Country Garden Holdings Co Ltd Com HKD 0.10	7,612	0.32

iShares Developed Markets Property Yield UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Cayman Islands (cont)				Guernsey			
Real estate investment & services (cont)				Equity investment instruments			
6,612,000	New World China Land Ltd Com HKD 0.10	3,625	0.15	1,263,416	F&C Commercial Property Trust Ltd Com GBP 0.01	2,379	0.10
3,535,500	Shimao Property Holdings Ltd Com HKD 0.10	8,865	0.37	546,973	F&C UK Real Estate Investment Ltd Com GBP 0.01	683	0.03
7,710,333	Shui On Land Ltd Com USD 0.0025	2,635	0.11	1,038,070	UK Commercial Property Trust Ltd Com GBP 0.25	1,257	0.05
3,924,500	Soho China Ltd Com HKD 0.02	3,442	0.15	Real estate investment & services			
Total Cayman Islands		30,011	1.26	809,090	Medicx Fund Ltd Com NPV	1,037	0.04
Finland				884,104	Picton Property Income Ltd Com NPV	756	0.03
Real estate investment & services				913,769	Schroder Real Estate Investment Trust Ltd Com NPV	708	0.03
585,053	Citycon Oyj Com NPV	2,084	0.09	391,570	Standard Life Investment Property Income Trust Plc Com GBP 0.01	423	0.02
613,547	Sponda Oyj Com NPV	3,186	0.13	Total Guernsey		7,243	0.30
173,172	Technopolis Oyj Com NPV	1,175	0.05	Hong Kong			
Total Finland		6,445	0.27	Diversified industrials			
France				3,858,000	Wharf Holdings Ltd Com HKD 1.00	32,469	1.36
Real estate investment trusts				Real estate investment & services			
14,790	Affine SA Reits NPV	286	0.01	5,689,000	Hang Lung Properties Ltd Com HKD 1.00	18,711	0.79
18,208	ANF Immobilier Reits EUR 1.00	537	0.02	2,625,900	Henderson Land Development Co Ltd Com HKD 2.00	15,546	0.65
85,876	Fonciere Des Regions Reits EUR 3.00	7,359	0.31	1,597,000	Hysan Development Co Ltd Com HKD 5.00	7,405	0.31
46,774	Gecina SA Reits EUR 7.50	6,247	0.26	9,582,000	New World Development Co Ltd Com HKD 1.00	13,274	0.56
79,999	ICADE Reits NPV	7,342	0.31	7,588,000	Sino Land Co Ltd Com HKD 1.00	10,551	0.44
248,772	Klepierre Reits EUR 1.40	11,183	0.47	3,928,000	Sun Hung Kai Properties Ltd Com HKD 0.50	51,373	2.16
105,531	Mercialys SA Reits EUR 1.00	2,275	0.10	2,983,400	Swire Properties Ltd Com HKD 1.00	8,042	0.34
14,207	Societe de la Tour Eiffel Reits EUR 5.00	953	0.04	Real estate investment trusts			
247,814	Unibail-Rodamco SE Reits EUR 5.00	65,005	2.73	6,508,000	Champion REIT NPV	2,896	0.12
Total France		101,187	4.25	5,822,500	Link REIT NPV	29,214	1.23
Germany				Total Hong Kong		189,481	7.96
Real estate investment & services				Israel			
116,923	Deutsche Euroshop AG Com NPV	5,194	0.22	Real estate investment & services			
430,700	Deutsche Wohnen AG Com NPV	8,107	0.34	92,770	Azrieli Group Com ILS 0.10	2,987	0.13
58,689	DIC Asset AG Com NPV	647	0.03	Total Israel		2,987	0.13
128,838	GSW Immobilien AG Com NPV	5,974	0.25	Italy			
86,394	LEG Immobilien AG Com NPV	4,933	0.20	Real estate investment trusts			
315,804	TAG Immobilien AG Com NPV	3,751	0.16	2,100,549	Beni Stabili SpA Reits EUR 0.10	1,431	0.06
Real estate investment trusts				346,105	Immobiliare Grande Distribuzione Reits NPV	413	0.02
172,965	Alstria Office REIT AG NPV	2,202	0.09	Total Italy		1,844	0.08
115,936	Hamborner REIT AG NPV	1,147	0.05				
100,011	Prime Office REIT AG NPV	439	0.02				
Total Germany		32,394	1.36				

iShares Developed Markets Property Yield UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Japan				New Zealand			
Real estate investment trusts				Real estate investment trusts			
469	Activia Properties Inc Reits NPV	4,049	0.17	2,521,011	Kiwi Income Property Trust Reits NPV	2,275	0.10
3,086	Advance Residence Investment Corp Reits NPV	6,951	0.29	Total New Zealand			
781	Daiwa House Residential Investment Corp Reits NPV	3,228	0.14			2,275	0.10
452	Frontier Real Estate Investment Corp Reits NPV	4,510	0.19	Norway			
4,525	GLP J-Reit NPV	4,704	0.20	Real estate investment & services			
358	Industrial & Infrastructure Fund Investment Corp Reits NPV	3,299	0.14	1,328,571	Norwegian Property ASA Com NOK 0.50	1,702	0.07
516	Japan Excellent Inc Reits NPV	3,177	0.13	Total Norway			
418	Japan Logistics Fund Inc Reits NPV	4,320	0.18			1,702	0.07
2,019	Japan Prime Realty Investment Corp Reits NPV	6,678	0.28	Singapore			
1,504	Japan Real Estate Investment Corp Reits NPV	17,200	0.72	Real estate investment & services			
5,886	Japan Retail Fund Investment Corp Reits NPV	11,933	0.50	6,466,000	CapitaLand Ltd Com NPV	16,265	0.68
727	Kenedix Realty Investment Corp Reits NPV	3,260	0.14	1,968,000	Keppel Land Ltd Com NPV	5,886	0.25
584	Mori Hills REIT Investment Corp NPV	4,060	0.17	1,372,000	UOL Group Ltd Com NPV	7,278	0.31
463	Mori Trust Sogo Reit Inc NPV	4,120	0.17	1,134,650	Wing Tai Holdings Ltd Com NPV	2,022	0.08
566	Nippon Accommodations Fund Inc Reits NPV	4,038	0.17	Real estate investment trusts			
1,681	Nippon Building Fund Inc Reits NPV	20,801	0.88	5,016,733	Ascendas Real Estate Investment Trust NPV	9,505	0.40
902	Nomura Real Estate Office Fund Inc Reits NPV	4,450	0.19	4,988,000	CapitaCommercial Trust Reits NPV	5,932	0.25
4,036	Orix JREIT Inc NPV	5,048	0.21	6,611,000	CapitaMall Trust Reits NPV	10,713	0.45
481	Premier Investment Corp Reits NPV	1,968	0.08	1,604,000	CDL Hospitality Trusts Reits NPV	2,147	0.09
468	Tokyu REIT Inc NPV	2,876	0.12	3,298,000	Fortune Real Estate Investment Trust NPV	2,663	0.11
379	Top REIT Inc NPV	1,754	0.07	3,760,000	Keppel REIT NPV	3,653	0.15
6,070	United Urban Investment Corp Reits NPV	9,243	0.39	3,262,000	Mapletree Commercial Trust Reits NPV	3,274	0.14
Total Japan				2,950,000	Mapletree Industrial Trust Reits NPV	3,282	0.14
		131,667	5.53	3,649,160	Mapletree Logistics Trust Reits NPV	3,192	0.14
Netherlands				5,236,000	Suntec Real Estate Investment Trust NPV	7,197	0.30
Real estate investment trusts				Total Singapore			
166,781	Corio NV Reits EUR 10.00	7,286	0.31			83,009	3.49
88,381	Eurocommercial Properties NV Reits EUR 0.50	3,762	0.16	Sweden			
139,415	Nieuwe Steen Investments NV Reits EUR 0.46	1,048	0.04	Real estate holding and development			
48,542	Vastned Retail NV Reits EUR 5.00	2,235	0.09	348,076	Kungsleden AB Com NPV	2,550	0.11
55,282	Wereldhave NV Reits EUR 10.00	4,307	0.18	168,542	Wihlborgs Fastigheter AB Com NPV	2,910	0.12
Total Netherlands				Real estate investment & services			
		18,638	0.78	418,030	Castellum AB Com NPV	6,418	0.27
				330,978	Fabege AB Com NPV	3,816	0.16
				282,722	Hufvudstaden AB Com NPV	3,703	0.15
				207,996	Klovern AB Com SEK 5.00	922	0.04
				Total Sweden			
						20,319	0.85
				Switzerland			
				Real estate investment & services			
				24,382	Allreal Holding AG Com CHF 50.00	3,347	0.14

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Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
Switzerland (cont)			United States (cont)		
Real estate investment & services (cont)			Real estate investment trusts (cont)		
15,701 Mobimo Holding AG Com CHF 29.00	3,289	0.14	162,299 Ashford Hospitality Trust Inc Reits USD 0.01	2,121	0.09
101,475 PSP Swiss Property AG Com CHF 0.10	8,741	0.36	128,435 Associated Estates Realty Corp Reits NPV	1,971	0.08
140,393 Swiss Prime Site AG Com CHF 15.30	10,666	0.45	329,736 AvalonBay Communities Inc Reits USD 0.01	41,233	1.73
Total Switzerland	26,043	1.09	490,125 BioMed Realty Trust Inc Reits USD 0.01	9,768	0.41
United Kingdom			386,492 Boston Properties Inc Reits USD 0.01	40,014	1.68
Real estate investment & services			399,987 Brandywine Realty Trust Reits USD 0.01	5,692	0.24
311,846 Development Securities Plc Com GBP 0.50	1,175	0.05	195,573 BRE Properties Inc Reits USD 0.01	10,676	0.45
253,042 Helical Bar Plc Com GBP 0.01	1,215	0.05	216,330 Camden Property Trust Reits USD 0.01	13,888	0.58
Real estate investment trusts			164,604 Campus Crest Communities Inc Reits USD 0.01	1,648	0.07
327,676 Big Yellow Group Plc Reits GBP 0.10	2,460	0.10	226,549 CapLease Inc Reits USD 0.01	1,926	0.08
2,544,683 British Land Co Plc Reits GBP 0.25	25,409	1.07	433,248 CBL & Associates Properties Inc Reits USD 0.01	8,578	0.36
1,803,437 Hammerson Plc Reits GBP 0.25	15,327	0.64	183,063 Cedar Realty Trust Inc Reits USD 0.06	1,045	0.04
1,628,975 Hansteen Holdings Plc Reits GBP 0.10	2,709	0.11	603,243 Chambers Street Properties Reits USD 0.01	5,622	0.24
1,726,032 Intu Properties Plc Reits GBP 0.50	9,531	0.40	123,859 Chesapeake Lodging Trust Reits USD 0.01	2,921	0.12
1,984,530 Land Securities Group Plc Reits GBP 0.10	31,501	1.32	301,666 Commonwealth REIT USD 0.01	7,352	0.31
1,489,360 Londonmetric Property Plc Reits GBP 0.10	3,087	0.13	209,389 Corporate Office Properties Trust Reits USD 0.01	5,151	0.22
118,596 Mucklow A & J Group Plc Reits GBP 0.25	894	0.04	344,548 CubeSmart Reits USD 0.01	6,295	0.26
239,516 Primary Health Properties Plc Reits GBP 0.50	1,247	0.05	806,716 DCT Industrial Trust Inc Reits USD 0.01	6,260	0.26
477,048 Safestore Holdings Plc Reits GBP 0.01	1,128	0.05	778,590 DDR Corp Reits USD 0.10	13,205	0.55
1,891,199 Segro Plc Reits GBP 0.10	9,911	0.42	497,597 DiamondRock Hospitality Co Reits USD 0.01	5,673	0.24
637,394 Shaftesbury Plc Reits GBP 0.25	6,078	0.26	327,290 Digital Realty Trust Inc Reits USD 0.01	15,595	0.66
266,078 Workspace Group Plc Reits GBP 0.01	2,072	0.09	337,871 Douglas Emmett Inc Reits USD 0.01	8,416	0.35
Total United Kingdom	113,744	4.78	828,815 Duke Realty Corp Reits USD 0.01	13,717	0.58
United States			164,837 DuPont Fabros Technology Inc Reits USD 0.001	4,095	0.17
Real estate investment trusts			77,151 EastGroup Properties Inc Reits NPV	4,912	0.21
140,438 Acadia Realty Trust Reits USD 0.001	3,747	0.16	292,763 Education Realty Trust Inc Reits USD 0.01	2,673	0.11
33,769 Agree Realty Corp Reits USD 0.0001	1,066	0.04	119,948 EPR Properties Reits USD 0.01	6,156	0.26
5,182 Alexander's Inc Reits USD 1.00	1,667	0.07	191,714 Equity Lifestyle Properties Inc Reits USD 0.01	7,279	0.31
182,134 Alexandria Real Estate Equities Inc Reits USD 0.01	11,977	0.50	150,911 Equity One Inc Reits USD 0.01	3,635	0.15
88,860 American Assets Trust Inc Reits USD 0.01	2,958	0.12	908,347 Equity Residential Reits USD 0.01	47,561	2.00
266,805 American Campus Communities Inc Reits USD 0.01	9,221	0.39	96,848 Essex Property Trust Inc Reits USD 0.0001	15,593	0.66
471,464 American Realty Capital Properties Inc Reits USD 0.01	6,256	0.26			
371,126 Apartment Investment & Management Co Reits USD 0.01	10,388	0.44			

iShares Developed Markets Property Yield UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
United States (cont)				United States (cont)			
Real estate investment trusts (cont)				Real estate investment trusts (cont)			
115,875	Excel Trust Inc Reits USD 0.01	1,400	0.06	62,295	National Health Investors Inc Reits USD 0.01	3,899	0.16
266,011	Extra Space Storage Inc Reits USD 0.01	12,234	0.51	309,027	National Retail Properties Inc Reits USD 0.01	10,631	0.45
167,441	Federal Realty Investment Trust Reits USD 0.01	17,337	0.73	296,185	Omega Healthcare Investors Inc Reits USD 0.10	9,845	0.41
280,393	First Industrial Realty Trust Inc Reits USD 0.01	5,067	0.21	110,461	Parkway Properties Inc Reits USD 0.001	2,002	0.08
149,792	First Potomac Realty Trust Reits USD 0.001	1,841	0.08	156,597	Pebblebrook Hotel Trust Reits USD 0.01	4,731	0.20
224,813	Franklin Street Properties Corp Reits USD 0.0001	2,968	0.12	166,818	Pennsylvania Real Estate Investment Trust USD 1.00	3,024	0.13
1,404,674	General Growth Properties Inc Reits USD 0.01	29,793	1.25	424,264	Piedmont Office Realty Trust Inc Reits USD 0.01	7,836	0.33
63,864	Getty Realty Corp Reits USD 0.01	1,225	0.05	138,194	Post Properties Inc Reits USD 0.01	6,321	0.27
369,839	Glimcher Realty Trust Reits USD 0.01	3,791	0.16	1,269,850	Prologis Inc Reits USD 0.01	50,730	2.13
139,598	Government Properties Income Trust Reits USD 0.01	3,410	0.14	46,144	PS Business Parks Inc Reits USD 0.01	3,762	0.16
1,154,283	HCP Inc Reits USD 1.00	47,914	2.01	364,335	Public Storage Reits USD 0.10	60,844	2.56
724,949	Health Care REIT Inc USD 1.00	47,013	1.98	153,957	Ramco-Gershenson Properties Trust Reits USD 0.01	2,503	0.11
244,435	Healthcare Realty Trust Inc Reits USD 0.01	5,869	0.25	498,959	Realty Income Corp Reits USD 1.00	20,772	0.87
439,023	Hersha Hospitality Trust Reits USD 0.01	2,489	0.10	233,585	Regency Centers Corp Reits USD 0.01	12,060	0.51
229,097	Highwoods Properties Inc Reits USD 0.01	8,839	0.37	183,209	Retail Opportunity Investments Corp Reits USD 0.0001	2,711	0.11
144,947	Home Properties Inc Reits USD 0.01	8,743	0.37	312,956	RLJ Lodging Trust Reits USD 0.01	7,905	0.33
356,319	Hospitality Properties Trust Reits USD 0.01	10,465	0.44	58,216	Rouse Properties Inc Reits USD 0.01	1,178	0.05
1,898,122	Host Hotels & Resorts Inc Reits USD 0.01	35,229	1.48	95,179	Sabra Health Care REIT Inc USD 0.01	2,560	0.11
108,432	Hudson Pacific Properties Inc Reits USD 0.01	2,241	0.09	33,129	Saul Centers Inc Reits USD 0.01	1,556	0.07
218,073	Inland Real Estate Corp Reits USD 0.01	2,331	0.10	71,102	Select Income REIT USD 0.01	1,959	0.08
264,026	Investors Real Estate Trust Reits NPV	2,279	0.10	479,522	Senior Housing Properties Trust Reits USD 0.01	11,811	0.50
192,417	Kilroy Realty Corp Reits USD 0.01	10,225	0.43	782,683	Simon Property Group Inc Reits USD 0.0001	121,026	5.08
1,034,370	Kimco Realty Corp Reits USD 0.01	22,208	0.93	80,082	Sovran Self Storage Inc Reits USD 0.01	6,129	0.26
235,841	Kite Realty Group Trust Reits USD 0.01	1,509	0.06	906,160	Spirit Realty Capital Inc Reits USD 0.01	9,478	0.40
243,417	LaSalle Hotel Properties Reits USD 0.01	7,551	0.32	107,660	STAG Industrial Inc Reits USD 0.01	2,253	0.09
552,783	Lexington Realty Trust Reits USD 0.0001	6,473	0.27	87,790	Sun Communities Inc Reits USD 0.01	3,915	0.16
364,313	Liberty Property Trust Reits USD 0.001	13,549	0.57	239,396	Tanger Factory Outlet Centers Reits USD 0.01	8,341	0.35
88,615	LTC Properties Inc Reits USD 0.01	3,496	0.15	162,375	Taubman Centers Inc Reits USD 0.01	10,683	0.45
358,195	Macerich Co Reits USD 0.01	21,216	0.89	637,712	UDR Inc Reits USD 0.01	15,815	0.66
223,884	Mack-Cali Realty Corp Reits USD 0.01	4,603	0.19	32,419	Universal Health Realty Income Trust Reits USD 0.01	1,422	0.06
411,996	Medical Properties Trust Inc Reits USD 0.001	5,377	0.23	60,099	Urstadt Biddle Properties Inc Reits USD 0.01	1,185	0.05
189,859	Mid-America Apartment Communities Inc Reits USD 0.01	12,603	0.53	749,917	Ventas Inc Reits USD 0.25	48,926	2.06
				426,990	Vornado Realty Trust Reits USD 0.04	38,028	1.60

iShares Developed Markets Property Yield UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value
United States (cont)		
Real estate investment trusts (cont)		
168,029 Washington Real Estate Investment Trust USD 0.01	4,404	0.19
277,310 Weingarten Realty Investors Reits USD 0.03	8,796	0.37
76,884 Winthrop Realty Trust Reits USD 1.00	905	0.04
147,701 WP Carey Inc Reits USD 0.001	9,853	0.41
Total United States	1,249,038	52.47
Total equities	2,373,816	99.71
Total value of investments	2,373,816	99.71
Cash[†]	2,921	0.12
Other net assets	1,367	0.06
Net assets attributable to redeemable participating shareholders	2,378,104	99.89
Adjustment to align to the valuation methodology as set out in the prospectus	2,525	0.11
Net asset value attributable to redeemable participating shareholders at the end of the year	2,380,629	100.00

[†] Substantially all cash positions are held with State Street Bank and Trust Company.

* Investments which are less than \$500 have been rounded to zero.

Analysis of total current assets gross of all liabilities (unaudited)	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	2,373,816	98.78
Other assets	29,259	1.22
Total current assets	2,403,075	100.00

iShares Developed Markets Property Yield UCITS ETF

Schedule of material purchases and sales

For the year ended 31 October 2013

The 20 largest sales

Holding Investments	Proceeds \$'000
1,996,000 Sun Hung Kai Properties Ltd Com HKD 0.50	27,135
155,156 Simon Property Group Inc Reits USD 0.0001	24,212
1,736,791 Westfield Group Reits NPV	18,700
2,207,000 Hongkong Land Holdings Ltd Com USD 0.10	15,286
90,132 Public Storage Reits USD 0.10	14,056
187,893 Ventas Inc Reits USD 0.25	12,491
281,165 HCP Inc Reits USD 1.00	12,449
220,598 Equity Residential Reits USD 0.01	12,285
48,388 Unibail-Rodamco SE Reits EUR 5.00	11,558
294,913 Prologis Inc Reits USD 0.01	11,252
135,031 Vornado Realty Trust Reits USD 0.04	11,194
167,619 Health Care REIT Inc USD 1.00	10,849
74,203 AvalonBay Communities Inc Reits USD 0.01	9,870
91,644 Boston Properties Inc Reits USD 0.01	9,796
376,900 Nomura Real Estate Holdings Inc Com NPV	9,268
964,000 Wharf Holdings Ltd Com HKD 1.00	8,350
3,118,000 CapitaLand Ltd Com NPV	8,286
1,272,000 Henderson Land Development Co Ltd Com HKD 2.00	7,937
463,968 Brookfield Office Properties Inc Com NPV	7,777
447,996 Host Hotels & Resorts Inc Reits USD 0.01	7,772

The 20 largest purchases

Holding Investments	Cost \$'000
293,392 Simon Property Group Inc Reits USD 0.0001	47,313
498,055 Equity Residential Reits USD 0.01	28,426
186,619 Public Storage Reits USD 0.10	28,305
200,335 AvalonBay Communities Inc Reits USD 0.01	26,729
1,786,000 Sun Hung Kai Properties Ltd Com HKD 0.50	26,387
536,243 HCP Inc Reits USD 1.00	25,730
2,152,856 Westfield Group Reits NPV	24,513
601,506 Prologis Inc Reits USD 0.01	23,039
348,978 Health Care REIT Inc USD 1.00	22,802
320,342 Ventas Inc Reits USD 0.25	22,572
163,733 Boston Properties Inc Reits USD 0.01	17,413
62,405 Unibail-Rodamco SE Reits EUR 5.00	15,452
741,626 General Growth Properties Inc Reits USD 0.01	15,026
175,377 Vornado Realty Trust Reits USD 0.04	14,486
835,198 Host Hotels & Resorts Inc Reits USD 0.01	14,014
1,626,000 Wharf Holdings Ltd Com HKD 1.00	13,740
2,463,000 Link REIT NPV	13,409
1,258,039 British Land Co Plc Reits GBP 0.25	11,284
836,153 Land Securities Group Plc Reits GBP 0.10	11,162
1,516,000 Hongkong Land Holdings Ltd Com USD 0.10	10,865

The UCITS notices issued by the Central Bank of Ireland require a Schedule of Portfolio changes during the year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the year is available, upon request, at no cost from the Administrator.

iShares Dow Jones Europe Sustainability Screened UCITS ETF

Income statement

For the year ended 31 October 2013

	Notes	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Operating income	2	486	345
Net gains on financial assets/liabilities at fair value through profit or loss	3	2,333	742
Total gains		2,819	1,087
Operating expenses	4	(64)	(40)
Net operating profit		2,755	1,047
Net profit for the financial year before tax		2,755	1,047
Non-reclaimable withholding tax		(71)	(49)
Net profit for the financial year after tax		2,684	998
Adjustment to align to the valuation methodology as set out in the prospectus	7	8	2
Increase in net assets attributable to redeemable participating shareholders from operations		2,692	1,000

There are no recognised gains or losses arising in the year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

Statement of changes in net assets attributable to redeemable participating shareholders

For the year ended 31 October 2013

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Net assets attributable to redeemable participating shareholders at the beginning of the year	7,536	8,775
Increase in net assets attributable to redeemable participating shareholders from operations	2,692	1,000
Share transactions:		
Proceeds from issue of redeemable participating shares	14,132	4,963
Payments on redemption of redeemable participating shares	(2,849)	(7,202)
Increase/(decrease) in net assets resulting from share transactions	11,283	(2,239)
Net assets attributable to redeemable participating shareholders at the end of the year	21,511	7,536

The accompanying notes form an integral part of these financial statements.

iShares Dow Jones Europe Sustainability Screened UCITS ETF

Balance sheet

As at 31 October 2013

	Notes	31 October 2013 €'000	31 October 2012 €'000
CURRENT ASSETS			
Cash and cash equivalents		3,258	16
Margin cash account		11	16
Receivables	11	77	35
Financial assets at fair value through profit or loss	12	21,236	7,486
Total current assets		24,582	7,553
CURRENT LIABILITIES			
Bank overdraft		-	(12)
Payables	13	(3,080)	(5)
Financial liabilities at fair value through profit or loss	12	-	(1)
Total current liabilities		(3,080)	(18)
Net assets attributable to redeemable participating shareholders		21,502	7,535
Adjustment to align to the valuation methodology as set out in the prospectus	7	9	1
Net asset value attributable to redeemable participating shareholders at the end of the year		21,511	7,536

The accompanying notes form an integral part of these financial statements. Details of the NAV per share are set out in note 10.

iShares Dow Jones Europe Sustainability Screened UCITS ETF

Notes to the financial statements

For the year ended 31 October 2013

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 54 to 58. The financial instruments and risks are set out on pages 59 to 98. The notes relating to tax, soft commissions and exchange rates are set out in the notes on pages 101 to 109.

2. OPERATING INCOME

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Dividend income	486	345
	486	345

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Net gains on investments in securities held at fair value through profit or loss	2,302	746
Net gains/(losses) on futures contracts	36	(5)
Net (losses)/gains on other investments	(5)	1
	2,333	742

4. OPERATING EXPENSES

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Management fees	(64)	(40)
	(64)	(40)

5. MANAGEMENT FEES

Fees earned by the Manager during the year and balances outstanding as at 31 October 2013 and 31 October 2012 are disclosed in note 4 and note 13 respectively.

Please refer to page 101 for each Fund's management fee rate.

The Manager is responsible for discharging, from this fee, all fees of the Investment Manager, the Administrator and the Custodian and any distributing agent appointed by the distributor through whom the shares will be marketed, together with all reasonable out of pocket expenses of such service providers, (including sub-custodial fees and expenses, (which will be at normal commercial rates) and transaction related charges of the Administrator and Custodian). The Manager will also be responsible for discharging from its fee for each share class an attributable proportion of the organisational and operating expenses, including audit and Directors fees, of the Company. The fee will be accrued daily based on the daily net asset value of the share classes and will be paid monthly in arrears. Where the actual fees and costs incurred exceed the amount paid to the Manager, the excess will be discharged by the Manager from its own assets.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of Shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

7. ADJUSTMENT TO ALIGN TO THE VALUATION METHODOLOGY AS SET OUT IN THE PROSPECTUS

The adjustment between the financial statements net asset value and the valuation methodology set out in the prospectus is shown below:

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Balance brought forward	1	(1)
Adjustment to align to the valuation methodology as set out in the prospectus	8	2
Total adjustment for the year	8	2
Balance carried forward	9	1

Further details are set out in the accounting policies note m) on page 58.

iShares Dow Jones Europe Sustainability Screened UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

8. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the years ended 31 October 2013 and 31 October 2012. Please refer to note 10 on page 103 for further details.

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Transactions costs	25	13

9. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 October 2013 No. of Shares	31 October 2012 No. of Shares
Number of redeemable participating shares:		
Balance at the beginning of year	300,000	400,000
Issued during the year	500,000	200,000
Redeemed during the year	(100,000)	(300,000)
Balance at the end of year	700,000	300,000

10. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	No. of Shares
Shares in issue	
As at 31 October 2013	700,000
As at 31 October 2012	300,000
As at 31 October 2011	400,000

	€'000
Net asset value	
As at 31 October 2013	21,511
As at 31 October 2012	7,536
As at 31 October 2011	8,775

	€'000
Net asset value per share	
As at 31 October 2013	€30.73
As at 31 October 2012	€25.12
As at 31 October 2011	€21.94

11. RECEIVABLES

	31 October 2013 €'000	31 October 2012 €'000
Sale of securities awaiting settlement	48	9
Dividend income receivable	3	5
Tax reclaim receivable	20	21
Other receivables	6	-
	77	35

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013 €'000	31 October 2012 €'000
Financial assets:		
Investment in equities	21,211	7,478
Investment in rights	12	8
Unrealised gains on futures contracts	13	-
	21,236	7,486

13. PAYABLES

	31 October 2013 €'000	31 October 2012 €'000
Purchase of securities awaiting settlement	(3,068)	-
Management fees payable	(12)	(5)
	(3,080)	(5)

14. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the years ended 31 October 2013 and 31 October 2012 other than those disclosed in note 17 on page 105.

15. RELATED PARTIES

The related parties are set out on pages 106 to 108.

16. FINANCIAL DERIVATIVE INSTRUMENTS

The Fund may buy and sell financial derivative instruments. See further details in the Fund's Schedule of Investments and note 3 to the financial statements.

iShares Dow Jones Europe Sustainability Screened UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

17. SIGNIFICANT EVENTS DURING THE YEAR

Please refer to note 22 on pages 108 and 109.

18. SUBSEQUENT EVENTS

Please refer to note 23 on page 109.

iShares Dow Jones Europe Sustainability Screened UCITS ETF

Schedule of investments

As at 31 October 2013

Holding Investment	Fair value €'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market		
Equities		
Belgium		
Chemicals		
452 Solvay SA Com NPV	52	0.24
Food		
803 Delhaize Group SA Com NPV	38	0.18
Total Belgium	90	0.42
Denmark		
Chemicals		
1,830 Novozymes A/S Com DKK 2.00	53	0.25
Healthcare products		
923 Coloplast A/S Com DKK 1.00	44	0.21
Pharmaceuticals		
3,275 Novo Nordisk A/S Com DKK 1.00	401	1.86
Total Denmark	498	2.32
Finland		
Food		
530 Kesko Oyj Com NPV	13	0.06
Forest products & paper		
4,008 UPM-Kymmene Oyj Com NPV	47	0.22
Industrial machinery		
1,022 Metso Oyj Com NPV	30	0.14
Machinery – diversified		
1,258 Outotec Oyj Com NPV	9	0.04
Telecommunications		
28,587 Nokia Oyj Com NPV	159	0.74
Total Finland	258	1.20
France		
Airlines		
1,188 Air France-KLM Com EUR 1.00	9	0.04
Auto parts & equipment		
1,442 Cie Generale des Etablissements Michelin Com EUR 2.00	111	0.52
Banks		
6,097 Societe Generale SA Com EUR 1.25	255	1.19
Commercial services		
1,535 Edenred Com EUR 2.00	38	0.18
743 Sodexo Com EUR 4.00	53	0.24

Holding Investment	Fair value €'000	% of net asset value
France (cont)		
Electrical components & equipment		
2,008 Legrand SA Com EUR 4.00	84	0.39
4,277 Schneider Electric SA Com EUR 4.00	265	1.23
Electronics		
1,448 Rexel SA Com EUR 5.00	27	0.13
Food		
445 Casino Guichard Perrachon SA Com EUR 1.53	37	0.17
4,527 Danone Com EUR 0.25	247	1.15
Insurance		
14,242 AXA SA Com EUR 2.29	262	1.22
Integrated oil & gas		
18,060 Total SA Com EUR 2.50	816	3.79
Machinery – diversified		
1,705 Alstom SA Com EUR 7.00	47	0.22
Oil equipment & services		
1,387 CGG SA Com EUR 0.40	23	0.11
819 Technip SA Com EUR 0.7625	63	0.29
Real estate investment trusts		
209 Gecina SA Reits EUR 7.50	20	0.09
747 Klepierre Reits EUR 1.40	25	0.12
742 Unibail-Rodamco SE Reits EUR 5.00	143	0.66
Telecommunications		
17,696 Alcatel-Lucent Com EUR 0.05	50	0.23
Water		
2,296 Suez Environnement Co Com EUR 4.00	30	0.14
Total France	2,605	12.11
Germany		
Apparel retailers		
1,597 Adidas AG Com NPV	134	0.62
Auto manufacturers		
2,436 Bayerische Motoren Werke AG Com EUR 1.00	203	0.94
Chemicals		
7,011 BASF SE Com NPV	536	2.49
636 Lanxess AG Com NPV	33	0.16
1,413 Linde AG Com NPV	198	0.92
Diversified financial services		
1,473 Deutsche Boerse AG Com NPV	82	0.38
Electricity		
15,275 E.ON SE Com NPV	206	0.96
3,733 RWE AG Com NPV	101	0.47

iShares Dow Jones Europe Sustainability Screened UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value €'000	% of net asset value	Holding	Investment	Fair value €'000	% of net asset value
Germany (cont)				Jersey			
Engineering & construction				Advertising			
275	Fraport AG Frankfurt Airport Services Worldwide Com NPV	16	0.07	10,187	WPP Plc Com GBP 0.10	159	0.74
110	Hochtief AG Com NPV	7	0.04	Commercial services			
Footwear				7,703	Experian Plc Com USD 0.10	116	0.54
22	Puma SE Com NPV	5	0.02	Mining			
Health care providers				84,430	Glencore Xstrata Plc Com USD 0.01	339	1.57
1,618	Fresenius Medical Care AG & Co KGaA Com NPV	79	0.37	Total Jersey			
Insurance						614	2.85
1,219	Muenchener Rueckversicherungs AG Com NPV	188	0.87	Netherlands			
Miscellaneous manufacturers				Chemicals			
6,052	Siemens AG Com NPV	569	2.65	1,830	Akzo Nobel NV Com EUR 2.00	98	0.45
Nondurable household products				1,385	Koninklijke DSM NV Com EUR 1.50	77	0.36
1,361	Henkel AG & Co KGaA Pref NPV	108	0.50	Commercial services			
Semiconductors				798	Randstad Holding NV Com EUR 0.10	36	0.17
8,246	Infineon Technologies AG Com NPV	59	0.27	Delivery services			
Software				3,483	PostNL NV Com EUR 0.48	14	0.07
7,215	SAP AG Com NPV	417	1.94	Food			
Total Germany				8,099	Koninklijke Ahold NV Com EUR 0.30	113	0.53
		2,941	13.67	13,089	Unilever NV CVS EUR 0.16	382	1.77
Italy				Insurance			
Automobiles				14,513	Aegon NV Com EUR 0.12	85	0.40
6,681	Fiat SpA Com EUR 3.58	39	0.18	29,239	ING Groep NV CVS EUR 0.24	274	1.27
Banks				Machinery – diversified			
106,496	Intesa Sanpaolo SpA Com EUR 0.52	195	0.91	6,979	CNH Industrial NV Com EUR 0.01	61	0.28
41,487	UniCredit SpA Com NPV	229	1.06	Media			
Commercial services				5,189	Reed Elsevier NV Com EUR 0.07	77	0.36
2,374	Atlantia SpA Com EUR 1.00	38	0.18	2,303	Wolters Kluwer NV Com EUR 0.12	46	0.21
Electricity				Oil equipment & services			
49,530	Enel SpA Com EUR 1.00	161	0.74	1,649	SBM Offshore NV Com EUR 0.25	26	0.12
11,083	Terna Rete Elettrica Nazionale SpA Com EUR 0.22	40	0.19	Real estate investment trusts			
Integrated oil & gas				762	Corio NV Reits EUR 10.00	25	0.12
20,529	Eni SpA Com NPV	382	1.78	Semiconductors			
Oil & gas services				3,410	ASML Holding NV Com EUR 0.09	238	1.11
1,993	Saipem SpA Com EUR 1.00	35	0.16	5,003	STMicroelectronics NV Com EUR 1.04	29	0.13
Tyres				Transportation			
1,847	Pirelli & C. SpA Com NPV	19	0.09	3,003	TNT Express NV Com EUR 0.08	20	0.09
Total Italy				Total Netherlands			
		1,138	5.29			1,601	7.44
				Norway			
				Industrial metals & mining			
				7,212	Norsk Hydro ASA Com NOK 1.098	24	0.11

iShares Dow Jones Europe Sustainability Screened UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value €'000	% of net asset value	Holding	Investment	Fair value €'000	% of net asset value
Norway (cont)				Sweden			
Insurance				Commercial vehicles & trucks			
2,399	Storebrand ASA Com NOK 5.00	11	0.05	11,351	Volvo AB Com NPV	107	0.50
Total Norway				Forest products & paper			
		35	0.16	4,713	Svenska Cellulosa AB SCA Com NPV	98	0.46
Portugal				Healthcare products			
Banks				2,632	Elekta AB Com SEK 0.50	29	0.13
17,507	Banco Espirito Santo SA Com NPV	17	0.08	Household goods & home construction			
Electricity				1,763	Electrolux AB Com NPV	32	0.15
18,423	EDP - Energias de Portugal SA Com EUR 1.00	50	0.23	Machinery – diversified			
Integrated oil & gas				4,934	Atlas Copco AB Com NPV	101	0.47
1,708	Galp Energia SGPS SA Com EUR 1.00	21	0.10	Total Sweden			
Total Portugal						367	1.71
		88	0.41	Switzerland			
Spain				Banks			
Apparel retailers				10,709	Credit Suisse Group AG Com CHF 0.04	246	1.14
1,714	Inditex SA Com EUR 0.15	207	0.96	27,487	UBS AG Com CHF 0.10	392	1.83
Banks				Building materials and fixtures			
44,230	Banco Bilbao Vizcaya Argentaria SA Com EUR 0.49	381	1.77	289	Geberit AG Com CHF 0.10	64	0.30
85,902	Banco Santander SA Com EUR 0.50	562	2.61	1,747	Holcim Ltd Com CHF 2.00	96	0.44
9,381	CaixaBank Com EUR 1.00	36	0.17	Commercial services			
Commercial services				1,185	Adecco SA Com CHF 1.00	64	0.30
2,809	Abertis Infraestructuras SA Com EUR 3.00	44	0.20	Engineering & construction			
Electricity				16,358	ABB Ltd Com CHF 1.03	308	1.43
671	Endesa SA Com EUR 1.20	15	0.07	Food products			
36,751	Iberdrola SA Com EUR 0.75	170	0.79	24,618	Nestle SA Com CHF 0.10	1,310	6.09
Engineering & construction				Insurance			
3,197	Ferrovial SA Com EUR 0.20	45	0.21	2,603	Swiss Re AG Com CHF 0.10	168	0.78
Gas distribution				Pharmaceuticals			
2,673	Gas Natural SDG SA Com EUR 1.00	47	0.22	20,658	Novartis AG Com CHF 0.50	1,182	5.49
Heavy construction				5,363	Roche Holding AG Com NPV	1,094	5.09
1,340	ACS Actividades de Construcción y Servicios SA Com EUR 0.50	32	0.15	Specialty chemicals			
439	Fomento de Construcciones y Contratas SA Com EUR 1.00	8	0.04	2,153	Clariant AG Com CHF 3.70	28	0.13
Insurance				Total Switzerland			
5,162	Mapfre SA Com EUR 0.10	15	0.07			4,952	23.02
Integrated oil & gas				United Kingdom			
6,286	Repsol SA Com EUR 1.00	124	0.58	Banks			
Software				113,151	Barclays Plc Com GBP 0.25	353	1.64
3,246	Amadeus IT Holding SA Com EUR 0.01	89	0.41	15,157	Royal Bank of Scotland Group Plc Com GBP 1.00	66	0.31
Total Spain				14,976	Standard Chartered Plc Com USD 0.50	265	1.23
		1,775	8.25				

iShares Dow Jones Europe Sustainability Screened UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

		Fair value	% of net			Fair value	% of net
Holding Investment		€'000	asset value	Holding Investment		€'000	asset value
United Kingdom (cont)				United Kingdom (cont)			
Broadline retailers				Nondurable household products			
12,271	Marks & Spencer Group Plc Com GBP 0.25	73	0.34	5,004	Reckitt Benckiser Group Plc Com GBP 0.10	287	1.33
Commercial services				Pharmaceuticals			
4,991	Capita Plc Com GBP 0.020667	58	0.27	9,530	AstraZeneca Plc Com USD 0.25	373	1.73
14,374	Rentokil Initial Plc Com GBP 0.01	18	0.08	Real estate investment trusts			
Containers & packaging				7,616	British Land Co Plc Reits GBP 0.25	56	0.26
6,028	Rexam Plc Com GBP 0.7142857	37	0.17	5,955	Land Securities Group Plc Reits GBP 0.10	69	0.32
Diversified financial services				Restaurants & bars			
4,175	Investec Plc Com GBP 0.0002	21	0.10	14,072	Compass Group Plc Com GBP 0.10	149	0.69
1,268	London Stock Exchange Group Plc Com GBP 0.06918605	25	0.12	Specialty finance			
15,158	Man Group Plc Com USD 0.03428571	16	0.07	7,695	3i Group Plc Com GBP 0.738636	34	0.16
1,094	Provident Financial Plc Com GBP 0.2072727	20	0.09	Water			
873	Schroders Plc Com GBP 1.00	27	0.13	5,205	United Utilities Group Plc Com GBP 0.05	43	0.20
Electronics				Total United Kingdom			
2,616	Premier Farnell Plc Com GBP 0.05	7	0.03	4,249 19.75			
Food				Total equities			
9,941	J Sainsbury Plc Com GBP 0.285714	46	0.21	21,211 98.60			
9,210	Unilever Plc Com GBP 0.0311	275	1.28	Rights			
Gas distribution				Spain			
27,770	National Grid Plc Com GBP 0.1139535	257	1.20	73,233	Banco Santander SA - Rights 1 November 2013	12	0.06
Healthcare products				Total Spain			
6,854	Smith & Nephew Plc Com USD 0.20	65	0.30	12 0.06			
Home builders				Total rights			
928	Bellway Plc Com GBP 0.125	16	0.08	12 0.06			
Home construction				Financial derivative instruments			
2,399	Persimmon Plc Com GBP 0.10	36	0.17	Futures contracts			
25,545	Taylor Wimpey Plc Com GBP 0.01	33	0.15				
Insurance							
22,276	Aviva Plc Com GBP 0.25	118	0.55				
17,998	Standard Life Plc Com GBP 0.10	75	0.35				
Integrated oil & gas							
2,320	AMEC Plc Com GBP 0.50	32	0.15				
25,932	BG Group Plc Com GBP 0.10	390	1.81				
Media							
6,231	Pearson Plc Com GBP 0.25	96	0.45				
9,173	Reed Elsevier Plc Com GBP 0.144397	95	0.44				
Mining							
16,122	BHP Billiton Plc Com USD 0.50	368	1.71				
9,372	Rio Tinto Plc Com GBP 0.10	350	1.63				

iShares Dow Jones Europe Sustainability Screened UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

Holding Investment	Fair value €'000	% of net asset value
Net assets attributable to redeemable participating shareholders	21,502	99.96
Adjustment to align to the valuation methodology as set out in the prospectus	9	0.04
Net asset value attributable to redeemable participating shareholders at the end of the year	21,511	100.00

† Cash holdings of €3,257,735 are held with State Street Bank and Trust Company. €11,180 is held as security for futures contracts with Barclays Plc.

Analysis of total current assets gross of all liabilities (unaudited)	Fair value €'000	% of total current assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	21,223	86.34
Exchange traded financial derivative instruments	13	0.05
Other assets	3,346	13.61
Total current assets	24,582	100.00

iShares Dow Jones Europe Sustainability Screened UCITS ETF

Schedule of material purchases and sales

For the year ended 31 October 2013

The 20 largest sales

Holding Investments	Proceeds €'000
5,606 Bayer AG Com NPV	489
286,177 Lloyds Banking Group Plc Com GBP 0.10	257
4,405 Nestle SA Com CHF 0.10	218
3,701 Novartis AG Com CHF 0.50	204
999 Zurich Insurance Group AG Com CHF 0.10	190
965 Roche Holding AG Com NPV	184
6,608 Koninklijke Philips NV Com EUR 0.20	160
3,264 Total SA Com EUR 2.50	138
1,303 Siemens AG Com NPV	108
4,898 CRH Plc Com EUR 0.32	86
1,240 BASF SE Com NPV	84
15,014 Banco Santander SA Com EUR 0.50	83
633 Novo Nordisk A/S Com DKK 1.00	81
16,067 Kingfisher Plc Com GBP 0.157143	75
6,186 DNB ASA Com NOK 10.00	75
6,559 ArcelorMittal Com NPV	68
1,190 SAP AG Com NPV	67
2,312 Unilever NV CVS EUR 0.16	67
4,584 BG Group Plc Com GBP 0.10	67
1,262 Lafarge SA Com EUR 4.00	66

The 20 largest purchases

Holding Investments	Cost €'000
18,123 Nestle SA Com CHF 0.10	931
15,212 Novartis AG Com CHF 0.50	809
3,953 Roche Holding AG Com NPV	708
13,387 Total SA Com EUR 2.50	549
27,487 UBS AG Com CHF 0.10	420
68,098 Banco Santander SA Com EUR 0.50	408
4,542 Siemens AG Com NPV	386
5,146 BASF SE Com NPV	373
5,253 SAP AG Com NPV	310
2,431 Novo Nordisk A/S Com DKK 1.00	309
9,606 Unilever NV CVS EUR 0.16	285
11,834 BHP Billiton Plc Com USD 0.50	279
15,068 Eni SpA Com NPV	273
5,004 Reckitt Benckiser Group Plc Com GBP 0.10	272
70,332 Glencore Xstrata Plc Com USD 0.01	269
6,996 AstraZeneca Plc Com USD 0.25	266
19,034 BG Group Plc Com GBP 0.10	262
6,879 Rio Tinto Plc Com GBP 0.10	260
29,239 ING Groep NV CVS EUR 0.24	254
27,770 National Grid Plc Com GBP 0.1139535	251

The UCITS notices issued by the Central Bank of Ireland require a Schedule of Portfolio changes during the year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the year is available, upon request, at no cost from the Administrator.

iShares Dow Jones Global Sustainability Screened UCITS ETF

Income statement

For the year ended 31 October 2013

	Notes	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Operating income	2	1,665	1,357
Net gains on financial assets/liabilities at fair value through profit or loss	3	11,486	2,701
Total gains		13,151	4,058
Operating expenses	4	(355)	(247)
Net operating profit		12,796	3,811
Finance costs:			
Interest expense	7	(3)	(1)
Total finance costs		(3)	(1)
Net profit for the financial year before tax		12,793	3,810
Non-reclaimable withholding tax		(210)	(172)
Net profit for the financial year after tax		12,583	3,638
Adjustment to align to the valuation methodology as set out in the prospectus	8	20	10
Increase in net assets attributable to redeemable participating shareholders from operations		12,603	3,648

There are no recognised gains or losses arising in the year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

Statement of changes in net assets attributable to redeemable participating shareholders

For the year ended 31 October 2013

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the year	38,754	27,528
Increase in net assets attributable to redeemable participating shareholders from operations	12,603	3,648
Share transactions:		
Proceeds from issue of redeemable participating shares	59,944	65,497
Payments on redemption of redeemable participating shares	(9,627)	(57,919)
Increase in net assets resulting from share transactions	50,317	7,578
Net assets attributable to redeemable participating shareholders at the end of the year	101,674	38,754

The accompanying notes form an integral part of these financial statements.

iShares Dow Jones Global Sustainability Screened UCITS ETF

Balance sheet

As at 31 October 2013

	Notes	31 October 2013 \$'000	31 October 2012 \$'000
CURRENT ASSETS			
Cash and cash equivalents		207	91
Receivables	12	233	220
Financial assets at fair value through profit or loss	13	101,472	38,738
Total current assets		101,912	39,049
CURRENT LIABILITIES			
Bank overdraft		(10)	(284)
Payables	14	(262)	(25)
Total current liabilities		(272)	(309)
Net assets attributable to redeemable participating shareholders		101,640	38,740
Adjustment to align to the valuation methodology as set out in the prospectus	8	34	14
Net asset value attributable to redeemable participating shareholders at the end of the year		101,674	38,754

The accompanying notes form an integral part of these financial statements. Details of the NAV per share are set out in note 11.

iShares Dow Jones Global Sustainability Screened UCITS ETF

Notes to the financial statements

For the year ended 31 October 2013

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 54 to 58. The financial instruments and risks are set out on pages 59 to 98. The notes relating to tax, soft commissions and exchange rates are set out in the notes on pages 101 to 109.

2. OPERATING INCOME

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Dividend income	1,665	1,357
	1,665	1,357

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net gains on investments in securities held at fair value through profit or loss	11,486	2,705
Net losses on other investments	-	(4)
	11,486	2,701

4. OPERATING EXPENSES

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Management fees	(355)	(247)
	(355)	(247)

5. MANAGEMENT FEES

Fees earned by the Manager during the year and balances outstanding as at 31 October 2013 and 31 October 2012 are disclosed in note 4 and note 14 respectively.

Please refer to page 101 for each Fund's management fee rate.

The Manager is responsible for discharging, from this fee, all fees of the Investment Manager, the Administrator and the Custodian and any distributing agent appointed by the distributor through whom the shares will be marketed, together with all reasonable out of pocket expenses of such service providers, (including sub-custodial fees and expenses, (which will be at normal commercial rates) and transaction related charges of the Administrator and Custodian).

The Manager will also be responsible for discharging from its fee for each share class an attributable proportion of the organisational and operating expenses, including audit and Directors fees, of the Company. The fee will be accrued daily based on the daily net asset value of the share classes and will be paid monthly in arrears. Where the actual fees and costs incurred exceed the amount paid to the Manager, the excess will be discharged by the Manager from its own assets.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of Shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

7. INTEREST EXPENSE

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Bank interest	(3)	(1)
	(3)	(1)

8. ADJUSTMENT TO ALIGN TO THE VALUATION METHODOLOGY AS SET OUT IN THE PROSPECTUS

The adjustment between the financial statements net asset value and the valuation methodology set out in the prospectus is shown below:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Balance brought forward	14	4
Adjustment to align to the valuation methodology as set out in the prospectus	20	10
Total adjustment for the year	20	10
Balance carried forward	34	14

Further details are set out in the accounting policies note m) on page 58.

iShares Dow Jones Global Sustainability Screened UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

9. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the years ended 31 October 2013 and 31 October 2012. Please refer to note 10 on page 103 for further details.

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Transactions costs	60	72

10. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 October 2013 No. of Shares	31 October 2012 No. of Shares
Number of redeemable participating shares:		
Balance at the beginning of year	1,600,000	1,200,000
Issued during the year	2,200,000	2,800,000
Redeemed during the year	(400,000)	(2,400,000)
Balance at the end of year	3,400,000	1,600,000

11. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	No. of Shares
Shares in issue	
As at 31 October 2013	3,400,000
As at 31 October 2012	1,600,000
As at 31 October 2011	1,200,000

	\$'000
Net asset value	
As at 31 October 2013	101,674
As at 31 October 2012	38,754
As at 31 October 2011	27,528

Net asset value per share	
As at 31 October 2013	\$29.90
As at 31 October 2012	\$24.22
As at 31 October 2011	\$22.94

12. RECEIVABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Sale of securities awaiting settlement	86	112
Dividend income receivable	120	79
Tax reclaim receivable	27	29
	233	220

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013 \$'000	31 October 2012 \$'000
Financial assets:		
Investment in equities	101,454	38,729
Investment in rights	18	9
	101,472	38,738

14. PAYABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Purchase of securities awaiting settlement	(166)	-
Management fees payable	(96)	(24)
Interest payable	-	(1)
	(262)	(25)

15. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the years ended 31 October 2013 and 31 October 2012 other than those disclosed in note 17 on page 105.

16. RELATED PARTIES

The related parties are set out on pages 106 to 108.

17. FINANCIAL DERIVATIVE INSTRUMENTS

The Fund may buy and sell financial derivative instruments. See further details in the Fund's Schedule of Investments and note 3 to the financial statements.

18. SIGNIFICANT EVENTS DURING THE YEAR

Please refer to note 22 on pages 108 and 109.

19. SUBSEQUENT EVENTS

Please refer to note 23 on page 109.

iShares Dow Jones Global Sustainability Screened UCITS ETF

Schedule of investments

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market		
Equities		
Australia		
Banks		
20,141 Australia & New Zealand Banking Group Ltd Com NPV	645	0.64
11,893 Commonwealth Bank of Australia Com NPV	857	0.84
16,456 National Australia Bank Ltd Com NPV	550	0.54
23,133 Westpac Banking Corp Com NPV	751	0.74
Commercial services		
7,528 Brambles Ltd Com NPV	66	0.07
13,847 Transurban Group Misc NPV	93	0.09
Containers & packaging		
5,302 Amcor Ltd Com NPV	55	0.05
Electricity		
6,187 AGL Energy Ltd Com NPV	91	0.09
Insurance		
21,981 Insurance Australia Group Ltd Com NPV	129	0.13
Mining		
23,609 BHP Billiton Ltd Com NPV	842	0.83
3,679 Rio Tinto Ltd Com NPV	223	0.22
Oil & gas		
6,832 Santos Ltd Com NPV	98	0.10
5,092 Woodside Petroleum Ltd Com NPV	187	0.18
Real estate investment & services		
6,610 Lend Lease Group Misc NPV	71	0.07
Real estate investment trusts		
16,880 CFS Retail Property Trust Group Reits NPV	33	0.03
64,579 Dexs Property Group Reits NPV	66	0.07
18,681 GPT Group Reits NPV	65	0.06
19,597 Mirvac Group Reits NPV	33	0.03
24,358 Stockland Reits NPV	92	0.09
Total Australia	4,947	4.87

Holding Investment	Fair value \$'000	% of net asset value
Belgium		
Chemicals		
441 Solvay SA Com NPV	69	0.07
Food		
768 Delhaize Group SA Com NPV	49	0.05
Total Belgium	118	0.12
Bermuda		
Textile		
54,000 Li & Fung Ltd Com HKD 0.0125	76	0.07
Total Bermuda	76	0.07
Brazil		
Banks		
16,920 Banco Bradesco SA Pref NPV	246	0.24
10,200 Banco do Brasil SA Com NPV	135	0.14
19,030 Itau Unibanco Holding SA Pref NPV	296	0.29
Electricity		
4,026 Cia Energetica de Minas Gerais Pref BRL 5.00	36	0.03
Food		
4,300 BRF SA Com NPV	102	0.10
Industrial metals & mining		
15,200 Vale SA Pref NPV	225	0.22
Oil & gas		
32,300 Petroleo Brasileiro SA Pref NPV	296	0.29
Specialty finance		
28,454 Itausa - Investimentos Itau SA Pref NPV	123	0.12
Total Brazil	1,459	1.43
Canada		
Banks		
4,897 Bank of Montreal Com NPV	341	0.34
9,033 Bank of Nova Scotia Com NPV	549	0.54
3,147 Canadian Imperial Bank of Commerce Com NPV	267	0.26
10,617 Royal Bank of Canada Com NPV	713	0.70
6,814 Toronto-Dominion Bank Com NPV	625	0.61

iShares Dow Jones Global Sustainability Screened UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value
Canada (cont)		
Clothing & accessories		
650 Gildan Activewear Inc Com NPV	31	0.03
Electricity		
1,975 TransAlta Corp Com NPV	26	0.03
Fixed line telecommunications		
946 Telus Corp Com NPV	33	0.03
Gold mining		
1,479 Agnico Eagle Mines Ltd Com NPV	44	0.04
7,644 Barrick Gold Corp Com NPV	148	0.15
6,049 Goldcorp Inc Com NPV	154	0.15
9,272 Kinross Gold Corp Com NPV	47	0.05
Insurance		
13,539 Manulife Financial Corp Com NPV	240	0.23
4,433 Sun Life Financial Inc Com NPV	149	0.15
Mining		
3,873 Teck Resources Ltd Com NPV	104	0.10
Miscellaneous manufacturers		
12,863 Bombardier Inc Com NPV	58	0.06
Oil & gas		
5,557 Cenovus Energy Inc Com NPV	165	0.16
5,794 Encana Corp Com NPV	104	0.10
1,596 Pacific Rubiales Energy Corp Com NPV	33	0.03
12,047 Suncor Energy Inc Com NPV	437	0.43
8,018 Talisman Energy Inc Com NPV	100	0.10
Pipelines		
5,946 Enbridge Inc Com NPV	258	0.25
5,538 TransCanada Corp Com NPV	249	0.25
Railroads		
3,329 Canadian National Railway Co Com NPV	366	0.36
Retail		
763 Canadian Tire Corp Ltd Com NPV	71	0.07
1,172 Tim Hortons Inc Com NPV	70	0.07
Specialty chemicals		
6,237 Potash Corp of Saskatchewan Inc Com NPV	194	0.19
Total Canada	5,576	5.48

Holding Investment	Fair value \$'000	% of net asset value
Colombia		
Banks		
1,650 Bancolombia SA ADR NPV	93	0.09
Oil & gas		
2,567 Ecopetrol SA ADR NPV	121	0.12
Total Colombia	214	0.21
Curacao		
Oil & gas services		
10,039 Schlumberger Ltd Com USD 0.01	941	0.93
Total Curacao	941	0.93
Denmark		
Banks		
4,601 Danske Bank A/S Com DKK 10.00	108	0.11
Chemicals		
2,477 Novozymes A/S Com DKK 2.00	97	0.09
Electrical components & equipment		
1,989 Vestas Wind Systems A/S Com DKK 1.00	53	0.05
Healthcare products		
870 Coloplast A/S Com DKK 1.00	57	0.06
Pharmaceuticals		
3,248 Novo Nordisk A/S Com DKK 1.00	541	0.53
Total Denmark	856	0.84
Finland		
Electricity		
3,737 Fortum Oyj Com EUR 3.40	83	0.08
Food		
505 Kesko Oyj Com NPV	17	0.02
Forest products & paper		
3,907 UPM-Kymmene Oyj Com NPV	62	0.06
Industrial machinery		
1,309 Metso Oyj Com NPV	52	0.05
1,069 Wartsila Oyj Abp Com NPV	47	0.05
Telecommunications		
29,373 Nokia Oyj Com NPV	223	0.22
Total Finland	484	0.48

iShares Dow Jones Global Sustainability Screened UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
	France				France (cont)		
	Auto parts				Real estate investment trusts (cont)		
642	Valeo SA Com EUR 3.00	64	0.06	745	Klepierre Reits EUR 1.40	33	0.03
	Auto parts & equipment			664	Unibail-Rodamco SE Reits EUR 5.00	174	0.17
1,394	Cie Generale des Etablissements Michelin Com EUR 2.00	146	0.14		Software		
	Banks			486	Dassault Systemes SA Com EUR 1.00	59	0.06
7,763	BNP Paribas SA Com EUR 2.00	576	0.57		Telecommunications		
5,794	Societe Generale SA Com EUR 1.25	329	0.32	19,910	Alcatel-Lucent Com EUR 2.00	76	0.07
	Building materials and fixtures				Water		
1,683	Lafarge SA Com EUR 4.00	117	0.11	2,176	Suez Environnement Co Com EUR 4.00	38	0.04
	Chemicals				Total France	6,308	6.20
2,324	Air Liquide SA Com EUR 5.50	317	0.31				
	Commercial services				Germany		
1,033	Sodexo Com EUR 4.00	100	0.10		Apparel retailers		
	Electrical components & equipment			1,577	Adidas AG Com NPV	180	0.18
1,734	Legrand SA Com EUR 4.00	99	0.10		Auto manufacturers		
4,285	Schneider Electric SA Com EUR 4.00	361	0.35	2,502	Bayerische Motoren Werke AG Com EUR 1.00	284	0.28
	Electricity			7,375	Daimler AG Com NPV	605	0.59
11,807	GDF Suez Com EUR 1.00	294	0.29		Chemicals		
	Engineering & construction			6,884	BASF SE Com NPV	715	0.71
4,242	Vinci SA Com EUR 2.50	272	0.27	614	Lanxess AG Com NPV	43	0.04
	Food			1,343	Linde AG Com NPV	256	0.25
411	Casino Guichard Perrachon SA Com EUR 1.53	47	0.05		Diversified financial services		
4,959	Danone Com EUR 0.25	368	0.36	1,666	Deutsche Boerse AG Com NPV	126	0.12
	Healthcare products				Electricity		
1,836	Essilor International SA Com EUR 0.18	197	0.19	15,590	E.ON SE Com NPV	285	0.28
	Insurance			3,486	RWE AG Com NPV	129	0.13
14,451	AXA SA Com EUR 2.29	361	0.36		Food retailers and wholesalers		
	Integrated oil & gas			1,104	Metro AG Com NPV	52	0.05
17,528	Total SA Com EUR 2.50	1,077	1.06		Health care providers		
	Machinery — diversified			1,649	Fresenius Medical Care AG & Co KGaA Com NPV	109	0.11
1,734	Alstom SA Com EUR 7.00	65	0.06		Insurance		
	Oil equipment & services			1,203	Muenchener Rueckversicherungs AG Com NPV	252	0.25
1,237	CGG SA Com EUR 0.40	27	0.03		Miscellaneous manufacturers		
883	Technip SA Com EUR 0.7625	93	0.09	6,200	Siemens AG Com NPV	792	0.78
	Pharmaceuticals				Nondurable household products		
9,203	Sanofi Com EUR 2.00	983	0.97	1,328	Henkel AG & Co KGaA Pref NPV	144	0.14
	Real estate investment trusts				Pharmaceuticals		
405	Fonciere Des Regions Reits EUR 3.00	35	0.04	6,153	Bayer AG Com NPV	764	0.75

iShares Dow Jones Global Sustainability Screened UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

		Fair value \$'000	% of net asset value			Fair value \$'000	% of net asset value
Holding Investment				Holding Investment			
	Germany (cont)				Ireland (cont)		
	Semiconductors				Computers		
8,592	Infineon Technologies AG Com NPV	83	0.08	4,990	Accenture Plc Com USD 0.0000225	367	0.36
	Software				Miscellaneous manufacturers		
6,931	SAP AG Com NPV	545	0.54	2,648	Ingersoll-Rand Plc Com USD 1.00	179	0.18
	Transportation				Total Ireland	699	0.69
7,053	Deutsche Post AG Com NPV	238	0.23				
	Total Germany	5,602	5.51		Italy		
	Guernsey				Automobiles		
	Insurance			6,407	Fiat SpA Com EUR 3.58	50	0.05
10,690	Resolution Ltd Com NPV	61	0.06		Banks		
	Total Guernsey	61	0.06	109,756	Intesa Sanpaolo SpA Com EUR 0.52	273	0.27
				43,125	UniCredit SpA Com NPV	324	0.32
	Hong Kong				Commercial services		
	Diversified financial services			3,766	Atlantia SpA Com EUR 1.00	83	0.08
3,500	Hong Kong Exchanges and Clearing Ltd Com HKD 1.00	57	0.06		Electricity		
	Diversified industrials			51,534	Enel SpA Com EUR 1.00	228	0.22
2,500	Swire Pacific Ltd Com HKD 0.60	29	0.03		Gas distribution		
	Mobile telecommunications			15,947	Snam SpA Com NPV	82	0.08
41,000	China Mobile Ltd Com HKD 0.10	430	0.42		Insurance		
	Real estate investment & services			11,211	Assicurazioni Generali SpA Com EUR 1.00	263	0.26
19,019	Hang Lung Properties Ltd Com HKD 1.00	63	0.06		Integrated oil & gas		
15,000	Hysan Development Co Ltd Com HKD 5.00	69	0.07	20,363	Eni SpA Com NPV	515	0.51
	Real estate investment trusts				Oil & gas services		
24,000	Link REIT NPV	120	0.12	2,127	Saipem SpA Com EUR 1.00	50	0.05
	Transportation				Total Italy	1,868	1.84
8,000	MTR Corp Ltd Com HKD 1.00	31	0.03				
	Total Hong Kong	799	0.79		Japan		
					Automobiles		
	India			17,900	Nissan Motor Co Ltd Com NPV	179	0.18
	Computer services			22,200	Toyota Motor Corp Com NPV	1,437	1.41
5,910	Infosys Ltd ADR NPV	314	0.31		Building materials and fixtures		
3,185	Wipro Ltd ADR NPV	35	0.03	15,000	Asahi Glass Co Ltd Com NPV	93	0.09
	Total India	349	0.34	2,000	TOTO Ltd Com NPV	28	0.03
					Computers		
	Ireland			1,000	NTT Data Corp Com NPV	33	0.03
	Building materials and fixtures			1,600	TDK Corp Com NPV	68	0.07
6,271	CRH Plc Com EUR 0.32	153	0.15		Diversified financial services		
				17,000	Daiwa Securities Group Inc Com NPV	154	0.15
				28,900	Nomura Holdings Inc Com NPV	213	0.21
					Electrical components & equipment		
				34,000	Hitachi Ltd Com NPV	237	0.23

iShares Dow Jones Global Sustainability Screened UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
	Japan (cont)				Japan (cont)		
	Electronics				Personal products		
1,700	Ibiden Co Ltd Com NPV	29	0.03	2,900	Kao Corp Com NPV	96	0.10
34,000	NEC Corp Com NPV	76	0.08	2,000	Shiseido Co Ltd Com NPV	34	0.03
1,700	Omron Corp Com NPV	65	0.06		Pharmaceuticals		
34,000	Toshiba Corp Com NPV	144	0.14	5,400	Takeda Pharmaceutical Co Ltd Com NPV	256	0.25
	Food products				Property & casualty insurance		
5,500	Seven & I Holdings Co Ltd Com NPV	203	0.20	3,600	MS&AD Insurance Group Holdings Com NPV	93	0.09
	Gas distribution			3,300	NKSJ Holdings Inc Com NPV	85	0.08
15,000	Osaka Gas Co Ltd Com NPV	63	0.06	5,200	Tokio Marine Holdings Inc Com NPV	169	0.17
	Home construction				Publishing		
4,000	Daiwa House Industry Co Ltd Com NPV	80	0.08	5,000	Dai Nippon Printing Co Ltd Com NPV	52	0.05
3,000	Sekisui Chemical Co Ltd Com NPV	35	0.03		Real estate investment & services		
	Home furnishings			10,443	Mitsubishi Estate Co Ltd Com NPV	298	0.29
17,000	Panasonic Corp Com NPV	171	0.17	3,000	Tokyu Fudosan Holdings Corp Com NPV	29	0.03
8,500	Sony Corp Com NPV	162	0.16		Textile		
	Industrial suppliers			16,000	Toray Industries Inc Com NPV	100	0.10
13,600	ITOCHU Corp Com NPV	163	0.16		Transportation		
11,900	Mitsubishi Corp Com NPV	240	0.24	9,000	Mitsui OSK Lines Ltd Com NPV	38	0.04
15,200	Mitsui & Co Ltd Com NPV	217	0.21		Tyres		
	Insurance			5,100	Bridgestone Corp Com NPV	174	0.17
7,100	Dai-ichi Life Insurance Co Ltd Com NPV	101	0.10		Total Japan	6,381	6.28
6,800	T&D Holdings Inc Com NPV	81	0.08				
	Machinery, construction & mining				Jersey		
6,900	Komatsu Ltd Com NPV	150	0.15		Advertising		
	Medical equipment			10,905	WPP Plc Com GBP 0.10	232	0.23
500	Sysmex Corp Com NPV	33	0.03		Commercial services		
	Metal fabricate/ hardware			8,948	Experian Plc Com USD 0.10	182	0.18
3,000	NSK Ltd Com NPV	32	0.03		Mining		
	Mining			82,687	Glencore Xstrata Plc Com USD 0.01	452	0.44
9,000	Mitsubishi Materials Corp Com NPV	35	0.04		Total Jersey	866	0.85
	Miscellaneous manufacturers						
5,200	FUJIFILM Holdings Corp Com NPV	127	0.12		Netherlands		
8,000	Konica Minolta Inc Com NPV	66	0.07		Chemicals		
	Office & business equipment			1,836	Akzo Nobel NV Com EUR 2.00	134	0.13
5,000	Ricoh Co Ltd Com NPV	52	0.05	1,462	Koninklijke DSM NV Com EUR 1.50	111	0.11
	Oil & gas				Commercial services		
7,700	Inpex Corp Com NPV	89	0.09	1,019	Randstad Holding NV Com EUR 0.10	63	0.06
20,400	JX Holdings Inc Com NPV	101	0.10				

iShares Dow Jones Global Sustainability Screened UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Netherlands (cont)				Republic of South Korea (cont)			
Delivery services				Broadline retailers			
3,532	PostNL NV Com EUR 0.48	19	0.02	120	Lotte Shopping Co Ltd Com KRW 5000.00	45	0.04
Electronics				Chemicals			
7,695	Koninklijke Philips NV Com EUR 0.20	273	0.27	391	LG Chem Ltd Com KRW 5000.00	110	0.11
Food				Diversified financial services			
9,578	Koninklijke Ahold NV Com EUR 0.30	182	0.18	467	Samsung Securities Co Ltd Com KRW 5000.00	21	0.02
12,199	Unilever NV CVS EUR 0.16	484	0.48	3,540	Shinhan Financial Group Co Ltd Com KRW 5000.00	154	0.15
Insurance				Electronic equipment			
13,212	Aegon NV Com EUR 0.12	105	0.10	1,290	LG Display Co Ltd Com KRW 5000.00	30	0.03
30,255	ING Groep NV CVS EUR 0.24	386	0.38	834	LG Electronics Inc Com KRW 5000.00	54	0.05
Machinery – diversified				510	Samsung Electro-Mechanics Co Ltd Com KRW 5000.00	39	0.04
6,678	CNH Industrial NV Com EUR 0.01	79	0.08	323	Samsung SDI Co Ltd Com KRW 5000.00	54	0.05
Media				Heavy construction			
7,002	Reed Elsevier NV Com EUR 0.07	141	0.14	444	GS Engineering & Construction Corp Com KRW 5000.00	15	0.02
3,213	Wolters Kluwer NV Com EUR 0.12	87	0.08	900	Hyundai Engineering & Construction Co Ltd Com KRW 5000.00	52	0.05
Oil equipment & services				Industrial metals & mining			
1,522	SBM Offshore NV Com EUR 0.25	32	0.03	578	Hyundai Steel Co Com KRW 5000.00	48	0.05
Semiconductors				Insurance			
3,122	ASML Holding NV Com EUR 0.09	297	0.29	796	Samsung Life Insurance Co Ltd Com KRW 500.00	78	0.08
5,351	STMicroelectronics NV Com EUR 1.04	41	0.04	Marine transportation			
Transportation				1,390	Samsung Heavy Industries Co Ltd Com KRW 5000.00	51	0.05
3,891	TNT Express NV Com EUR 0.08	36	0.04	Oil & gas			
Total Netherlands		2,470	2.43	493	S-Oil Corp Com KRW 2500.00	36	0.04
Norway				Personal products			
Banks				51	Amorepacific Corp Com KRW 5000.00	42	0.04
8,728	DNB ASA Com NOK 10.00	155	0.15	60	LG Household & Health Care Ltd Com KRW 5000.00	31	0.03
Oil & gas				Property & casualty insurance			
7,764	Statoil ASA Com NOK 2.50	184	0.18	370	Samsung Fire & Marine Insurance Co Ltd Com KRW 500.00	87	0.08
Total Norway		339	0.33	Semiconductors			
Portugal				899	Samsung Electronics Co Ltd Com KRW 5000.00	1,242	1.22
Banks				4,760	SK Hynix Inc Com KRW 5000.00	143	0.14
29,414	Banco Espirito Santo SA Com NPV	39	0.04	Total Republic of South Korea		2,490	2.45
Electricity							
26,443	EDP - Energias de Portugal SA Com EUR 1.00	97	0.09				
Total Portugal		136	0.13				
Republic of South Korea							
Auto parts & equipment							
560	Hyundai Mobis Com KRW 5000.00	158	0.16				

iShares Dow Jones Global Sustainability Screened UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
	Singapore				Spain (cont)		
	Holding companies - diversified operations				Electricity		
10,000	Keppel Corp Ltd Com NPV	88	0.09	633	Endesa SA Com EUR 1.20	19	0.02
	Real estate investment & services			35,961	Iberdrola SA Com EUR 0.75	226	0.22
33,000	CapitaLand Ltd Com NPV	83	0.08	1,376	Red Electrica Corp SA Com EUR 2.00	86	0.08
	Total Singapore	171	0.17		Engineering & construction		
	South Africa			4,754	Ferrovial SA Com EUR 0.20	91	0.09
	Banks				Gas distribution		
1,458	Nedbank Group Ltd Com ZAR 1.00	32	0.03	2,838	Gas Natural SDG SA Com EUR 1.00	67	0.07
12,175	Standard Bank Group Ltd Com ZAR 0.10	154	0.15		Heavy construction		
	Broadline retailers			1,920	ACS Actividades de Construcción y Servicios SA Com EUR 0.50	63	0.06
4,818	Woolworths Holdings Ltd Com ZAR 0.0015	36	0.04		Insurance		
	Chemicals			4,600	Mapfre SA Com EUR 0.10	19	0.02
3,788	Sasol Ltd Com NPV	194	0.19		Integrated oil & gas		
	Diversified financial services			6,492	Repsol SA Com EUR 1.00	174	0.17
4,746	Investec Ltd Com ZAR 0.0002	34	0.03		Software		
	Insurance			2,887	Amadeus IT Holding SA Com EUR 0.01	107	0.11
13,057	Sanlam Ltd Com ZAR 0.01	70	0.07		Total Spain	2,581	2.54
	Mining				Sweden		
663	Anglo American Platinum Ltd Com ZAR 0.10	27	0.03		Apparel retailers		
3,504	AngloGold Ashanti Ltd Com ZAR 0.25	53	0.05	7,475	Hennes & Mauritz AB Com NPV	324	0.32
7,002	Gold Fields Ltd Com ZAR 0.50	33	0.03		Banks		
	Total South Africa	633	0.62	12,790	Skandinaviska Enskilda Banken AB Com NPV	155	0.15
	Spain			7,407	Swedbank AB Com NPV	194	0.19
	Apparel retailers				Commercial vehicles & trucks		
1,666	Inditex SA Com EUR 0.15	274	0.27	10,125	Volvo AB Com NPV	130	0.13
	Banks				Hand & machine tools		
41,516	Banco Bilbao Vizcaya Argentaria SA Com EUR 0.49	487	0.48	8,427	Sandvik AB Com NPV	114	0.11
33,541	Banco de Sabadell SA Com EUR 0.125	86	0.08		Healthcare products		
82,621	Banco Santander SA Com EUR 0.50	734	0.72	2,975	Elekta AB Com SEK 0.50	44	0.04
27,811	Bankia SA Com EUR 1.00	42	0.04		Household goods & home construction		
9,294	CaixaBank Com EUR 1.00	48	0.05	2,263	Electrolux AB Com NPV	56	0.06
	Commercial services				Machinery – diversified		
2,703	Abertis Infraestructuras SA Com EUR 3.00	58	0.06	5,160	Atlas Copco AB Com NPV	143	0.14
					Telecommunications		
				23,439	Telefonaktiebolaget LM Ericsson Com NPV	280	0.28
					Total Sweden	1,440	1.42

iShares Dow Jones Global Sustainability Screened UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Switzerland				Taiwan (cont)			
Banks				Semiconductors			
11,194	Credit Suisse Group AG Com CHF 0.04	349	0.34	30,000	Advanced Semiconductor Engineering Inc Com TWD 10.00	30	0.03
27,453	UBS AG Com CHF 0.10	532	0.53	137,000	Taiwan Semiconductor Manufacturing Co Ltd Com TWD 10.00	508	0.50
Building materials and fixtures				102,000	United Microelectronics Corp Com TWD 10.00	43	0.04
1,701	Holcim Ltd Com CHF 2.00	127	0.13	Total Taiwan		789	0.78
Commercial services				Thailand			
968	Adecco SA Com CHF 1.00	71	0.07	Chemicals			
51	SGS SA Com CHF 1.00	120	0.12	13,600	PTT Global Chemical PCL Receipt THB 10.00	34	0.03
Electronic equipment				Holding companies - diversified operations			
2,024	TE Connectivity Ltd Com CHF 0.57	104	0.10	5,100	Siam Cement PCL Receipt THB 1.00	70	0.07
Engineering & construction				Oil & gas			
15,965	ABB Ltd Com CHF 1.03	408	0.40	7,000	PTT PCL Receipt THB 10.00	71	0.07
Food products				Total Thailand		175	0.17
24,358	Nestle SA Com CHF 0.10	1,762	1.73	United Kingdom			
Healthcare products				Banks			
442	Sonova Holding AG Com CHF 0.05	58	0.06	118,452	Barclays Plc Com GBP 0.25	501	0.49
Insurance				140,782	HSBC Holdings Plc Com USD 0.50	1,543	1.52
2,529	Swiss Re AG Com CHF 0.10	223	0.22	314,560	Lloyds Banking Group Plc Com GBP 0.10	392	0.39
1,156	Zurich Insurance Group AG Com CHF 0.10	320	0.31	14,052	Royal Bank of Scotland Group Plc Com GBP 1.00	83	0.08
Pharmaceuticals				14,876	Standard Chartered Plc Com USD 0.50	358	0.35
519	Actelion Ltd Com CHF 0.50	40	0.04	Broadline retailers			
20,295	Novartis AG Com CHF 0.50	1,579	1.55	14,010	Marks & Spencer Group Plc Com GBP 0.25	113	0.11
5,247	Roche Holding AG Com NPV	1,456	1.43	Commercial services			
Specialty chemicals				6,203	Capita Plc Com GBP 0.020667	98	0.10
1,819	Clariant AG Com CHF 3.70	32	0.03	Food			
747	Syngenta AG Com CHF 0.10	302	0.30	12,284	J Sainsbury Plc Com GBP 0.285714	78	0.08
Total Switzerland		7,483	7.36	56,439	Tesco Plc Com GBP 0.05	330	0.32
Taiwan				8,989	Unilever Plc Com GBP 0.0311	365	0.36
Computer hardware				Gas distribution			
16,074	Lite-On Technology Corp Com TWD 10.00	28	0.03	29,863	National Grid Plc Com GBP 0.1139535	376	0.37
Electrical components & equipment							
17,000	Delta Electronics Inc Com TWD 10.00	88	0.09				
Electronics							
82,000	AU Optronics Corp Com TWD 10.00	27	0.03				
Iron & steel							
75,000	China Steel Corp Com TWD 10.00	65	0.06				

iShares Dow Jones Global Sustainability Screened UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
United Kingdom (cont)				United States			
Healthcare products				Airlines			
7,610	Smith & Nephew Plc Com USD 0.20	97	0.10	6,644	Delta Air Lines Inc Com USD 0.0001	175	0.17
Insurance				Apparel retailers			
23,030	Aviva Plc Com GBP 0.25	166	0.17	3,011	Gap Inc Com USD 0.05	112	0.11
50,344	Legal & General Group Plc Com GBP 0.025	175	0.17	5,640	Nike Inc Com NPV	427	0.42
28,828	RSA Insurance Group Plc Com GBP 0.275	60	0.06	Auto parts & equipment			
21,964	Standard Life Plc Com GBP 0.10	124	0.12	5,143	Johnson Controls Inc Com USD 0.01388	237	0.23
Integrated oil & gas				Banks			
3,147	AMEC Plc Com GBP 0.50	60	0.06	77,975	Bank of America Corp Com USD 0.01	1,089	1.07
25,856	BG Group Plc Com GBP 0.10	529	0.52	7,533	Bank of New York Mellon Corp Com USD 0.01	240	0.24
26,781	Royal Dutch Shell Plc Com EUR 0.07	893	0.88	22,716	Citigroup Inc Com USD 0.01	1,108	1.09
Media				27,487	JPMorgan Chase & Co Com USD 1.00	1,417	1.39
35,945	ITV Plc Com GBP 0.10	110	0.11	10,869	Morgan Stanley Com USD 0.01	312	0.31
5,233	Pearson Plc Com GBP 0.25	110	0.10	1,582	Northern Trust Corp Com USD 1.667	89	0.09
11,468	Reed Elsevier Plc Com GBP 0.144397	161	0.16	Beverages			
Mining				2,057	Coca-Cola Enterprises Inc Com USD 0.01	86	0.09
16,015	BHP Billiton Plc Com USD 0.50	497	0.49	11,243	PepsiCo Inc Com USD 0.017	945	0.93
9,151	Rio Tinto Plc Com GBP 0.10	464	0.45	Biotechnology			
Miscellaneous manufacturers				5,754	Amgen Inc Com USD 0.0001	667	0.66
3,941	Invensys Plc Com GBP 0.125	32	0.03	1,887	Biogen Idec Inc Com USD 0.0005	461	0.45
Nondurable household products				1,581	Life Technologies Corp Com USD 0.01	119	0.12
4,805	Reckitt Benckiser Group Plc Com GBP 0.10	374	0.37	Broadline retailers			
Pharmaceuticals				3,621	Macy's Inc Com USD 0.01	167	0.16
10,087	AstraZeneca Plc Com USD 0.25	536	0.53	4,361	Target Corp Com USD 0.0833	283	0.28
37,424	GlaxoSmithKline Plc Com GBP 0.25	988	0.97	Chemicals			
Real estate investment trusts				1,564	Air Products & Chemicals Inc Com USD 1.00	171	0.17
8,887	British Land Co Plc Reits GBP 0.25	89	0.09	8,871	Dow Chemical Co Com USD 2.50	350	0.34
3,893	Hammerson Plc Reits GBP 0.25	33	0.03	6,815	El du Pont de Nemours & Co Com USD 0.30	417	0.41
9,238	Intu Properties Plc Reits GBP 0.50	51	0.05	2,382	Praxair Inc Com USD 0.01	297	0.29
7,815	Land Securities Group Plc Reits GBP 0.10	124	0.12	Commercial services			
Restaurants & bars				3,062	H&R Block Inc Com NPV	87	0.09
16,049	Compass Group Plc Com GBP 0.10	231	0.23	402	Manpowergroup Inc Com USD 0.01	32	0.03
Specialty finance				Computers			
7,342	3i Group Plc Com GBP 0.738636	44	0.04	15,087	EMC Corp Com USD 0.01	363	0.36
Water				14,451	Hewlett-Packard Co Com USD 0.01	353	0.35
8,173	United Utilities Group Plc Com GBP 0.05	93	0.09	7,691	International Business Machines Corp Com USD 0.20	1,379	1.35
Total United Kingdom		10,278	10.11				

iShares Dow Jones Global Sustainability Screened UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
	United States (cont)				United States (cont)		
	Computers (cont)				Integrated oil & gas		
1,547	Teradata Corp Com USD 0.01	68	0.07	14,431	Chevron Corp Com USD 0.75	1,732	1.70
	Diversified financial services			2,228	Hess Corp Com USD 1.00	181	0.18
3,461	State Street Corp Com USD 1.00	242	0.24		Internet		
	Electricity			677	Rackspace Hosting Inc Com USD 0.001	35	0.03
5,234	Duke Energy Corp Com USD 0.001	376	0.37	6,610	Symantec Corp Com USD 0.01	150	0.15
1,257	Entergy Corp Com USD 0.01	81	0.08		Investment services		
6,576	Exelon Corp Com NPV	188	0.18	1,906	NYSE Euronext Com USD 0.01	84	0.08
3,096	NextEra Energy Inc Com USD 0.01	263	0.26		Iron & steel		
3,282	PG&E Corp Com NPV	137	0.14	1,139	Cliffs Natural Resources Inc Com USD 0.125	29	0.03
3,480	Xcel Energy Inc Com USD 2.50	100	0.10		Machinery – diversified		
	Environmental control			4,860	Caterpillar Inc Com USD 1.00	405	0.40
3,246	Waste Management Inc Com USD 0.01	141	0.14		Media		
	Food			2,665	McGraw Hill Financial Inc Com USD 1.00	186	0.18
1,649	Campbell Soup Co Com USD 0.0375	70	0.07	12,702	Walt Disney Co Com USD 0.01	871	0.86
2,648	ConAgra Foods Inc Com USD 5.00	84	0.08		Mining		
5,044	General Mills Inc Com USD 0.10	255	0.25	3,771	Newmont Mining Corp Com USD 1.60	103	0.10
1,091	Hershey Co Com USD 1.00	108	0.11		Oil & gas		
1,121	Hormel Foods Corp Com USD 0.0586	49	0.05	9,051	ConocoPhillips Com USD 0.01	664	0.65
14,571	Mondelez International Inc Com NPV	490	0.48		Oil & gas services		
3,316	Safeway Inc Com USD 0.01	116	0.11	3,278	Baker Hughes Inc Com USD 1.00	191	0.19
	Gas			7,036	Halliburton Co Com USD 2.50	373	0.36
1,678	Sempra Energy Com NPV	153	0.15		Personal products		
	Health care providers			6,663	Colgate-Palmolive Co Com USD 1.00	431	0.42
1,411	Humana Inc Com USD 0.166	130	0.13		Pharmaceuticals		
1,292	Quest Diagnostics Inc Com USD 0.01	78	0.07	11,622	Abbott Laboratories Com NPV	425	0.42
8,002	UnitedHealth Group Inc Com USD 0.01	546	0.54	11,622	AbbVie Inc Com USD 0.01	563	0.55
2,409	WellPoint Inc Com USD 0.01	204	0.20	2,035	Allergan Inc Com USD 0.01	184	0.18
	Healthcare products			12,855	Bristol-Myers Squibb Co Com USD 0.10	675	0.66
4,568	Baxter International Inc Com USD 1.00	301	0.30	2,872	Cardinal Health Inc Com NPV	169	0.17
1,768	Becton Dickinson and Co Com USD 1.00	186	0.18	21,232	Johnson & Johnson Com USD 1.00	1,967	1.94
7,554	Medtronic Inc Com USD 0.10	433	0.43	22,340	Merck & Co Inc Com USD 0.50	1,008	0.99
	Home furnishings				Pipelines		
713	Whirlpool Corp Com USD 1.00	104	0.10	5,267	Spectra Energy Corp Com USD 0.001	187	0.18
	Insurance				Railroads		
3,246	Hartford Financial Services Group Inc Com USD 0.01	109	0.11	6,353	CSX Corp Com USD 1.00	166	0.16

iShares Dow Jones Global Sustainability Screened UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value		Fair value \$'000	% of net asset value
	United States (cont)			Total value of investments	101,472	99.80
	Real estate investment trusts			Cash[†]	197	0.19
2,646	HCP Inc Reits USD 1.00	110	0.11	Other net liabilities	(29)	(0.02)
4,771	Prologis Inc Reits USD 0.01	190	0.19	Net assets attributable to redeemable participating shareholders	101,640	99.97
3,904	Weyerhaeuser Co Reits USD 1.25	119	0.11	Adjustment to align to the valuation methodology as set out in the prospectus	34	0.03
	Restaurants & bars			Net asset value attributable to redeemable participating shareholders at the end of the year	101,674	100.00
7,592	McDonald's Corp Com USD 0.01	733	0.72			
5,177	Starbucks Corp Com USD 0.001	419	0.41			
	Semiconductors					
4,805	Advanced Micro Devices Inc Com USD 0.01	16	0.02			
38,030	Intel Corp Com USD 0.001	929	0.91			
	Software					
2,023	Autodesk Inc Com USD 0.01	81	0.08			
2,468	Intuit Inc Com USD 0.01	176	0.18			
55,819	Microsoft Corp Com USD 0.00000625	1,973	1.93			
25,855	Oracle Corp Com USD 0.01	866	0.85			
	Specialty retailers					
2,127	Best Buy Co Inc Com USD 0.10	91	0.09			
6,015	Staples Inc Com USD 0.0006	97	0.10			
	Telecommunications					
41,008	Cisco Systems Inc Com USD 0.001	923	0.91			
2,614	Motorola Solutions Inc Com USD 0.01	164	0.16			
5,850	Sprint Corp Com USD 0.01	39	0.04			
	Transportation					
1,835	FedEx Corp Com USD 0.10	241	0.24			
5,334	United Parcel Service Inc Com USD 0.01	524	0.51			
	Total United States	34,865	34.28			
	Total equities	101,454	99.78			
	Rights					
	Spain					
82,621	Banco Santander SA - Rights 1 November 2013	18	0.02			
	Total Spain	18	0.02			
	Total rights	18	0.02			

[†] Substantially all cash positions are held with State Street Bank and Trust Company.

Analysis of total current assets gross of all liabilities (unaudited)	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	101,472	99.57
Other assets	440	0.43
Total current assets	101,912	100.00

iShares Dow Jones Global Sustainability Screened UCITS ETF

Schedule of material purchases and sales

For the year ended 31 October 2013

The 20 largest sales

Holding Investments	Proceeds \$'000
21,368 Procter & Gamble Co Com NPV	1,669
3,306 Goldman Sachs Group Inc Com USD 0.01	544
3,129 Kimberly-Clark Corp Com USD 1.25	294
5,522 Kraft Foods Group Inc Com NPV	292
8,412 Freeport-McMoRan Copper & Gold Inc Com USD 0.10	290
3,400 East Japan Railway Co Com NPV	286
4,800 Phillips 66 Com USD 0.01	272
2,264 Chevron Corp Com USD 0.75	251
5,400 Denso Corp Com NPV	249
1,263 International Business Machines Corp Com USD 0.20	240
699 POSCO Com KRW 5000.00	212
126 NTT DoCoMo Inc Com NPV	202
2,071 Ecolab Inc Com USD 1.00	197
13,000 Kubota Corp Com NPV	196
6,546 Microsoft Corp Com USD 0.00000625	190
2,856 Nestle SA Com CHF 0.10	180
3,484 Cie de St-Gobain Com EUR 4.00	174
2,379 Johnson & Johnson Com USD 1.00	167
2,585 Aetna Inc Com USD 0.01	161
15,955 HSBC Holdings Plc Com USD 0.50	156

The 20 largest purchases

Holding Investments	Cost \$'000
27,487 JPMorgan Chase & Co Com USD 1.00	1,450
36,099 Microsoft Corp Com USD 0.00000625	1,204
14,065 Johnson & Johnson Com USD 1.00	1,178
9,666 Chevron Corp Com USD 0.75	1,160
77,975 Bank of America Corp Com USD 0.01	1,125
15,753 Nestle SA Com CHF 0.10	1,067
5,184 International Business Machines Corp Com USD 0.20	1,047
92,712 HSBC Holdings Plc Com USD 0.50	1,007
13,127 Novartis AG Com CHF 0.50	942
11,870 Procter & Gamble Co Com NPV	917
26,781 Royal Dutch Shell Plc Com EUR 0.07	891
25,855 Oracle Corp Com USD 0.01	878
14,300 Toyota Motor Corp Com NPV	843
3,394 Roche Holding AG Com NPV	828
582 Samsung Electronics Co Ltd Com KRW 5000.00	742
15,229 Citigroup Inc Com USD 0.01	730
14,447 Merck & Co Inc Com USD 0.50	678
5,953 Sanofi Com EUR 2.00	621
24,203 GlaxoSmithKline Plc Com GBP 0.25	616
26,520 Cisco Systems Inc Com USD 0.001	610

The UCITS notices issued by the Central Bank of Ireland require a Schedule of Portfolio changes during the year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the year is available, upon request, at no cost from the Administrator.

iShares Emerging Market Infrastructure UCITS ETF

Income statement

For the year ended 31 October 2013

	Notes	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Operating income	2	4,532	3,434
Net gains on financial assets/liabilities at fair value through profit or loss	3	6,152	6,367
Total gains		10,684	9,801
Operating expenses	4	(883)	(766)
Net operating profit		9,801	9,035
Finance costs:			
Distributions to redeemable participating shareholders	6	(3,382)	(2,398)
Interest expense	7	-	(3)
Total finance costs		(3,382)	(2,401)
Net profit for the financial year before tax		6,419	6,634
Non-reclaimable withholding tax		(266)	(206)
Net profit for the financial year after tax		6,153	6,428
Adjustment to align to the valuation methodology as set out in the prospectus	8	125	(100)
Increase in net assets attributable to redeemable participating shareholders from operations		6,278	6,328

There are no recognised gains or losses arising in the year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

Statement of changes in net assets attributable to redeemable participating shareholders

For the year ended 31 October 2013

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the year	95,983	113,368
Increase in net assets attributable to redeemable participating shareholders from operations	6,278	6,328
Share transactions:		
Proceeds from issue of redeemable participating shares	38,393	14,999
Payments on redemption of redeemable participating shares	(11,784)	(38,712)
Increase/(decrease) in net assets resulting from share transactions	26,609	(23,713)
Net assets attributable to redeemable participating shareholders at the end of the year	128,870	95,983

The accompanying notes form an integral part of these financial statements.

iShares Emerging Market Infrastructure UCITS ETF

Balance sheet

As at 31 October 2013

	Notes	31 October 2013 \$'000	31 October 2012 \$'000
CURRENT ASSETS			
Cash and cash equivalents		971	516
Receivables	12	3,023	2,612
Financial assets at fair value through profit or loss	13	127,315	94,864
Total current assets		131,309	97,992
CURRENT LIABILITIES			
Bank overdraft		-	(2)
Payables	14	(158)	(61)
Distributions payable to redeemable participating shareholders	6	(2,599)	(2,139)
Total current liabilities		(2,757)	(2,202)
Net assets attributable to redeemable participating shareholders		128,552	95,790
Adjustment to align to the valuation methodology as set out in the prospectus	8	318	193
Net asset value attributable to redeemable participating shareholders at the end of the year		128,870	95,983

The accompanying notes form an integral part of these financial statements. Details of the NAV per share are set out in note 11.

iShares Emerging Market Infrastructure UCITS ETF

Notes to the financial statements

For the year ended 31 October 2013

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 54 to 58. The financial instruments and risks are set out on pages 59 to 98. The notes relating to tax, soft commissions and exchange rates are set out in the notes on pages 101 to 109.

2. OPERATING INCOME

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Deposit interest income	-	1
Dividend income	4,504	3,424
Securities lending income	28	9
	4,532	3,434

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net gains on investments in securities held at fair value through profit or loss	6,212	6,403
Net losses on other investments	(60)	(36)
	6,152	6,367

4. OPERATING EXPENSES

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Management fees	(883)	(766)
	(883)	(766)

5. MANAGEMENT FEES

Fees earned by the Manager during the year and balances outstanding as at 31 October 2013 and 31 October 2012 are disclosed in note 4 and note 14 respectively.

Please refer to page 101 for each Fund's management fee rate.

The Manager is responsible for discharging, from this fee, all fees of the Investment Manager, the Administrator and the Custodian and any distributing agent appointed by the distributor through whom the shares will be marketed, together with all reasonable out of pocket expenses of such service providers, (including sub-custodial fees and expenses, (which will be at normal commercial rates) and transaction related charges of the Administrator and Custodian). The Manager will also be responsible for discharging from its fee for each share class an attributable proportion of the organisational and operating expenses, including audit and Directors fees, of the Company. The fee will be accrued daily based on the daily net asset value of the share classes and will be paid monthly in arrears. Where the actual fees and costs incurred exceed the amount paid to the Manager, the excess will be discharged by the Manager from its own assets.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of Shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the year were as follows:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
April 2012	-	54
October 2012	-	2,139
April 2013	916	-
October 2013	2,599	-
	3,515	2,193
Equalisation income	(224)	(5)
Equalisation expense	91	210
	3,382	2,398

iShares Emerging Market Infrastructure UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

7. INTEREST EXPENSE

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Bank interest	-	(3)
	-	(3)

8. ADJUSTMENT TO ALIGN TO THE VALUATION METHODOLOGY AS SET OUT IN THE PROSPECTUS

The adjustment between the financial statements net asset value and the valuation methodology set out in the prospectus is shown below:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Balance brought forward	193	293
Adjustment to align to the valuation methodology as set out in the prospectus	125	(100)
Total adjustment for the year	125	(100)
Balance carried forward	318	193

Further details are set out in the accounting policies note m) on page 58.

9. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the years ended 31 October 2013 and 31 October 2012. Please refer to note 10 on page 103 for further details.

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Transactions costs	87	70

10. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 October 2013 No. of Shares	31 October 2012 No. of Shares
Number of redeemable participating shares:		
Balance at the beginning of the year	4,300,000	5,500,000
Issued during the year	1,600,000	700,000
Redeemed during the year	(500,000)	(1,900,000)
Balance at the end of the year	5,400,000	4,300,000

11. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	No. of Shares
Shares in issue	
As at 31 October 2013	5,400,000
As at 31 October 2012	4,300,000
As at 31 October 2011	5,500,000

	\$'000
Net asset value	
As at 31 October 2013	128,870
As at 31 October 2012	95,983
As at 31 October 2011	113,368

	\$'000
Net asset value per share	
As at 31 October 2013	\$23.86
As at 31 October 2012	\$22.32
As at 31 October 2011	\$20.61

12. RECEIVABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Sale of securities awaiting settlement	10	-
Dividend income receivable	411	473
Securities lending income receivable	3	-
Distributions payable held with Registrar*	2,599	2,139
	3,023	2,612

* Further details are set out in note 12 on page 104.

iShares Emerging Market Infrastructure UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013 \$'000	31 October 2012 \$'000
Financial assets:		
Investment in equities	127,315	94,864
	127,315	94,864

14. PAYABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Management fees payable	(158)	(61)
	(158)	(61)

15. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the years ended 31 October 2013 and 31 October 2012 other than those disclosed in note 17 on page 105.

16. RELATED PARTIES

The related parties are set out on pages 106 to 108.

17. EFFICIENT PORTFOLIO MANAGEMENT

The Company may, subject to the conditions and within the limits from time to time laid down by the Central Bank of Ireland and the prospectus, engage in securities lending and employ techniques and instruments relating to transferable securities for efficient portfolio management purposes.

During the year the Company engaged in securities lending. The Company receives either cash collateral or securities as collateral, as determined within the schedule, for a value in excess of the market value of the securities loaned. As at the 31 October 2013 the collateral consists of securities admitted to or dealt on a regulated market.

The collateral is registered and held in the name of BlackRock Advisors (UK) Limited on behalf of the Funds in any or all of the following collateral agents and central securities depositories: JP Morgan Chase, Bank of New York Mellon Corporation, Euroclear or CREST, depending on the type of collateral the counterparty needs to give as per the schedule in order to cover the required value of exposure. Further details can be seen on page 81.

The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary.

The securities lending agent appointed pursuant to the stock lending agreement is BlackRock Advisors (UK) Limited. Securities lending income is split between the Fund and the securities lending agent in a ratio of 60:40 in favour of the Fund, with all operational costs borne out of the securities lending agents share.

	31 October 2013 \$'000	31 October 2012 \$'000
Income earned during year	28	9
Value of securities on loan at year end	10,052	247
Value of collateral held by the Company at year end	11,159	275

Please see note 18 for more information on financial derivative instruments.

18. FINANCIAL DERIVATIVE INSTRUMENTS

The Fund may buy and sell financial derivative instruments. See further details in the Fund's Schedule of Investments and note 3 to the financial statements.

19. SIGNIFICANT EVENTS DURING THE YEAR

Please refer to note 22 on pages 108 and 109.

20. SUBSEQUENT EVENTS

Please refer to note 23 on page 109.

iShares Emerging Market Infrastructure UCITS ETF

Schedule of investments

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market		
Equities		
Bermuda		
Commercial services		
15,390,000 Shenzhen International Holdings Ltd Com HKD 0.10	1,866	1.45
Diversified financial services		
2,883,048 COSCO Pacific Ltd Com HKD 0.10	4,187	3.25
Pipelines		
2,414,000 China Gas Holdings Ltd Com HKD 0.01	2,681	2.08
Total Bermuda	8,734	6.78
Brazil		
Chemicals		
478,114 Ultrapar Participacoes SA ADR NPV	12,732	9.88
Commercial services		
1,479,825 CCR SA Com NPV	12,320	9.56
Electricity		
545,739 Cia Energetica de Minas Gerais ADR NPV	4,890	3.79
111,444 CPFL Energia SA ADR NPV	1,881	1.46
Water		
344,173 Cia de Saneamento Basico do Estado de Sao Paulo ADR NPV	3,648	2.83
Total Brazil	35,471	27.52
Cayman Islands		
Oil & gas services		
1,170,000 Anton Oilfield Services Group Com HKD 0.10	740	0.58
54,310 Eurasia Drilling Co Ltd GDR NPV	2,297	1.78
Total Cayman Islands	3,037	2.36
Chile		
Electricity		
110,129 Empresa Nacional de Electricidad SA ADR NPV	4,968	3.85
385,745 Enersis SA ADR NPV	6,365	4.94
Total Chile	11,333	8.79
Hong Kong		
Diversified industrials		
2,080,977 China Merchants Holdings International Co Ltd Com HKD 0.10	7,354	5.71

Holding Investment	Fair value \$'000	% of net asset value
Hong Kong (cont)		
Electricity		
1,782,395 China Resources Power Holdings Co Ltd Com HKD 1.00	4,656	3.61
Total Hong Kong	12,010	9.32
Malaysia		
Electricity		
2,262,685 Tenaga Nasional Bhd Com MYR 1.00	6,726	5.22
Total Malaysia	6,726	5.22
Mexico		
Engineering & construction		
35,109 Grupo Aeroportuario del Centro Norte Sab de CV ADR NPV	949	0.74
70,413 Grupo Aeroportuario del Pacifico SAB de CV ADR NPV	3,652	2.83
36,264 Grupo Aeroportuario del Sureste SAB de CV ADR NPV	4,316	3.35
Total Mexico	8,917	6.92
People's Republic of China		
Alternative energy		
2,960,032 China Longyuan Power Group Corp Com CNY 1.00	3,398	2.64
Commercial services		
2,190,804 Jiangsu Expressway Co Ltd Com CNY 1.00	2,747	2.13
2,570,847 Zhejiang Expressway Co Ltd Com CNY 1.00	2,344	1.82
Electricity		
79,667 Huaneng Power International Inc ADR NPV	3,303	2.56
Engineering & construction		
2,640,122 Beijing Capital International Airport Co Ltd Com CNY 1.00	1,856	1.44
Oil & gas services		
1,774,618 China Oilfield Services Ltd Com CNY 1.00	4,955	3.84
Total People's Republic of China	18,603	14.43
Philippines		
Commercial services		
1,385,949 International Container Terminal Services Inc Com PHP 1.00	3,320	2.58
Total Philippines	3,320	2.58

iShares Emerging Market Infrastructure UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value	Analysis of total current assets gross of all liabilities (unaudited)	Fair value \$'000	% of total current assets
	Republic of South Korea			Transferable securities admitted to an official stock exchange listing or traded on a regulated market	127,315	96.96
	Electricity			Other assets	3,994	3.04
517,202	Korea Electric Power Corp ADR NPV	6,842	5.31	Total current assets	131,309	100.00
	Total Republic of South Korea	6,842	5.31			
	Russian Federation					
	Electricity					
1,055,614	RusHydro JSC ADR NPV	1,778	1.38			
	Metal fabricate/ hardware					
56,883	TMK OAO GDR NPV	735	0.57			
	Pipelines					
1,797	AK Transneft OAO Pref RUB 1.00	4,575	3.55			
	Total Russian Federation	7,088	5.50			
	Thailand					
	Engineering & construction					
768,500	Airports of Thailand PCL Receipt THB 10.00	5,234	4.06			
	Total Thailand	5,234	4.06			
	Total equities	127,315	98.79			
	Total value of investments	127,315	98.79			
	Cash[†]	971	0.75			
	Other net assets	266	0.21			
	Net assets attributable to redeemable participating shareholders	128,552	99.75			
	Adjustment to align to the valuation methodology as set out in the prospectus	318	0.25			
	Net asset value attributable to redeemable participating shareholders at the end of the year	128,870	100.00			

[†] Substantially all cash positions are held with State Street Bank and Trust Company.

iShares Emerging Market Infrastructure UCITS ETF

Schedule of material purchases and sales

For the year ended 31 October 2013

The 20 largest sales

Holding Investments	Proceeds \$'000
170,796 CEZ AS Com CZK 100.00	4,468
108,678 Ultrapar Participacoes SA ADR NPV	2,659
349,226 EcoRodovias Infraestrutura e Logistica SA Com NPV	2,483
388,340 TAV Havalimanlari Holding AS Com TRY 1.00	2,472
4,902,000 Jasa Marga Persero Tbk PT Com IDR 500.00	2,414
704,633 China Merchants Holdings International Co Ltd Com HKD 0.10	2,350
898,685 China Oilfield Services Ltd Com CNY 1.00	2,085
664 AK Transneft OAO Pref RUB 1.00	1,697
176,239 CCR SA Com NPV	1,614
906,504 COSCO Pacific Ltd Com HKD 0.10	1,341
9,476 Grupo Aeroportuario del Sureste SAB de CV ADR NPV	1,217
481,231 International Container Terminal Services Inc Com PHP 1.00	1,040
64,839 Korea Electric Power Corp ADR NPV	915
276,534 Centrais Eletricas Brasileiras SA ADR NPV	890
17,733 Empresa Nacional de Electricidad SA ADR NPV	868
937,674 Zhejiang Expressway Co Ltd Com CNY 1.00	794
701,268 Jiangsu Expressway Co Ltd Com CNY 1.00	775
13,385 Grupo Aeroportuario del Pacifico SAB de CV ADR NPV	731
27,807 Cia de Saneamento Basico do Estado de Sao Paulo ADR NPV	714
265,605 China Resources Power Holdings Co Ltd Com HKD 1.00	710

The 20 largest purchases

Holding Investments	Cost \$'000
595,532 CCR SA Com NPV	5,455
783,700 Airports of Thailand PCL Receipt THB 10.00	4,699
235,783 Enersis SA ADR NPV	4,283
173,580 Ultrapar Participacoes SA ADR NPV	4,205
3,154,000 China Longyuan Power Group Corp Com CNY 1.00	2,767
816,000 China Merchants Holdings International Co Ltd Com HKD 0.10	2,747
2,472,000 China Gas Holdings Ltd Com HKD 0.01	2,669
185,554 Korea Electric Power Corp ADR NPV	2,649
938,900 Tenaga Nasional Bhd Com MYR 1.00	2,283
212,970 Cia Energetica de Minas Gerais ADR NPV	2,242
46,022 Empresa Nacional de Electricidad SA ADR NPV	2,181
18,017,500 Shenzhen International Holdings Ltd Com HKD 0.10	2,051
784,000 China Resources Power Holdings Co Ltd Com HKD 1.00	1,999
79,319 Cia de Saneamento Basico do Estado de Sao Paulo ADR NPV	1,935
1,126,000 COSCO Pacific Ltd Com HKD 0.10	1,737
13,419 Grupo Aeroportuario del Sureste SAB de CV ADR NPV	1,669
27,133 Grupo Aeroportuario del Pacifico SAB de CV ADR NPV	1,624
786,000 China Oilfield Services Ltd Com CNY 1.00	1,612
50,479 CEZ AS Com CZK 100.00	1,552
34,780 Huaneng Power International Inc ADR NPV	1,394

The UCITS notices issued by the Central Bank of Ireland require a Schedule of Portfolio changes during the year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the year is available, upon request, at no cost from the Administrator.

iShares Euro Government Bond 3-5yr UCITS ETF

Income statement

For the year ended 31 October 2013

	Notes	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Operating income	2	16,526	9,857
Net gains on financial assets/liabilities at fair value through profit or loss	3	19,412	14,460
Total gains		35,938	24,317
Operating expenses	4	(1,802)	(760)
Net operating profit		34,136	23,557
Finance costs:			
Distributions to redeemable participating shareholders	6	(14,330)	(9,064)
Interest expense	7	-	(9)
Total finance costs		(14,330)	(9,073)
Net profit for the financial year		19,806	14,484
Adjustment to align to the valuation methodology as set out in the prospectus	8	748	112
Increase in net assets attributable to redeemable participating shareholders from operations		20,554	14,596

There are no recognised gains or losses arising in the year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

Statement of changes in net assets attributable to redeemable participating shareholders

For the year ended 31 October 2013

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Net assets attributable to redeemable participating shareholders at the beginning of the year	458,017	466,142
Increase in net assets attributable to redeemable participating shareholders from operations	20,554	14,596
Share transactions:		
Proceeds from issue of redeemable participating shares	1,188,236	347,016
Payments on redemption of redeemable participating shares	(176,792)	(369,737)
Increase/(decrease) in net assets resulting from share transactions	1,011,444	(22,721)
Net assets attributable to redeemable participating shareholders at the end of the year	1,490,015	458,017

The accompanying notes form an integral part of these financial statements.

iShares Euro Government Bond 3-5yr UCITS ETF

Balance sheet

As at 31 October 2013

	Notes	31 October 2013 €'000	31 October 2012 €'000
CURRENT ASSETS			
Cash and cash equivalents		33,938	458
Receivables	12	279,397	57,180
Financial assets at fair value through profit or loss	13	1,481,394	458,507
Total current assets		1,794,729	516,145
CURRENT LIABILITIES			
Payables	14	(295,979)	(53,841)
Distributions payable to redeemable participating shareholders	6	(10,031)	(4,835)
Total current liabilities		(306,010)	(58,676)
Net assets attributable to redeemable participating shareholders		1,488,719	457,469
Adjustment to align to the valuation methodology as set out in the prospectus	8	1,296	548
Net asset value attributable to redeemable participating shareholders at the end of the year		1,490,015	458,017

The accompanying notes form an integral part of these financial statements. Details of the NAV per share are set out in note 11.

iShares Euro Government Bond 3-5yr UCITS ETF

Notes to the financial statements

For the year ended 31 October 2013

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 54 to 58. The financial instruments and risks are set out on pages 59 to 98. The notes relating to tax, soft commissions and exchange rates are set out in the notes on pages 101 to 109.

2. OPERATING INCOME

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Deposit interest income	1	13
Bond interest income	16,192	9,660
Securities lending income	333	184
	16,526	9,857

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Net gains on investments in securities held at fair value through profit or loss	19,412	14,460
	19,412	14,460

4. OPERATING EXPENSES

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Management fees	(1,802)	(760)
	(1,802)	(760)

5. MANAGEMENT FEES

Fees earned by the Manager during the year and balances outstanding as at 31 October 2013 and 31 October 2012 are disclosed in note 4 and note 14 respectively.

Please refer to page 101 for each Fund's management fee rate.

The Manager is responsible for discharging, from this fee, all fees of the Investment Manager, the Administrator and the Custodian and any distributing agent appointed by the distributor through whom the shares will be marketed, together with all reasonable out of pocket expenses of such service providers, (including sub-custodial fees and expenses, (which will be at normal commercial rates) and transaction related charges of the Administrator and Custodian). The Manager will also be responsible for discharging from its fee for each share class an attributable proportion of the organisational and operating expenses, including audit and Directors fees, of the Company. The fee will be accrued daily based on the daily net asset value of the share classes and will be paid monthly in arrears. Where the actual fees and costs incurred exceed the amount paid to the Manager, the excess will be discharged by the Manager from its own assets.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of Shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the year were as follows:

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
April 2012	-	5,519
October 2012	-	4,835
April 2013	9,068	-
October 2013	10,031	-
	19,099	10,354
Equalisation income	(5,373)	(3,035)
Equalisation expense	604	1,745
	14,330	9,064

iShares Euro Government Bond 3-5yr UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

7. INTEREST EXPENSE

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Bank interest	-	(9)
	-	(9)

8. ADJUSTMENT TO ALIGN TO THE VALUATION METHODOLOGY AS SET OUT IN THE PROSPECTUS

The adjustment between the financial statements net asset value and the valuation methodology set out in the prospectus is shown below:

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Balance brought forward	548	436
Adjustment to align to the valuation methodology as set out in the prospectus	748	112
Total adjustment for the year	748	112
Balance carried forward	1,296	548

Further details are set out in the accounting policies note m) on page 58.

9. TRANSACTION COSTS

Transaction costs on this Fund are not separately identifiable for the years ended 31 October 2013 and 31 October 2012. Please refer to note 10 on page 103 for further details.

10. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 October 2013 No. of Shares	31 October 2012 No. of Shares
Number of redeemable participating shares:		
Balance at the beginning of the year	2,960,000	3,160,000
Issued during the year	7,600,000	2,280,000
Redeemed during the year	(1,140,000)	(2,480,000)
Balance at the end of the year	9,420,000	2,960,000

11. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	No. of Shares
Shares in issue	
As at 31 October 2013	9,420,000
As at 31 October 2012	2,960,000
As at 31 October 2011	3,160,000

	€'000
Net asset value	
As at 31 October 2013	1,490,015
As at 31 October 2012	458,017
As at 31 October 2011	466,142

	€'000
Net asset value per share	
As at 31 October 2013	€158.18
As at 31 October 2012	€154.74
As at 31 October 2011	€147.51

12. RECEIVABLES

	31 October 2013 €'000	31 October 2012 €'000
Subscription for shares awaiting settlement	69,453	-
Sale of securities awaiting settlement	187,058	48,151
Deposit income receivable	-	1
Securities lending income receivable	45	15
Bond income receivable	12,810	4,178
Distributions payable held with Registrar*	10,031	4,835
	279,397	57,180

* Further details are set out in note 12 on page 104.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013 €'000	31 October 2012 €'000
Financial assets:		
Investment in bonds	1,481,316	454,111
Investment in UCITS collective investment schemes	78	4,396
	1,481,394	458,507

iShares Euro Government Bond 3-5yr UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

14. PAYABLES

	31 October 2013 €'000	31 October 2012 €'000
Purchase of securities awaiting settlement	(295,564)	(53,767)
Management fees payable	(415)	(74)
	(295,979)	(53,841)

15. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the years ended 31 October 2013 and 31 October 2012 other than those disclosed in note 17 on page 105.

16. RELATED PARTIES

The related parties are set out on pages 106 to 108.

17. EFFICIENT PORTFOLIO MANAGEMENT

The Company may, subject to the conditions and within the limits from time to time laid down by the Central Bank of Ireland and the prospectus, engage in securities lending and employ techniques and instruments relating to transferable securities for efficient portfolio management purposes.

During the year the Company engaged in securities lending. The Company receives either cash collateral or securities as collateral, as determined within the schedule, for a value in excess of the market value of the securities loaned. As at the 31 October 2013 the collateral consists of securities admitted to or dealt on a regulated market.

The collateral is registered and held in the name of BlackRock Advisors (UK) Limited on behalf of the Funds in any or all of the following collateral agents and central securities depositories: JP Morgan Chase, Bank of New York Mellon Corporation, Euroclear or CREST, depending on the type of collateral the counterparty needs to give as per the schedule in order to cover the required value of exposure. Further details can be seen on page 81.

The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary.

The securities lending agent appointed pursuant to the stock lending agreement is BlackRock Advisors (UK) Limited. Securities lending income is split between the Fund and the securities lending agent in a ratio of 60:40 in favour of the Fund, with all operational costs borne out of the securities lending agents share.

	31 October 2013 €'000	31 October 2012 €'000
Income earned during year	333	184
Value of securities on loan at year end	630,324	126,880
Value of collateral held by the Company at year end	694,799	140,542

Please see note 18 for more information on financial derivative instruments.

18. FINANCIAL DERIVATIVE INSTRUMENTS

The Fund may buy and sell financial derivative instruments. See further details in the Fund's Schedule of Investments and note 3 to the financial statements.

19. SIGNIFICANT EVENTS DURING THE YEAR

Please refer to note 22 on pages 108 and 109.

20. SUBSEQUENT EVENTS

Please refer to note 23 on page 109.

iShares Euro Government Bond 3-5yr UCITS ETF

Schedule of investments

As at 31 October 2013

Holding Investment	Fair value €'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market		
Bonds		
France		
Government bonds - Aa1 rating		
99,381,000 France Government Bond OAT 1% 25/05/2018	99,942	6.71
100,794,000 France Government Bond OAT 1% 25/11/2018	100,673	6.76
87,606,000 French Treasury Note BTAN 1% 25/07/2017	88,684	5.95
115,866,000 French Treasury Note BTAN 1.75% 25/02/2017	120,443	8.08
Total France	409,742	27.50
Germany		
Government bonds - Aaa rating		
73,476,000 Bundesobligation 0.25% 13/04/2018	72,554	4.87
106,917,000 Bundesobligation 0.5% 07/04/2017	107,617	7.22
81,954,000 Bundesobligation 0.5% 13/10/2017	82,315	5.53
90,903,000 Bundesobligation 0.5% 23/02/2018	90,962	6.11
78,186,000 Bundesobligation 0.75% 24/02/2017	79,394	5.33
58,404,000 Bundesobligation 1% 12/10/2018	59,368	3.98
Total Germany	492,210	33.04
Italy		
Government bonds - Baa2 rating		
92,787,000 Italy Buoni Poliennali Del Tesoro 3.5% 01/11/2017	96,197	6.46
75,831,000 Italy Buoni Poliennali Del Tesoro 3.5% 01/06/2018	78,398	5.26
52,281,000 Italy Buoni Poliennali Del Tesoro 3.5% 01/12/2018	53,800	3.61
83,367,000 Italy Buoni Poliennali Del Tesoro 4.75% 01/05/2017	89,957	6.04
73,476,000 Italy Buoni Poliennali Del Tesoro 4.75% 01/06/2017	79,324	5.32
Total Italy	397,676	26.69

Holding Investment	Fair value €'000	% of net asset value
Spain		
Government bonds - Baa3 rating		
66,882,000 Spain Government Bond 3.75% 31/10/2018	69,825	4.68
103,620,000 Spain Government Bond 4.5% 31/01/2018	111,863	7.51
Total Spain	181,688	12.19
Total bonds	1,481,316	99.42
UCITS collective investment schemes		
Ireland		
77,578 Institutional Cash Series plc - Institutional Euro Liquidity Fund*	78	0.00
Total Ireland	78	0.00
Total UCITS collective investment schemes	78	0.00
Total value of investments	1,481,394	99.42
Cash[†]	33,938	2.28
Other net liabilities	(26,613)	(1.79)
Net assets attributable to redeemable participating shareholders	1,488,719	99.91
Adjustment to align to the valuation methodology as set out in the prospectus	1,296	0.09
Net asset value attributable to redeemable participating shareholders at the end of the year	1,490,015	100.00

[†] Substantially all cash positions are held with State Street Bank and Trust Company.

* Investment in related party.

All credit ratings are shown as at 31 October 2013.

Analysis of total current assets gross of all liabilities (unaudited)	Fair value €'000	% of total current assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	1,481,316	82.54
UCITS collective investment schemes	78	0.00
Other assets	313,335	17.46
Total current assets	1,794,729	100.00

iShares Euro Government Bond 3-5yr UCITS ETF

Schedule of material purchases and sales

For the year ended 31 October 2013

The 20 largest sales

Holding Investments	Proceeds €'000
136,937,000 French Treasury Note BTAN 2.5% 25/07/2016	144,995
129,662,000 Spain Government Bond 4.25% 31/10/2016	137,367
105,313,000 Bundesobligation 1.25% 14/10/2016	108,592
93,788,000 Italy Buoni Poliennali Del Tesoro 4.75% 15/09/2016	99,916
84,424,000 Spain Government Bond 3.25% 30/04/2016	86,125
61,264,000 Bundesobligation 2.75% 08/04/2016	66,090
55,215,000 Italy Buoni Poliennali Del Tesoro 3.75% 15/04/2016	58,044
52,681,000 French Treasury Note BTAN 2.25% 25/02/2016	55,522
32,322,000 Bundesobligation 2% 26/02/2016	34,168
22,772,000 French Treasury Note BTAN 1.75% 25/02/2017	23,617
22,972,000 Bundesobligation 0.5% 13/10/2017	22,976
21,466,000 France Government Bond OAT 1% 25/05/2018	21,444
20,380,000 French Treasury Note BTAN 1% 25/07/2017	20,393
19,583,000 Bundesobligation 0.5% 07/04/2017	19,569
18,524,000 Bundesobligation 0.75% 24/02/2017	18,728
17,029,000 Italy Buoni Poliennali Del Tesoro 4.75% 01/06/2017	18,148
11,919,000 Italy Buoni Poliennali Del Tesoro 4.75% 01/05/2017	12,634
9,936,000 Spain Government Bond 4.5% 31/01/2018	10,333
9,189,000 Italy Buoni Poliennali Del Tesoro 3.5% 01/11/2017	9,254
8,542,000 Bundesobligation 0.5% 23/02/2018	8,450

The 20 largest purchases

Holding Investments	Cost €'000
120,847,000 France Government Bond OAT 1% 25/05/2018	121,275
113,556,000 Spain Government Bond 4.5% 31/01/2018	119,899
107,854,000 French Treasury Note BTAN 1.75% 25/02/2017	112,464
101,976,000 Italy Buoni Poliennali Del Tesoro 3.5% 01/11/2017	103,918
97,421,000 French Treasury Note BTAN 2.5% 25/07/2016	103,726
98,878,000 Spain Government Bond 4.25% 31/10/2016	103,137
100,748,000 Bundesobligation 0.5% 07/04/2017	101,388
101,472,000 France Government Bond OAT 1% 25/11/2018	101,182
99,445,000 Bundesobligation 0.5% 23/02/2018	99,470
97,082,000 Bundesobligation 0.5% 13/10/2017	97,491
95,406,000 French Treasury Note BTAN 1% 25/07/2017	96,233
79,550,000 Italy Buoni Poliennali Del Tesoro 3.5% 01/06/2018	81,138
78,081,000 Bundesobligation 1.25% 14/10/2016	80,775
74,270,000 Italy Buoni Poliennali Del Tesoro 4.75% 01/05/2017	79,315
70,256,000 Italy Buoni Poliennali Del Tesoro 4.75% 15/09/2016	75,029
75,582,000 Bundesobligation 0.25% 13/04/2018	74,119
71,846,000 Bundesobligation 0.75% 24/02/2017	73,030
65,641,000 Italy Buoni Poliennali Del Tesoro 4.75% 01/06/2017	69,663
67,430,000 Spain Government Bond 3.75% 31/10/2018	69,215
58,514,000 Bundesobligation 1% 12/10/2018	59,368

The UCITS notices issued by the Central Bank of Ireland require a Schedule of Portfolio changes during the year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the year is available, upon request, at no cost from the Administrator.

iShares Euro Government Bond 7-10yr UCITS ETF

Income statement

For the year ended 31 October 2013

	Notes	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Operating income	2	5,696	6,780
Net gains on financial assets/liabilities at fair value through profit or loss	3	4,994	16,296
Total gains		10,690	23,076
Operating expenses	4	(510)	(550)
Net operating profit		10,180	22,526
Finance costs:			
Distributions to redeemable participating shareholders	6	(5,123)	(6,204)
Interest expense	7	-	(12)
Total finance costs		(5,123)	(6,216)
Net profit for the financial year		5,057	16,310
Adjustment to align to the valuation methodology as set out in the prospectus	8	(32)	101
Increase in net assets attributable to redeemable participating shareholders from operations		5,025	16,411

There are no recognised gains or losses arising in the year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

Statement of changes in net assets attributable to redeemable participating shareholders

For the year ended 31 October 2013

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Net assets attributable to redeemable participating shareholders at the beginning of the year	253,287	330,634
Increase in net assets attributable to redeemable participating shareholders from operations	5,025	16,411
Share transactions:		
Proceeds from issue of redeemable participating shares	302,224	162,271
Payments on redemption of redeemable participating shares	(294,537)	(256,029)
Increase/(decrease) in net assets resulting from share transactions	7,687	(93,758)
Net assets attributable to redeemable participating shareholders at the end of the year	265,999	253,287

The accompanying notes form an integral part of these financial statements.

iShares Euro Government Bond 7-10yr UCITS ETF

Balance sheet

As at 31 October 2013

	Notes	31 October 2013 €'000	31 October 2012 €'000
CURRENT ASSETS			
Cash and cash equivalents		1,106	252
Receivables	12	6,246	6,021
Financial assets at fair value through profit or loss	13	261,473	249,696
Total current assets		268,825	255,969
CURRENT LIABILITIES			
Payables	14	(83)	(42)
Distributions payable to redeemable participating shareholders	6	(2,725)	(2,654)
Total current liabilities		(2,808)	(2,696)
Net assets attributable to redeemable participating shareholders		266,017	253,273
Adjustment to align to the valuation methodology as set out in the prospectus	8	(18)	14
Net asset value attributable to redeemable participating shareholders at the end of the year		265,999	253,287

The accompanying notes form an integral part of these financial statements. Details of the NAV per share are set out in note 11.

iShares Euro Government Bond 7-10yr UCITS ETF

Notes to the financial statements

For the year ended 31 October 2013

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 54 to 58. The financial instruments and risks are set out on pages 59 to 98. The notes relating to tax, soft commissions and exchange rates are set out in the notes on pages 101 to 109.

2. OPERATING INCOME

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Deposit interest income	-	12
Bond interest income	5,601	6,579
Securities lending income	95	189
	5,696	6,780

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Net gains on investments in securities held at fair value through profit or loss	4,993	16,295
Net gains on other investments	1	1
	4,994	16,296

4. OPERATING EXPENSES

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Management fees	(510)	(550)
	(510)	(550)

5. MANAGEMENT FEES

Fees earned by the Manager during the year and balances outstanding as at 31 October 2013 and 31 October 2012 are disclosed in note 4 and note 14 respectively.

Please refer to page 101 for each Fund's management fee rate.

The Manager is responsible for discharging, from this fee, all fees of the Investment Manager, the Administrator and the Custodian and any distributing agent appointed by the distributor through whom the shares will be marketed, together with all reasonable out of pocket expenses of such service providers (including sub-custodial fees and expenses, (which will be at normal commercial rates) and transaction related charges of the Administrator and Custodian). The Manager will also be responsible for discharging from its fee for each share class an attributable proportion of the organisational and operating expenses, including audit and Directors fees, of the Company. The fee will be accrued daily based on the daily net asset value of the share classes and will be paid monthly in arrears. Where the actual fees and costs incurred exceed the amount paid to the Manager, the excess will be discharged by the Manager from its own assets.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of Shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the year were as follows:

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
April 2012	-	3,012
October 2012	-	2,654
April 2013	2,352	-
October 2013	2,725	-
	5,077	5,666
Equalisation income	(1,401)	(801)
Equalisation expense	1,447	1,339
	5,123	6,204

iShares Euro Government Bond 7-10yr UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

7. INTEREST EXPENSE

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Bank interest	-	(12)
	-	(12)

8. ADJUSTMENT TO ALIGN TO THE VALUATION METHODOLOGY AS SET OUT IN THE PROSPECTUS

The adjustment between the financial statements net asset value and the valuation methodology set out in the prospectus is shown below:

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Balance brought forward	14	(87)
Adjustment to align to the valuation methodology as set out in the prospectus	(32)	101
Total adjustment for the year	(32)	101
Balance carried forward	(18)	14

Further details are set out in the accounting policies note m) on page 58.

9. TRANSACTION COSTS

Transaction costs on this Fund are not separately identifiable for the years ended 31 October 2013 and 31 October 2012. Please refer to note 10 on page 103 for further details.

10. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 October 2013 No. of Shares	31 October 2012 No. of Shares
Number of redeemable participating shares:		
Balance at the beginning of the year	1,440,000	2,000,000
Issued during the year	1,700,000	940,000
Redeemed during the year	(1,660,000)	(1,500,000)
Balance at the end of the year	1,480,000	1,440,000

11. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	No. of Shares
Shares in issue	
As at 31 October 2013	1,480,000
As at 31 October 2012	1,440,000
As at 31 October 2011	2,000,000

	€'000
Net asset value	
As at 31 October 2013	265,999
As at 31 October 2012	253,287
As at 31 October 2011	330,634

	€'000
Net asset value per share	
As at 31 October 2013	€179.73
As at 31 October 2012	€175.89
As at 31 October 2011	€165.32

12. RECEIVABLES

	31 October 2013 €'000	31 October 2012 €'000
Securities lending income receivable	8	5
Bond income receivable	3,513	3,362
Distributions payable held with Registrar*	2,725	2,654
	6,246	6,021

* Further details are set out in note 12 on page 104.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013 €'000	31 October 2012 €'000
Financial assets:		
Investment in bonds	261,470	249,579
Investment in UCITS collective investment schemes	3	117
	261,473	249,696

iShares Euro Government Bond 7-10yr UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

14. PAYABLES

	31 October 2013 €'000	31 October 2012 €'000
Management fees payable	(83)	(42)
	(83)	(42)

15. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the years ended 31 October 2013 and 31 October 2012 other than those disclosed in note 17 on page 105.

16. RELATED PARTIES

The related parties are set out on pages 106 to 108.

17. EFFICIENT PORTFOLIO MANAGEMENT

The Company may, subject to the conditions and within the limits from time to time laid down by the Central Bank of Ireland and the prospectus, engage in securities lending and employ techniques and instruments relating to transferable securities for efficient portfolio management purposes.

During the year the Company engaged in securities lending. The Company receives either cash collateral or securities as collateral, as determined within the schedule, for a value in excess of the market value of the securities loaned. As at the 31 October 2013 the collateral consists of securities admitted to or dealt on a regulated market.

The collateral is registered and held in the name of BlackRock Advisors (UK) Limited on behalf of the Funds in any or all of the following collateral agents and central securities depositories: JP Morgan Chase, Bank of New York Mellon Corporation, Euroclear or CREST, depending on the type of collateral the counterparty needs to give as per the schedule in order to cover the required value of exposure. Further details can be seen on page 81.

The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary.

The securities lending agent appointed pursuant to the stock lending agreement is BlackRock Advisors (UK) Limited. Securities lending income is split between the Fund and the securities lending agent in a ratio of 60:40 in favour of the Fund, with all operational costs borne out of the securities lending agents share.

	31 October 2013 €'000	31 October 2012 €'000
Income earned during year	95	189
Value of securities on loan at year end	133,894	91,724
Value of collateral held by the Company at year end	147,892	101,510

Please see note 18 for more information on financial derivative instruments.

18. FINANCIAL DERIVATIVE INSTRUMENTS

The Fund may buy and sell financial derivative instruments. See further details in the Fund's Schedule of Investments and note 3 to the financial statements.

19. SIGNIFICANT EVENTS DURING THE YEAR

Please refer to note 22 on pages 108 and 109.

20. SUBSEQUENT EVENTS

Please refer to note 23 on page 109.

iShares Euro Government Bond 7-10yr UCITS ETF

Schedule of investments

As at 31 October 2013

Holding Investment	Fair value €'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market		
Bonds		
France		
Government bonds - Aa1 rating		
14,282,000 France Government Bond OAT 1.75% 25/05/2023	13,781	5.18
17,094,000 France Government Bond OAT 2.25% 25/10/2022	17,403	6.54
23,236,000 France Government Bond OAT 2.5% 25/10/2020	24,785	9.32
24,198,000 France Government Bond OAT 3% 25/04/2022	26,296	9.89
Total France	82,265	30.93
Germany		
Government bonds - Aaa rating		
12,506,000 Bundesrepublik Deutschland 1.5% 04/09/2022	12,540	4.71
13,394,000 Bundesrepublik Deutschland 1.5% 15/02/2023	13,312	5.01
13,098,000 Bundesrepublik Deutschland 1.5% 15/05/2023	12,949	4.87
17,390,000 Bundesrepublik Deutschland 1.75% 04/07/2022	17,855	6.71
14,282,000 Bundesrepublik Deutschland 2% 04/01/2022	15,038	5.65
3,552,000 Bundesrepublik Deutschland 2% 15/08/2023	3,656	1.37
11,692,000 Bundesrepublik Deutschland 2.25% 04/09/2021	12,575	4.73
13,468,000 Bundesrepublik Deutschland 2.5% 04/01/2021	14,760	5.55
13,838,000 Bundesrepublik Deutschland 3.25% 04/07/2021	15,928	5.99
Total Germany	118,613	44.59
Italy		
Government bonds - Baa2 rating		
13,394,000 Italy Buoni Poliennali Del Tesoro 4.5% 01/05/2023	14,004	5.27
15,096,000 Italy Buoni Poliennali Del Tesoro 5.5% 01/11/2022	16,928	6.36
Total Italy	30,932	11.63

Holding Investment	Fair value €'000	% of net asset value
Spain		
Government bonds - Baa3 rating		
12,506,000 Spain Government Bond 5.4% 31/01/2023	13,877	5.22
13,764,000 Spain Government Bond 5.85% 31/01/2022	15,783	5.93
Total Spain	29,660	11.15
Total bonds	261,470	98.30
UCITS collective investment schemes		
Ireland		
3,000 Institutional Cash Series Plc - Institutional Euro Liquidity Fund*	3	0.00
Total Ireland	3	0.00
Total UCITS collective investment schemes	3	0.00
Total value of investments	261,473	98.30
Cash[†]	1,106	0.42
Other net assets	3,438	1.29
Net assets attributable to redeemable participating shareholders	266,017	100.01
Adjustment to align to the valuation methodology as set out in the prospectus	(18)	(0.01)
Net asset value attributable to redeemable participating shareholders at the end of the year	265,999	100.00

[†] Substantially all cash positions are held with State Street Bank and Trust Company.

* Investment in related party

All credit ratings are shown as at 31 October 2013.

Analysis of total current assets gross of all liabilities (unaudited)	Fair value €'000	% of total current assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	261,470	97.26
UCITS collective investment schemes	3	0.00
Other assets	7,352	2.74
Total current assets	268,825	100.00

iShares Euro Government Bond 7-10yr UCITS ETF

Schedule of material purchases and sales

For the year ended 31 October 2013

The 20 largest sales

Holding Investments	Proceeds €'000
37,530,000 France Government Bond OAT 3.5% 25/04/2020	43,206
34,201,000 Bundesrepublik Deutschland 3% 04/07/2020	38,843
32,329,000 France Government Bond OAT 2.5% 25/10/2020	34,307
31,627,000 France Government Bond OAT 3% 25/04/2022	34,271
28,394,000 Bundesrepublik Deutschland 2.25% 04/09/2020	30,666
21,854,000 Bundesrepublik Deutschland 3.25% 04/01/2020	25,085
24,102,000 Bundesrepublik Deutschland 1.75% 04/07/2022	24,711
20,800,000 Bundesrepublik Deutschland 3.25% 04/07/2021	24,069
21,294,000 Bundesrepublik Deutschland 2% 04/01/2022	22,454
18,247,000 Bundesrepublik Deutschland 2.5% 04/01/2021	20,116
17,664,000 Spain Government Bond 5.85% 31/01/2022	19,152
15,646,000 Italy Buoni Poliennali Del Tesoro 5.5% 01/11/2022	17,067
14,900,000 Bundesrepublik Deutschland 2.25% 04/09/2021	16,081
15,882,000 France Government Bond OAT 2.25% 25/10/2022	16,056
13,952,000 Bundesrepublik Deutschland 1.5% 04/09/2022	13,961
11,079,000 Bundesrepublik Deutschland 1.5% 15/02/2023	10,966
8,936,000 Spain Government Bond 5.4% 31/01/2023	9,533
6,227,000 Italy Buoni Poliennali Del Tesoro 4.5% 01/05/2023	6,328
4,452,000 Bundesrepublik Deutschland 1.5% 15/05/2023	4,351
3,846,000 France Government Bond OAT	3,647

The 20 largest purchases

Holding Investments	Cost €'000
32,976,000 France Government Bond OAT 2.25% 25/10/2022	33,479
29,861,000 France Government Bond OAT 2.5% 25/10/2020	31,800
28,969,000 France Government Bond OAT 3% 25/04/2022	31,379
27,142,000 Italy Buoni Poliennali Del Tesoro 5.5% 01/11/2022	29,460
24,473,000 Bundesrepublik Deutschland 1.5% 15/02/2023	24,480
21,442,000 Spain Government Bond 5.4% 31/01/2023	22,546
18,870,000 Bundesrepublik Deutschland 3.25% 04/07/2021	21,892
21,116,000 Bundesrepublik Deutschland 1.75% 04/07/2022	21,687
19,621,000 Italy Buoni Poliennali Del Tesoro 4.5% 01/05/2023	20,151
18,540,000 Spain Government Bond 5.85% 31/01/2022	20,058
18,944,000 Bundesrepublik Deutschland 2% 04/01/2022	20,022
16,849,000 Bundesrepublik Deutschland 3% 04/07/2020	19,289
18,826,000 Bundesrepublik Deutschland 1.5% 04/09/2022	18,887
16,523,000 Bundesrepublik Deutschland 2.5% 04/01/2021	18,197
18,128,000 France Government Bond OAT 1.75% 25/05/2023	17,316
17,550,000 Bundesrepublik Deutschland 1.5% 15/05/2023	17,191
15,146,000 Bundesrepublik Deutschland 2.25% 04/09/2020	16,447
13,770,000 France Government Bond OAT 3.5% 25/04/2020	15,677
14,136,000 Bundesrepublik Deutschland 2.25% 04/09/2021	15,247
3,638,000 Bundesrepublik Deutschland 3.25% 04/01/2020	4,229

The UCITS notices issued by the Central Bank of Ireland require a Schedule of Portfolio changes during the year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the year is available, upon request, at no cost from the Administrator.

iShares Euro Government Bond 15-30yr UCITS ETF

Income statement

For the year ended 31 October 2013

	Notes	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Operating income	2	2,415	3,055
Net gains on financial assets/liabilities at fair value through profit or loss	3	261	7,952
Total gains		2,676	11,007
Operating expenses	4	(136)	(147)
Net operating profit		2,540	10,860
Finance costs:			
Distributions to redeemable participating shareholders	6	(2,263)	(2,895)
Interest expense	7	-	(3)
Total finance costs		(2,263)	(2,898)
Net profit for the financial year		277	7,962
Adjustment to align to the valuation methodology as set out in the prospectus	8	(16)	116
Increase in net assets attributable to redeemable participating shareholders from operations		261	8,078

There are no recognised gains or losses arising in the year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

Statement of changes in net assets attributable to redeemable participating shareholders

For the year ended 31 October 2013

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Net assets attributable to redeemable participating shareholders at the beginning of the year	57,488	79,267
Increase in net assets attributable to redeemable participating shareholders from operations	261	8,078
Share transactions:		
Proceeds from issue of redeemable participating shares	87,446	64,117
Payments on redemption of redeemable participating shares	(79,415)	(93,974)
Increase/(decrease) in net assets resulting from share transactions	8,031	(29,857)
Net assets attributable to redeemable participating shareholders at the end of the year	65,780	57,488

The accompanying notes form an integral part of these financial statements.

iShares Euro Government Bond 15-30yr UCITS ETF

Balance sheet

As at 31 October 2013

	Notes	31 October 2013 €'000	31 October 2012 €'000
CURRENT ASSETS			
Cash and cash equivalents		7,173	57
Receivables	12	2,102	2,103
Financial assets at fair value through profit or loss	13	64,312	56,274
Total current assets		73,587	58,434
CURRENT LIABILITIES			
Payables	14	(6,869)	(9)
Distributions payable to redeemable participating shareholders	6	(976)	(991)
Total current liabilities		(7,845)	(1,000)
Net assets attributable to redeemable participating shareholders		65,742	57,434
Adjustment to align to the valuation methodology as set out in the prospectus	8	38	54
Net asset value attributable to redeemable participating shareholders at the end of the year		65,780	57,488

The accompanying notes form an integral part of these financial statements. Details of the NAV per share are set out in note 11.

iShares Euro Government Bond 15-30yr UCITS ETF

Notes to the financial statements

For the year ended 31 October 2013

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 54 to 58. The financial instruments and risks are set out on pages 59 to 98. The notes relating to tax, soft commissions and exchange rates are set out in the notes on pages 101 to 109.

2. OPERATING INCOME

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Deposit interest income	-	4
Bond interest income	2,406	3,022
Securities lending income	9	29
	2,415	3,055

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Net gains on investments in securities held at fair value through profit or loss	261	7,952
	261	7,952

4. OPERATING EXPENSES

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Management fees	(136)	(147)
	(136)	(147)

5. MANAGEMENT FEES

Fees earned by the Manager during the year and balances outstanding as at 31 October 2013 and 31 October 2012 are disclosed in note 4 and note 14 respectively.

Please refer to page 101 for each Fund's management fee rate.

The Manager is responsible for discharging, from this fee, all fees of the Investment Manager, the Administrator and the Custodian and any distributing agent appointed by the distributor through whom the shares will be marketed, together with all reasonable out of pocket expenses of such service providers, (including sub-custodial fees and expenses, (which will be at normal commercial rates) and transaction related charges of the Administrator and Custodian). The Manager will also be responsible for discharging from its fee for each share class an attributable proportion of the organisational and operating expenses, including audit and Directors fees, of the Company. The fee will be accrued daily based on the daily net asset value of the share classes and will be paid monthly in arrears. Where the actual fees and costs incurred exceed the amount paid to the Manager, the excess will be discharged by the Manager from its own assets.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of Shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the year were as follows:

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
April 2012	-	1,905
October 2012	-	991
April 2013	1,471	-
October 2013	976	-
	2,447	2,896
Equalisation income	(813)	(455)
Equalisation expense	629	454
	2,263	2,895

7. INTEREST EXPENSE

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Bank interest	-	(3)
	-	(3)

iShares Euro Government Bond 15-30yr UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

8. ADJUSTMENT TO ALIGN TO THE VALUATION METHODOLOGY AS SET OUT IN THE PROSPECTUS

The adjustment between the financial statements net asset value and the valuation methodology set out in the prospectus is shown below:

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Balance brought forward	54	(62)
Adjustment to align to the valuation methodology as set out in the prospectus	(16)	116
Total adjustment for the year	(16)	116
Balance carried forward	38	54

Further details are set out in the accounting policies note m) on page 58.

9. TRANSACTION COSTS

Transaction costs on this Fund are not separately identifiable for the years ended 31 October 2013 and 31 October 2012. Please refer to note 10 on page 103 for further details.

10. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 October 2013 No. of Shares	31 October 2012 No. of Shares
Number of redeemable participating shares:		
Balance at the beginning of the year	340,000	520,000
Issued during the year	500,000	400,000
Redeemed during the year	(460,000)	(580,000)
Balance at the end of the year	380,000	340,000

11. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	No. of Shares
Shares in issue	
As at 31 October 2013	380,000
As at 31 October 2012	340,000
As at 31 October 2011	520,000

	€'000
Net asset value	
As at 31 October 2013	65,780
As at 31 October 2012	57,488
As at 31 October 2011	79,267

Net asset value per share	
As at 31 October 2013	€173.10
As at 31 October 2012	€169.08
As at 31 October 2011	€152.44

12. RECEIVABLES

	31 October 2013 €'000	31 October 2012 €'000
Securities lending income receivable	1	1
Bond income receivable	1,125	1,111
Distributions payable held with Registrar*	976	991
	2,102	2,103

* Further details are set out in note 12 on page 104.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013 €'000	31 October 2012 €'000
Financial assets:		
Investment in bonds	64,312	56,100
Investment in UCITS collective investment schemes	-	174
	64,312	56,274

14. PAYABLES

	31 October 2013 €'000	31 October 2012 €'000
Purchase of securities awaiting settlement	(6,849)	-
Management fees payable	(20)	(9)
	(6,869)	(9)

15. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the years ended 31 October 2013 and 31 October 2012 other than those disclosed in note 17 on page 105.

iShares Euro Government Bond 15-30yr UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

16. RELATED PARTIES

The related parties are set out on pages 106 to 108.

17. EFFICIENT PORTFOLIO MANAGEMENT

The Company may, subject to the conditions and within the limits from time to time laid down by the Central Bank of Ireland and the prospectus, engage in securities lending and employ techniques and instruments relating to transferable securities for efficient portfolio management purposes.

During the year the Company engaged in securities lending. The Company receives either cash collateral or securities as collateral, as determined within the schedule, for a value in excess of the market value of the securities loaned. As at the 31 October 2013 the collateral consists of securities admitted to or dealt on a regulated market.

The collateral is registered and held in the name of BlackRock Advisors (UK) Limited on behalf of the Funds in any or all of the following collateral agents and central securities depositories: JP Morgan Chase, Bank of New York Mellon Corporation, Euroclear or CREST, depending on the type of collateral the counterparty needs to give as per the schedule in order to cover the required value of exposure. Further details can be seen on page 81.

The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary.

The securities lending agent appointed pursuant to the stock lending agreement is BlackRock Advisors (UK) Limited. Securities lending income is split between the Fund and the securities lending agent in a ratio of 60:40 in favour of the Fund, with all operational costs borne out of the securities lending agents share.

	31 October 2013 €'000	31 October 2012 €'000
Income earned during year	9	29
Value of securities on loan at year end	7,950	1,738
Value of collateral held by the Company at year end	8,802	1,931

Please see note 18 for more information on financial derivative instruments.

18. FINANCIAL DERIVATIVE INSTRUMENTS

The Fund may buy and sell financial derivative instruments. See further details in the Fund's Schedule of Investments and note 3 to the financial statements.

19. SIGNIFICANT EVENTS DURING THE YEAR

Please refer to note 22 on pages 108 and 109.

20. SUBSEQUENT EVENTS

Please refer to note 23 on page 109.

iShares Euro Government Bond 15-30yr UCITS ETF

Schedule of investments

As at 31 October 2013

Holding Investment	Fair value €'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market		
Bonds		
France		
Government bonds - Aa1 rating		
722,000 France Government Bond OAT 3.25% 25/05/2045	713	1.08
2,584,000 France Government Bond OAT 4% 25/10/2038	2,947	4.48
2,546,000 France Government Bond OAT 4.5% 25/04/2041	3,134	4.77
2,318,000 France Government Bond OAT 4.75% 25/04/2035	2,925	4.45
2,584,000 France Government Bond OAT 5.5% 25/04/2029	3,449	5.24
2,698,000 France Government Bond OAT 5.75% 25/10/2032	3,782	5.75
Total France	16,950	25.77
Germany		
Government bonds - Aaa rating		
1,520,000 Bundesrepublik Deutschland 2.5% 04/07/2044	1,492	2.27
1,615,000 Bundesrepublik Deutschland 3.25% 04/07/2042	1,836	2.79
2,508,000 Bundesrepublik Deutschland 4% 04/01/2037	3,130	4.76
1,520,000 Bundesrepublik Deutschland 4.25% 04/07/2039	1,997	3.04
2,166,000 Bundesrepublik Deutschland 4.75% 04/07/2034	2,943	4.47
1,710,000 Bundesrepublik Deutschland 4.75% 04/07/2040	2,423	3.68
1,824,000 Bundesrepublik Deutschland 5.5% 04/01/2031	2,615	3.98
1,007,000 Bundesrepublik Deutschland 6.25% 04/01/2030	1,535	2.33
Total Germany	17,971	27.32
Italy		
Government bonds - Baa2 rating		
2,755,000 Italy Buoni Poliennali Del Tesoro 4% 01/02/2037	2,508	3.81
817,000 Italy Buoni Poliennali Del Tesoro 4.75% 01/09/2044	800	1.21
2,299,000 Italy Buoni Poliennali Del Tesoro 5% 01/08/2034	2,394	3.64
1,995,000 Italy Buoni Poliennali Del Tesoro 5% 01/08/2039	2,047	3.11

Holding Investment	Fair value €'000	% of net asset value
Italy (cont)		
Government bonds - Baa2 rating (cont)		
2,280,000 Italy Buoni Poliennali Del Tesoro 5% 01/09/2040	2,327	3.54
3,021,000 Italy Buoni Poliennali Del Tesoro 5.25% 01/11/2029	3,255	4.95
1,653,000 Italy Buoni Poliennali Del Tesoro 5.75% 01/02/2033	1,873	2.85
3,192,000 Italy Buoni Poliennali Del Tesoro 6% 01/05/2031	3,702	5.63
Total Italy	18,906	28.74
Netherlands		
Government bonds - Aaa rating		
1,539,000 Netherlands Government Bond 3.75% 15/01/2042	1,843	2.80
1,444,000 Netherlands Government Bond 4% 15/01/2037	1,761	2.68
Total Netherlands	3,604	5.48
Spain		
Government bonds - Baa3 rating		
1,767,000 Spain Government Bond 4.2% 31/01/2037	1,602	2.43
1,273,000 Spain Government Bond 4.7% 30/07/2041	1,232	1.87
1,596,000 Spain Government Bond 5.75% 30/07/2032	1,807	2.75
1,938,000 Spain Government Bond 6% 31/01/2029	2,240	3.41
Total Spain	6,881	10.46
Total bonds	64,312	97.77
Total value of investments	64,312	97.77
Cash[†]	7,173	10.90
Other net liabilities	(5,743)	(8.73)
Net assets attributable to redeemable participating shareholders	65,742	99.94
Adjustment to align to the valuation methodology as set out in the prospectus	38	0.06

iShares Euro Government Bond 15-30yr UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value €'000	% of net asset value
Net asset value attributable to redeemable participating shareholders at the end of the year	65,780	100.00

† Substantially all cash positions are held with State Street Bank and Trust Company.

All credit ratings are shown as at 31 October 2013.

Analysis of total current assets gross of all liabilities (unaudited)	Fair value €'000	% of total current assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	64,312	87.40
Other assets	9,275	12.60
Total current assets	73,587	100.00

iShares Euro Government Bond 15-30yr UCITS ETF

Schedule of material purchases and sales

For the year ended 31 October 2013

The 20 largest sales

Holding Investments	Proceeds €'000
3,696,000 France Government Bond OAT 5.75% 25/10/2032	5,236
4,400,000 Italy Buoni Poliennali Del Tesoro 6% 01/05/2031	4,991
3,533,000 France Government Bond OAT 4.5% 25/04/2041	4,400
3,083,000 Bundesrepublik Deutschland 4.75% 04/07/2034	4,347
3,146,000 France Government Bond OAT 5.5% 25/04/2029	4,238
3,217,000 Bundesrepublik Deutschland 4% 04/01/2037	4,179
3,843,000 Italy Buoni Poliennali Del Tesoro 5.25% 01/11/2029	4,032
2,969,000 France Government Bond OAT 4.75% 25/04/2035	3,777
3,147,000 France Government Bond OAT 4% 25/10/2038	3,612
2,312,000 Bundesrepublik Deutschland 4.75% 04/07/2040	3,417
2,458,000 Bundesrepublik Deutschland 4.75% 04/07/2028	3,293
2,075,000 Bundesrepublik Deutschland 5.5% 04/01/2031	3,060
3,359,000 Italy Buoni Poliennali Del Tesoro 4% 01/02/2037	2,985
2,857,000 Italy Buoni Poliennali Del Tesoro 5% 01/08/2034	2,891
2,822,000 Italy Buoni Poliennali Del Tesoro 5% 01/09/2040	2,818
2,528,000 Spain Government Bond 6% 31/01/2029	2,779
2,676,000 Italy Buoni Poliennali Del Tesoro 5% 01/08/2039	2,692
2,312,000 Italy Buoni Poliennali Del Tesoro 6.5% 01/11/2027	2,581
1,871,000 Bundesrepublik Deutschland 4.25% 04/07/2039	2,548
2,285,000 Italy Buoni Poliennali Del Tesoro 5.75% 01/02/2033	2,528

The 20 largest purchases

Holding Investments	Cost €'000
4,388,000 France Government Bond OAT 5.75% 25/10/2032	6,289
4,923,000 Italy Buoni Poliennali Del Tesoro 6% 01/05/2031	5,634
4,158,000 France Government Bond OAT 4.5% 25/04/2041	5,255
3,498,000 Bundesrepublik Deutschland 4.75% 04/07/2034	4,980
3,702,000 Bundesrepublik Deutschland 4% 04/01/2037	4,868
3,503,000 France Government Bond OAT 5.5% 25/04/2029	4,794
4,450,000 Italy Buoni Poliennali Del Tesoro 5.25% 01/11/2029	4,704
3,604,000 France Government Bond OAT 4.75% 25/04/2035	4,654
3,640,000 France Government Bond OAT 4% 25/10/2038	4,261
2,577,000 Bundesrepublik Deutschland 4.75% 04/07/2040	3,861
2,386,000 Bundesrepublik Deutschland 5.5% 04/01/2031	3,553
3,921,000 Italy Buoni Poliennali Del Tesoro 4% 01/02/2037	3,494
3,286,000 Italy Buoni Poliennali Del Tesoro 5% 01/08/2034	3,349
3,232,000 Italy Buoni Poliennali Del Tesoro 5% 01/09/2040	3,275
2,919,000 Spain Government Bond 6% 31/01/2029	3,192
3,005,000 Italy Buoni Poliennali Del Tesoro 5% 01/08/2039	3,059
2,351,000 Netherlands Government Bond 3.75% 15/01/2042	2,950
2,116,000 Bundesrepublik Deutschland 4.25% 04/07/2039	2,924
2,578,000 Italy Buoni Poliennali Del Tesoro 5.75% 01/02/2033	2,876
2,357,000 Bundesrepublik Deutschland 3.25% 04/07/2042	2,836

The UCITS notices issued by the Central Bank of Ireland require a Schedule of Portfolio changes during the year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the year is available, upon request, at no cost from the Administrator.

iShares EURO STOXX 50 UCITS ETF (Inc)

Income statement

For the year ended 31 October 2013

	Notes	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Operating income	2	156,851	163,982
Net gains on financial assets/liabilities at fair value through profit or loss	3	986,114	193,594
Total gains		1,142,965	357,576
Operating expenses	4	(16,100)	(12,332)
Net operating profit		1,126,865	345,244
Finance costs:			
Distributions to redeemable participating shareholders	6	(125,415)	(147,241)
Interest expense	7	(8)	(5)
Total finance costs		(125,423)	(147,246)
Net profit for the financial year before tax		1,001,442	197,998
Non-reclaimable withholding tax		(17,053)	(3,430)
Net gain for the financial year after tax		984,389	194,568
Adjustment to align to the valuation methodology as set out in the prospectus	8	5,030	1,180
Increase in net assets attributable to redeemable participating shareholders from operations		989,419	195,748

There are no recognised gains or losses arising in the year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

Statement of changes in net assets attributable to redeemable participating shareholders

For the year ended 31 October 2013

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Net assets attributable to redeemable participating shareholders at the beginning of the year	4,137,235	3,285,326
Increase in net assets attributable to redeemable participating shareholders from operations	989,419	195,748
Share transactions:		
Proceeds from issue of redeemable participating shares	1,687,681	1,611,139
Payments on redemption of redeemable participating shares	(896,860)	(954,978)
Increase in net assets resulting from share transactions	790,821	656,161
Net assets attributable to redeemable participating shareholders at the end of the year	5,917,475	4,137,235

The accompanying notes form an integral part of these financial statements.

iShares EURO STOXX 50 UCITS ETF (Inc)

Balance sheet

As at 31 October 2013

	Notes	31 October 2013 €'000	31 October 2012 €'000
CURRENT ASSETS			
Cash and cash equivalents		13,924	28,984
Margin cash account		897	1,707
Receivables	12	20,431	35,652
Financial assets at fair value through profit or loss	13	5,894,113	4,127,643
Total current assets		5,929,365	4,193,986
CURRENT LIABILITIES			
Payables	14	(3,083)	(34,887)
Distributions payable to redeemable participating shareholders	6	(13,104)	(20,845)
Financial liabilities at fair value through profit or loss	13	-	(286)
Total current liabilities		(16,187)	(56,018)
Net assets attributable to redeemable participating shareholders		5,913,178	4,137,968
Adjustment to align to the valuation methodology as set out in the prospectus	8	4,297	(733)
Net asset value attributable to redeemable participating shareholders at the end of the year		5,917,475	4,137,235

The accompanying notes form an integral part of these financial statements. Details of the NAV per share are set out in note 11.

iShares EURO STOXX 50 UCITS ETF (Inc)

Notes to the financial statements

For the year ended 31 October 2013

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 54 to 58. The financial instruments and risks are set out on pages 59 to 98. The notes relating to tax, soft commissions and exchange rates are set out in the notes on pages 101 to 109.

2. OPERATING INCOME

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Deposit interest income	23	61
Dividend income	152,637	154,828
Securities lending income	4,191	9,093
	156,851	163,982

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Net gains on investments in securities held at fair value through profit or loss	979,967	193,381
Net gains on futures contracts	6,175	115
Net (losses)/gains on other investments	(28)	98
	986,114	193,594

4. OPERATING EXPENSES

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Management fees	(16,100)	(12,332)
	(16,100)	(12,332)

5. MANAGEMENT FEES

Fees earned by the Manager during the year and balances outstanding as at 31 October 2013 and 31 October 2012 are disclosed in note 4 and note 14 respectively.

Please refer to page 101 for each Fund's management fee rate.

The Manager is responsible for discharging, from this fee, all fees of the Investment Manager, the Administrator and the Custodian and any distributing agent appointed by the distributor through whom the shares will be marketed, together with all reasonable out of pocket expenses of such service providers, (including sub-custodial fees and expenses, (which will be at normal commercial rates) and transaction related charges of the Administrator and Custodian). The Manager will also be responsible for discharging from its fee for each share class an attributable proportion of the organisational and operating expenses, including audit and Directors fees, of the Company. The fee will be accrued daily based on the daily net asset value of the share classes and will be paid monthly in arrears. Where the actual fees and costs incurred exceed the amount paid to the Manager, the excess will be discharged by the Manager from its own assets.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of Shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the year were as follows:

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
January 2012	-	19,172
April 2012	-	18,280
July 2012	-	97,388
October 2012	-	20,845
January 2013	9,258	-
April 2013	14,173	-
July 2013	98,489	-
October 2013	13,104	-
	135,024	155,685
Equalisation income	(13,594)	(18,084)
Equalisation expense	3,985	9,640
	125,415	147,241

iShares EURO STOXX 50 UCITS ETF (Inc)

Notes to the financial statements (continued)

For the year ended 31 October 2013

7. INTEREST EXPENSE

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Bank interest	(8)	(5)
	(8)	(5)

8. ADJUSTMENT TO ALIGN TO THE VALUATION METHODOLOGY AS SET OUT IN THE PROSPECTUS

The adjustment between the financial statements net asset value and the valuation methodology set out in the prospectus is shown below:

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Balance brought forward	(733)	(1,913)
Adjustment to align to the valuation methodology as set out in the prospectus	5,030	1,180
Total adjustment for the year	5,030	1,180
Balance carried forward	4,297	(733)

Further details are set out in the accounting policies note m) on page 58.

9. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the years ended 31 October 2013 and 31 October 2012. Please refer to note 10 on page 103 for further details.

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Transactions costs	1,278	483

10. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 October 2013 No. of Shares	31 October 2012 No. of Shares
Number of redeemable participating shares:		
Balance at the beginning of the year	164,600,000	137,200,000
Issued during the year	60,600,000	68,300,000
Redeemed during the year	(33,200,000)	(40,900,000)
Balance at the end of the year	192,000,000	164,600,000

11. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	No. of Shares
Shares in issue	
As at 31 October 2013	192,000,000
As at 31 October 2012	164,600,000
As at 31 October 2011	137,200,000

	€'000
Net asset value	
As at 31 October 2013	5,917,475
As at 31 October 2012	4,137,235
As at 31 October 2011	3,285,326

Net asset value per share

As at 31 October 2013	€30.82
As at 31 October 2012	€25.14
As at 31 October 2011	€23.95

12. RECEIVABLES

	31 October 2013 €'000	31 October 2012 €'000
Securities lending income receivable	379	1,054
Tax reclaim receivable	6,948	13,753
Distributions payable held with Registrar*	13,104	20,845
	20,431	35,652

* Further details are set out in note 12 on page 104.

iShares EURO STOXX 50 UCITS ETF (Inc)

Notes to the financial statements (continued)

For the year ended 31 October 2013

13. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013 €'000	31 October 2012 €'000
Financial assets:		
Investment in equities	5,883,195	4,123,649
Investment in rights	5,318	3,994
Investment in UCITS collective investment schemes	4,092	-
Unrealised gain on futures contracts	1,508	-
	5,894,113	4,127,643
Financial liabilities:		
Unrealised loss on futures contracts	-	(286)
	-	(286)

14. PAYABLES

	31 October 2013 €'000	31 October 2012 €'000
Purchase of securities awaiting settlement	-	(33,695)
Management fees payable	(3,083)	(1,192)
	(3,083)	(34,887)

15. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the years ended 31 October 2013 and 31 October 2012 other than those disclosed in note 17 on page 105.

16. RELATED PARTIES

The related parties are set out on pages 106 to 108.

17. EFFICIENT PORTFOLIO MANAGEMENT

The Company may, subject to the conditions and within the limits from time to time laid down by the Central Bank of Ireland and the prospectus, engage in securities lending and employ techniques and instruments relating to transferable securities for efficient portfolio management purposes.

During the year the Company engaged in securities lending. The Company receives either cash collateral or securities as collateral, as determined within the schedule, for a value in excess of the market value of the securities loaned. As at the 31 October 2013 the collateral consists of securities admitted to or dealt on a regulated market.

The collateral is registered and held in the name of BlackRock Advisors (UK) Limited on behalf of the Funds in any or all of the following collateral agents and central securities depositaries: JP Morgan Chase, Bank of New York Mellon Corporation, Euroclear or CREST, depending on the type of collateral the counterparty needs to give as per the schedule in order to cover the required value of exposure. Further details can be seen on page 81.

The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary.

The securities lending agent appointed pursuant to the stock lending agreement is BlackRock Advisors (UK) Limited. Securities lending income is split between the Fund and the securities lending agent in a ratio of 60:40 in favour of the Fund, with all operational costs borne out of the securities lending agents share.

	31 October 2013 €'000	31 October 2012 €'000
Income earned during year	4,191	9,093
Value of securities on loan at year end	104,601	118,573
Value of collateral held by the Company at year end	163,947	133,097

Please see note 18 for more information on financial derivative instruments.

18. FINANCIAL DERIVATIVE INSTRUMENTS

The Fund may buy and sell financial derivative instruments. See further details in the Fund's Schedule of Investments and note 3 to the financial statements.

19. SIGNIFICANT EVENTS DURING THE YEAR

Please refer to note 22 on pages 108 and 109.

20. SUBSEQUENT EVENTS

Please refer to note 23 on page 109.

iShares EURO STOXX 50 UCITS ETF (Inc)

Schedule of investments

As at 31 October 2013

Holding	Investment	Fair value €'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market			
	Equities		
	Belgium		
	Beverages		
2,319,852	Anheuser-Busch InBev NV Com NPV	177,701	3.00
	Total Belgium	177,701	3.00
	France		
	Apparel retailers		
833,518	LVMH Moet Hennessy Louis Vuitton SA Com EUR 0.30	118,151	2.00
	Banks		
3,300,424	BNP Paribas SA Com EUR 2.00	179,972	3.04
2,490,981	Societe Generale SA Com EUR 1.25	104,160	1.76
	Building materials and fixtures		
1,429,410	Cie de St-Gobain Com EUR 4.00	55,354	0.93
	Chemicals		
975,180	Air Liquide SA Com EUR 5.50	97,811	1.65
	Electrical components & equipment		
1,732,388	Schneider Electric SA Com EUR 4.00	107,460	1.82
	Electricity		
4,761,080	GDF Suez Com EUR 1.00	87,318	1.47
	Engineering & construction		
1,644,084	Vinci SA Com EUR 2.50	77,666	1.31
	Food		
1,937,894	Carrefour SA Com EUR 2.50	52,275	0.89
1,823,054	Danone SA Com EUR 0.25	99,575	1.68
	Healthcare products		
672,024	Essilor International SA Com EUR 0.18	53,110	0.90
	Insurance		
6,366,913	AXA SA Com EUR 2.29	117,024	1.98
	Integrated oil & gas		
7,012,034	Total SA Com EUR 2.50	316,979	5.36
	Personal products		
743,541	L'Oreal SA Com EUR 0.20	93,798	1.58
	Pharmaceuticals		
3,758,691	Sanofi Com EUR 2.00	295,208	4.99
	Real estate investment trusts		
303,313	Unibail-Rodamco SE Reits EUR 5.00	58,524	0.99
	Telecommunications		
6,035,589	Orange SA Com EUR 4.00	61,020	1.03
3,967,577	Vivendi SA Com EUR 5.50	74,035	1.25
	Total France	2,049,440	34.63

Holding	Investment	Fair value €'000	% of net asset value
	Germany		
	Auto manufacturers		
1,002,632	Bayerische Motoren Werke AG Com EUR 1.00	83,770	1.42
3,065,644	Daimler AG Com NPV	184,827	3.12
448,722	Volkswagen AG Pref NPV	84,158	1.42
	Banks		
3,179,862	Deutsche Bank AG Com NPV	113,267	1.92
	Chemicals		
2,866,766	BASF SE Com NPV	219,078	3.70
	Electricity		
6,241,158	E.ON SE Com NPV	84,037	1.42
1,526,400	RWE AG Com NPV	41,457	0.70
	Insurance		
1,410,919	Allianz SE Com NPV	174,460	2.95
502,016	Muenchener Rueckversicherungs AG Com NPV	77,260	1.31
	Miscellaneous manufacturers		
2,594,554	Siemens AG Com NPV	243,888	4.12
	Mobile telecommunications		
9,483,738	Deutsche Telekom AG Com NPV	109,869	1.86
	Pharmaceuticals		
2,579,303	Bayer AG Com NPV	235,594	3.98
	Software		
2,957,228	SAP AG Com NPV	171,017	2.89
	Transportation		
2,957,956	Deutsche Post AG Com NPV	73,564	1.24
	Total Germany	1,896,246	32.05
	Ireland		
	Building materials and fixtures		
2,262,726	CRH Plc Com EUR 0.32	40,729	0.69
	Total Ireland	40,729	0.69
	Italy		
	Banks		
43,572,052	Intesa Sanpaolo SpA Com EUR 0.52	79,650	1.34
16,856,758	UniCredit SpA Com NPV	93,302	1.58
	Electricity		
19,877,212	Enel SpA Com EUR 1.00	64,521	1.09
	Insurance		
4,167,288	Assicurazioni Generali SpA Com EUR 1.00	71,761	1.21
	Integrated oil & gas		
8,346,064	Eni SpA Com NPV	155,320	2.63
	Total Italy	464,554	7.85

iShares EURO STOXX 50 UCITS ETF (Inc)

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value €'000	% of net asset value	Holding Investment	Fair value €'000	% of net asset value	
Netherlands			Financial derivative instruments			
Aerospace			Futures contracts			
1,811,036 European Aeronautic Defence and Space Co NV Com EUR 1.00	91,584	1.55	No. of contracts	Underlying exposure €'000	Unrealised gain €'000	% of net asset value
Electronics			979 Euro Stoxx 50 Index Futures December 2013	28,439	1,508	0.03
3,042,994 Koninklijke Philips NV Com EUR 0.20	79,346	1.34	Total unrealised gains on futures contracts		1,508	0.03
Food			Total value of investments		5,894,113	99.61
4,906,462 Unilever NV CVS EUR 0.16	143,122	2.42	Cash†		14,821	0.25
Insurance			Other net assets		4,244	0.07
12,045,212 ING Groep NV CVS EUR 0.24	112,984	1.91	Net assets attributable to redeemable participating shareholders		5,913,178	99.93
Semiconductors			Adjustment to align to the valuation methodology as set out in the prospectus		4,297	0.07
1,197,254 ASML Holding NV Com EUR 0.09	83,700	1.41	Net asset value attributable to redeemable participating shareholders at the end of the year		5,917,475	100.00
Total Netherlands	510,736	8.63	† Cash holdings of €13,924,337 are held with State Street Bank and Trust Company. €897,220 is held as security for futures contracts with Barclays Plc.			
Spain			* Investment in related party.			
Apparel retailers			Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority (“ESMA”) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.			
661,265 Inditex SA Com EUR 0.15	80,013	1.35				
Banks						
17,854,566 Banco Bilbao Vizcaya Argentaria SA Com EUR 0.49	153,978	2.60				
34,596,614 Banco Santander SA Com EUR 0.50	226,193	3.83				
Electricity						
15,706,256 Iberdrola SA Com EUR 0.75	72,689	1.23				
Integrated oil & gas						
2,519,955 Repsol SA Com EUR 1.00	49,794	0.84				
Telecommunications						
12,413,121 Telefonica SA Com EUR 1.00	161,122	2.72				
Total Spain	743,789	12.57				
Total equities	5,883,195	99.42				
Rights						
Spain						
33,655,687 Banco Santander SA - Rights 1 November 2013	5,318	0.09				
Total Spain	5,318	0.09				
Total rights	5,318	0.09				
UCITS collective investment schemes						
Ireland						
4,091,593 Institutional Cash Series Plc - Institutional Euro Liquidity Fund*	4,092	0.07				
Total Ireland	4,092	0.07				
Total UCITS collective investment schemes	4,092	0.07				

[†] Cash holdings of €13,924,337 are held with State Street Bank and Trust Company. €897,220 is held as security for futures contracts with Barclays Plc.

* Investment in related party.

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

iShares EURO STOXX 50 UCITS ETF (Inc)

Schedule of material purchases and sales

For the year ended 31 October 2013

The 20 largest sales

Holding Investments	Proceeds €'000
767,853 Sanofi Com EUR 2.00	59,472
1,385,488 Total SA Com EUR 2.50	53,823
530,069 Siemens AG Com NPV	43,926
585,630 BASF SE Com NPV	42,348
526,886 Bayer AG Com NPV	41,733
3,467,122 ArcelorMittal Com NPV	36,232
577,201 SAP AG Com NPV	35,947
473,916 Anheuser-Busch InBev NV Com NPV	34,792
5,913,976 Banco Santander SA Com EUR 0.50	33,696
288,176 Allianz SE Com NPV	31,999
1,002,302 Unilever NV CVS EUR 0.16	31,187
1,704,981 Eni SpA Com NPV	30,751
11,568,177 Nokia Oyj Com NPV	29,964
674,227 BNP Paribas SA Com EUR 2.00	29,283
626,267 Daimler AG Com NPV	28,197
2,535,877 Telefonica SA Com EUR 1.00	27,890
3,326,412 Banco Bilbao Vizcaya Argentaria SA Com EUR 0.49	24,823
437,226 Danone SA Com EUR 0.25	24,177
170,270 LVMH Moet Hennessy Louis Vuitton SA Com EUR 0.30	22,899
342,425 Schneider Electric SA Com EUR 4.00	20,006

The 20 largest purchases

Holding Investments	Cost €'000
2,253,573 Total SA Com EUR 2.50	90,996
1,192,296 Sanofi Com EUR 2.00	90,211
1,968,543 European Aeronautic Defence and Space Co NV Com EUR 1.00	84,539
13,162,378 Banco Santander SA Com EUR 0.50	77,313
2,957,956 Deutsche Post AG Com NPV	73,192
823,096 Siemens AG Com NPV	68,620
818,178 Bayer AG Com NPV	66,249
909,392 BASF SE Com NPV	64,968
976,943 SAP AG Com NPV	55,732
735,893 Anheuser-Busch InBev NV Com NPV	51,129
447,542 Allianz SE Com NPV	50,496
1,046,966 BNP Paribas SA Com EUR 2.00	49,589
972,464 Daimler AG Com NPV	48,541
6,091,283 Banco Bilbao Vizcaya Argentaria SA Com EUR 0.49	46,540
2,647,522 Eni SpA Com NPV	46,452
1,556,330 Unilever NV CVS EUR 0.16	45,862
3,937,685 Telefonica SA Com EUR 1.00	43,236
1,187,157 Deutsche Bank AG Com NPV	41,390
2,383,693 AXA SA Com EUR 2.29	36,791
264,433 LVMH Moet Hennessy Louis Vuitton SA Com EUR 0.30	36,212

The UCITS notices issued by the Central Bank of Ireland require a Schedule of Portfolio changes during the year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the year is available, upon request, at no cost from the Administrator.

iShares FTSE MIB UCITS ETF (Inc)

Income statement

For the year ended 31 October 2013

	Notes	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Operating income	2	13,468	4,566
Net gains on financial assets/liabilities at fair value through profit or loss	3	111,203	2,133
Total gains		124,671	6,699
Operating expenses	4	(1,515)	(440)
Net operating profit		123,156	6,259
Finance costs:			
Distributions to redeemable participating shareholders	6	(11,121)	(3,630)
Interest expense	7	-	(2)
Total finance costs		(11,121)	(3,632)
Net profit for the financial year before tax		112,035	2,627
Non-reclaimable withholding tax		(475)	(423)
Net profit for the financial year after tax		111,560	2,204
Adjustment to align to the valuation methodology as set out in the prospectus	8	703	(124)
Increase in net assets attributable to redeemable participating shareholders from operations		112,263	2,080

There are no recognised gains or losses arising in the year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

Statement of changes in net assets attributable to redeemable participating shareholders

For the year ended 31 October 2013

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Net assets attributable to redeemable participating shareholders at the beginning of the year	191,193	81,953
Increase in net assets attributable to redeemable participating shareholders from operations	112,263	2,080
Share transactions:		
Proceeds from issue of redeemable participating shares	622,820	167,336
Payments on redemption of redeemable participating shares	(121,207)	(60,176)
Increase in net assets resulting from share transactions	501,613	107,160
Net assets attributable to redeemable participating shareholders at the end of the year	805,069	191,193

The accompanying notes form an integral part of these financial statements.

iShares FTSE MIB UCITS ETF (Inc)

Balance sheet

As at 31 October 2013

	Notes	31 October 2013 €'000	31 October 2012 €'000
CURRENT ASSETS			
Cash and cash equivalents		4,299	784
Margin cash account		820	615
Receivables	12	16,772	4,898
Financial assets at fair value through profit or loss	13	799,491	189,926
Total current assets		821,382	196,223
CURRENT LIABILITIES			
Payables	14	(374)	(57)
Distributions payable to redeemable participating shareholders	6	(16,725)	(4,886)
Financial liabilities at fair value through profit or loss	13	-	(170)
Total current liabilities		(17,099)	(5,113)
Net assets attributable to redeemable participating shareholders		804,283	191,110
Adjustment to align to the valuation methodology as set out in the prospectus	8	786	83
Net asset value attributable to redeemable participating shareholders at the end of the year		805,069	191,193

The accompanying notes form an integral part of these financial statements. Details of the NAV per share are set out in note 11.

iShares FTSE MIB UCITS ETF (Inc)

Notes to the financial statements

For the year ended 31 October 2013

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 54 to 58. The financial instruments and risks are set out on pages 59 to 98. The notes relating to tax, soft commissions and exchange rates are set out in the notes on pages 101 to 109.

2. OPERATING INCOME

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Deposit interest income	5	4
Dividend income	12,672	4,302
Securities lending income	791	260
	13,468	4,566

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Net gains on investments in securities held at fair value through profit or loss	108,732	1,575
Net gains on futures contracts	2,478	557
Net (losses)/gains on other investments	(7)	1
	111,203	2,133

4. OPERATING EXPENSES

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Management fees	(1,515)	(440)
	(1,515)	(440)

5. MANAGEMENT FEES

Fees earned by the Manager during the year and balances outstanding as at 31 October 2013 and 31 October 2012 are disclosed in note 4 and note 14 respectively.

Please refer to page 101 for each Fund's management fee rate.

The Manager is responsible for discharging, from this fee, all fees of the Investment Manager, the Administrator and the Custodian and any distributing agent appointed by the distributor through whom the shares will be marketed, together with all reasonable out of pocket expenses of such service providers, (including sub-custodial fees and expenses, (which will be at normal commercial rates) and transaction related charges of the Administrator and Custodian). The Manager will also be responsible for discharging from its fee for each share class an attributable proportion of the organisational and operating expenses, including audit and Directors fees, of the Company. The fee will be accrued daily based on the daily net asset value of the share classes and will be paid monthly in arrears. Where the actual fees and costs incurred exceed the amount paid to the Manager, the excess will be discharged by the Manager from its own assets.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of Shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the year were as follows:

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
April 2012	-	417
October 2012	-	4,886
April 2013	432	-
October 2013	16,725	-
	17,157	5,303
Equalisation income	(7,735)	(2,251)
Equalisation expense	1,699	578
	11,121	3,630

7. INTEREST EXPENSE

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Bank interest	-	(2)
	-	(2)

iShares FTSE MIB UCITS ETF (Inc)

Notes to the financial statements (continued)

For the year ended 31 October 2013

8. ADJUSTMENT TO ALIGN TO THE VALUATION METHODOLOGY AS SET OUT IN THE PROSPECTUS

The adjustment between the financial statements net asset value and the valuation methodology set out in the prospectus is shown below:

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Balance brought forward	83	207
Adjustment to align to the valuation methodology as set out in the prospectus	703	(124)
Total adjustment for the year	703	(124)
Balance carried forward	786	83

Further details are set out in the accounting policies note m) on page 58.

9. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the years ended 31 October 2013 and 31 October 2012. Please refer to note 10 on page 103 for further details.

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Transactions costs	461	27

10. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 October 2013 No. of Shares	31 October 2012 No. of Shares
Number of redeemable participating shares:		
Balance at the beginning of the year	20,600,000	8,600,000
Issued during the year	60,600,000	18,500,000
Redeemed during the year	(11,800,000)	(6,500,000)
Balance at the end of the year	69,400,000	20,600,000

11. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	No. of Shares
Shares in issue	
As at 31 October 2013	69,400,000
As at 31 October 2012	20,600,000
As at 31 October 2011	8,600,000

	€'000
Net asset value	
As at 31 October 2013	805,069
As at 31 October 2012	191,193
As at 31 October 2011	81,953

	€'000
Net asset value per share	
As at 31 October 2013	€11.60
As at 31 October 2012	€9.28
As at 31 October 2011	€9.53

12. RECEIVABLES

	31 October 2013 €'000	31 October 2012 €'000
Sale of securities awaiting settlement	-	9
Deposit interest receivable	1	-
Securities lending income receivable	46	3
Distributions payable held with Registrar*	16,725	4,886
	16,772	4,898

* Further details are set out in note 12 on page 104.

13. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013 €'000	31 October 2012 €'000
Financial assets:		
Investment in equities	788,038	187,626
Investment in UCITS collective investment schemes	10,349	2,300
Unrealised gains on futures contracts	1,104	-
	799,491	189,926

Financial liabilities:		
Unrealised loss on futures contracts	-	(170)
	-	(170)

iShares FTSE MIB UCITS ETF (Inc)

Notes to the financial statements (continued)

For the year ended 31 October 2013

14. PAYABLES

	31 October 2013 €'000	31 October 2012 €'000
Management fees payable	(374)	(57)
	(374)	(57)

15. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the years ended 31 October 2013 and 31 October 2012 other than those disclosed in note 17 on page 105.

16. RELATED PARTIES

The related parties are set out on pages 106 to 108.

17. EFFICIENT PORTFOLIO MANAGEMENT

The Company may, subject to the conditions and within the limits from time to time laid down by the Central Bank of Ireland and the prospectus, engage in securities lending and employ techniques and instruments relating to transferable securities for efficient portfolio management purposes.

During the year the Company engaged in securities lending. The Company receives either cash collateral or securities as collateral, as determined within the schedule, for a value in excess of the market value of the securities loaned. As at the 31 October 2013 the collateral consists of securities admitted to or dealt on a regulated market.

The collateral is registered and held in the name of BlackRock Advisors (UK) Limited on behalf of the Funds in any or all of the following collateral agents and central securities depositories: JP Morgan Chase, Bank of New York Mellon Corporation, Euroclear or CREST, depending on the type of collateral the counterparty needs to give as per the schedule in order to cover the required value of exposure. Further details can be seen on page 81.

The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary.

The securities lending agent appointed pursuant to the stock lending agreement is BlackRock Advisors (UK) Limited. Securities lending income is split between the Fund and the securities lending agent in a ratio of 60:40 in favour of the Fund, with all operational costs borne out of the securities lending agents share.

	31 October 2013 €'000	31 October 2012 €'000
Income earned during year	791	260
Value of securities on loan at year end	64,824	7,696
Value of collateral held by the Company at year end	73,626	8,611

Please see note 18 for more information on financial derivative instruments.

18. FINANCIAL DERIVATIVE INSTRUMENTS

The Fund may buy and sell financial derivative instruments. See further details in the Fund's Schedule of Investments and note 3 to the financial statements.

19. SIGNIFICANT EVENTS DURING THE YEAR

Please refer to note 22 on pages 108 and 109.

20. SUBSEQUENT EVENTS

Please refer to note 23 on page 109.

iShares FTSE MIB UCITS ETF (Inc)

Schedule of investments

As at 31 October 2013

Holding	Investment	Fair value €'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market			
	Equities		
	Italy		
	Alternative energy		
5,309,180	Enel Green Power SpA Com EUR 0.20	9,493	1.18
	Auto manufacturers		
2,915,154	Fiat SpA Com EUR 3.58	16,864	2.10
	Banks		
20,373,170	Banca Monte dei Paschi di Siena SpA Com NPV	4,745	0.59
1,138,141	Banca Popolare dell'Emilia Romagna SC Com EUR 3.00	8,064	1.00
11,053,788	Banca Popolare di Milano Scarl Com NPV	5,448	0.68
6,035,293	Banco Popolare SC Com NPV	8,848	1.10
37,698,335	Intesa Sanpaolo SpA Com EUR 0.52	68,913	8.56
1,445,733	Mediobanca SpA Com EUR 0.50	9,715	1.21
15,263,126	UniCredit SpA Com NPV	84,481	10.49
2,961,249	Unione di Banche Italiane SCPA Com EUR 2.50	15,088	1.87
	Beverages		
968,635	Davide Campari-Milano SpA Com EUR 0.10	6,214	0.77
	Building materials and fixtures		
248,436	Buzzi Unicem SpA Com EUR 0.60	3,172	0.40
	Commercial services		
977,452	Atlantia SpA Com EUR 1.00	15,786	1.96
	Defence		
1,305,432	Finmeccanica SpA Com EUR 4.40	7,056	0.88
	Electrical components & equipment		
724,099	Prysmian SpA Com EUR 0.10	13,026	1.62
	Electricity		
4,787,492	A2A SpA Com EUR 0.52	3,976	0.50
22,224,253	Enel SpA Com EUR 1.00	72,140	8.96
4,888,199	Terna Rete Elettrica Nazionale SpA Com EUR 0.22	17,803	2.21
	Financial services		
300,528	Azimut Holding SpA Com NPV	5,623	0.70
	Food products		
1,046,202	Parmalat SpA Com EUR 1.00	2,588	0.32
	Gambling		
224,399	Gtech SpA Com EUR 1.00	5,024	0.63
	Gas distribution		
7,175,094	Snam SpA Com NPV	27,208	3.38

Holding	Investment	Fair value €'000	% of net asset value
	Italy (cont)		
	Healthcare products		
592,669	Luxottica Group SpA Com EUR 0.06	23,701	2.94
	Holding companies - diversified operations		
335,057	Exor SpA Com EUR 1.00	9,774	1.21
	Insurance		
4,318,209	Assicurazioni Generali SpA Com EUR 1.00	74,360	9.24
1,639,632	Fondiaria-Sai SpA Com NPV	3,097	0.38
728,574	Mediolanum SpA Com EUR 0.10	4,666	0.58
	Integrated oil & gas		
6,079,257	Eni SpA Com NPV	113,135	14.05
	Media		
2,296,565	Mediaset SpA Com EUR 0.52	8,474	1.05
	Oil & gas services		
855,100	Saipem SpA Com EUR 1.00	14,759	1.83
	Pharmaceuticals		
80,196	DiaSorin SpA Com Eur 1.00	2,786	0.35
	Retail		
433,972	Autogrill SpA Com NPV	2,871	0.36
161,464	Salvatore Ferragamo SpA Com EUR 0.10	4,069	0.50
433,972	World Duty Free SpA Com NPV	3,539	0.44
	Telecommunications		
35,745,366	Telecom Italia SpA Com EUR 0.55	25,612	3.18
	Textile		
46,166	Tod's SpA Com EUR 2.00	5,660	0.70
	Transportation services		
369,927	Ansaldo STS SpA Com EUR 0.50	2,895	0.36
	Tyres		
895,606	Pirelli & C. SpA Com NPV	9,278	1.15
	Total Italy	719,951	89.43
	Luxembourg		
	Metal fabricate/ hardware		
1,617,458	Tenaris SA Com USD 1.00	27,949	3.47
	Total Luxembourg	27,949	3.47
	Netherlands		
	Machinery — diversified		
3,280,084	CNH Industrial NV Com EUR 0.01	28,570	3.55
	Semiconductors		
2,029,549	STMicroelectronics NV Com EUR 1.04	11,568	1.43
	Total Netherlands	40,138	4.98

iShares FTSE MIB UCITS ETF (Inc)

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value €'000	% of net asset value
Total equities	788,038	97.88
UCITS collective investment schemes		
Ireland		
10,348,637 Institutional Cash Series plc - Institutional Euro Liquidity Fund*	10,349	1.29
Total Ireland	10,349	1.29
Total UCITS collective investment schemes	10,349	1.29

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

Analysis of total current assets gross of all liabilities (unaudited)	Fair value €'000	% of total current assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	788,038	95.94
UCITS collective investment schemes	10,349	1.26
Exchange traded financial derivative instruments	1,104	0.13
Other assets	21,891	2.67
Total current assets	821,382	100.00

Financial derivative instruments

Futures contracts

No. of contracts	Underlying exposure €'000	Unrealised gain €'000	% of net asset value
168 FTSE MIB Mini Index Futures December 2013	15,146	1,104	0.14
Total unrealised gains on futures contracts		1,104	0.14
Total value of investments		799,491	99.31
Cash[†]		5,119	0.64
Other net liabilities		(327)	(0.05)
Net assets attributable to redeemable participating shareholders		804,283	99.90
Adjustment to align to the valuation methodology as set out in the prospectus		786	0.10
Net asset value attributable to redeemable participating shareholders at the end of the year		805,069	100.00

[†] Cash holdings of €4,299,173 are held with State Street Bank and Trust Company. €819,876 is held as security for futures contracts with Barclays Plc.

* Investment in related party.

iShares FTSE MIB UCITS ETF (Inc)

Schedule of material purchases and sales

For the year ended 31 October 2013

The 20 largest sales		The 20 largest purchases	
Holding Investments	Proceeds €'000	Holding Investments	Cost €'000
1,065,004 Eni SpA Com NPV	18,755	5,533,039 Eni SpA Com NPV	97,035
3,639,389 UniCredit SpA Com NPV	15,881	13,832,071 UniCredit SpA Com NPV	61,014
4,556,213 Enel SpA Com EUR 1.00	12,678	19,931,230 Enel SpA Com EUR 1.00	58,944
844,906 Assicurazioni Generali SpA Com EUR 1.00	12,144	3,845,690 Assicurazioni Generali SpA Com EUR 1.00	55,829
7,728,464 Intesa Sanpaolo SpA Com EUR 0.52	11,668	33,808,683 Intesa Sanpaolo SpA Com EUR 0.52	50,007
331,603 Tenaris SA Com USD 1.00	5,553	6,771,122 Snam SpA Com NPV	24,783
571,045 Fiat Industrial SpA Com EUR 1.57	5,273	1,450,579 Tenaris SA Com USD 1.00	23,554
1,379,328 Snam SpA Com NPV	5,005	32,057,271 Telecom Italia SpA Com EUR 0.55	20,425
120,766 Luxottica Group SpA Com EUR 0.06	4,686	2,202,387 Fiat Industrial SpA Com EUR 1.57	19,863
7,328,138 Telecom Italia SpA Com EUR 0.55	4,253	532,777 Luxottica Group SpA Com EUR 0.06	19,635
267,898 Atlantia SpA Com EUR 1.00	3,641	766,831 Saipem SpA Com EUR 1.00	16,023
531,191 STMicroelectronics NV Com EUR 1.04	3,573	4,428,027 Terna Rete Elettrica Nazionale SpA Com EUR 0.22	14,442
597,651 Fiat SpA Com EUR 3.58	3,317	2,614,385 Fiat SpA Com EUR 3.58	13,344
175,261 Saipem SpA Com EUR 1.00	3,189	916,734 Atlantia SpA Com EUR 1.00	12,964
918,999 Terna Rete Elettrica Nazionale SpA Com EUR 0.22	2,998	1,888,579 STMicroelectronics NV Com EUR 1.04	11,770
148,425 Prysmian SpA Com EUR 0.10	2,503	649,373 Prysmian SpA Com EUR 0.10	10,628
607,110 Unione di Banche Italiane SCPA Com EUR 2.50	2,214	2,655,750 Unione di Banche Italiane SCPA Com EUR 2.50	9,833
1,088,431 Enel Green Power SpA Com EUR 0.20	1,732	328,525 Exor SpA Com EUR 1.00	8,201
56,672 Exor SpA Com EUR 1.00	1,494	812,025 Pirelli & C. SpA Com NPV	7,578
296,309 Mediobanca SpA Com EUR 0.50	1,489	4,761,397 Enel Green Power SpA Com EUR 0.20	7,451

The UCITS notices issued by the Central Bank of Ireland require a Schedule of Portfolio changes during the year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the year is available, upon request, at no cost from the Administrator.

iShares Global Clean Energy UCITS ETF

Income statement

For the year ended 31 October 2013

	Notes	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Operating income	2	3,167	3,788
Net gains/(losses) on financial assets/liabilities at fair value through profit or loss	3	50,245	(42,694)
Total gains/(losses)		53,412	(38,906)
Operating expenses	4	(721)	(722)
Net operating profit/(loss)		52,691	(39,628)
Finance costs:			
Distributions to redeemable participating shareholders	6	(2,332)	(2,994)
Interest expense	7	(1)	(7)
Total finance costs		(2,333)	(3,001)
Net profit/(loss) for the financial year before tax		50,358	(42,629)
Non-reclaimable withholding tax		(159)	(123)
Net profit/(loss) for the financial year after tax		50,199	(42,752)
Adjustment to align to the valuation methodology as set out in the prospectus	8	49	(353)
Increase/(decrease) in net assets attributable to redeemable participating shareholders from operations		50,248	(43,105)

There are no recognised gains or losses arising in the year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

Statement of changes in net assets attributable to redeemable participating shareholders

For the year ended 31 October 2013

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the year	90,689	124,228
Increase/(decrease) in net assets attributable to redeemable participating shareholders from operations	50,248	(43,105)
Share transactions:		
Proceeds from issue of redeemable participating shares	45,473	34,294
Payments on redemption of redeemable participating shares	(87,240)	(24,728)
(Decrease)/increase in net assets resulting from share transactions	(41,767)	9,566
Net assets attributable to redeemable participating shareholders at the end of the year	99,170	90,689

The accompanying notes form an integral part of these financial statements.

iShares Global Clean Energy UCITS ETF

Balance sheet

As at 31 October 2013

	Notes	31 October 2013 \$'000	31 October 2012 \$'000
CURRENT ASSETS			
Cash and cash equivalents		241	39
Receivables	12	1,214	2,521
Financial assets at fair value through profit or loss	13	98,455	90,132
Total current assets		99,910	92,692
CURRENT LIABILITIES			
Bank overdraft		-	(276)
Payables	14	(116)	(52)
Distributions payable to redeemable participating shareholders	6	(818)	(1,820)
Total current liabilities		(934)	(2,148)
Net assets attributable to redeemable participating shareholders		98,976	90,544
Adjustment to align to the valuation methodology as set out in the prospectus	8	194	145
Net asset value attributable to redeemable participating shareholders at the end of the year		99,170	90,689

The accompanying notes form an integral part of these financial statements. Details of the NAV per share are set out in note 11.

iShares Global Clean Energy UCITS ETF

Notes to the financial statements

For the year ended 31 October 2013

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 54 to 58. The financial instruments and risks are set out on pages 59 to 98. The notes relating to tax, soft commissions and exchange rates are set out in the notes on pages 101 to 109.

2. OPERATING INCOME

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Deposit interest income	-	4
Dividend income	2,407	1,987
Securities lending income	760	1,797
	3,167	3,788

3. NET GAINS/(LOSSES) ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net gains/(losses) on investments in securities held at fair value through profit or loss	50,239	(42,708)
Net gains on other investments	6	14
	50,245	(42,694)

4. OPERATING EXPENSES

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Management fees	(721)	(722)
	(721)	(722)

5. MANAGEMENT FEES

Fees earned by the Manager during the year and balances outstanding as at 31 October 2013 and 31 October 2012 are disclosed in note 4 and note 14 respectively.

Please refer to page 101 for each Fund's management fee rate.

The Manager is responsible for discharging, from this fee, all fees of the Investment Manager, the Administrator and the Custodian and any distributing agent appointed by the distributor through whom the shares will be marketed, together with all reasonable out of pocket expenses of such service providers, (including sub-custodial fees and expenses, (which will be at normal commercial rates) and transaction related charges of the Administrator and Custodian). The Manager will also be responsible for discharging from its fee for each share class an attributable proportion of the organisational and operating expenses, including audit and Directors fees, of the Company. The fee will be accrued daily based on the daily net asset value of the share classes and will be paid monthly in arrears. Where the actual fees and costs incurred exceed the amount paid to the Manager, the excess will be discharged by the Manager from its own assets.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of Shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the year were as follows:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
April 2012	-	1,201
October 2012	-	1,820
April 2013	1,135	-
October 2013	818	-
	1,953	3,021
Equalisation income	(259)	(333)
Equalisation expense	638	306
	2,332	2,994

iShares Global Clean Energy UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

7. INTEREST EXPENSE

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Bank interest	(1)	(7)
	(1)	(7)

8. ADJUSTMENT TO ALIGN TO THE VALUATION METHODOLOGY AS SET OUT IN THE PROSPECTUS

The adjustment between the financial statements net asset value and the valuation methodology set out in the prospectus is shown below:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Balance brought forward	145	498
Adjustment to align to the valuation methodology as set out in the prospectus	49	(353)
Total adjustment for the year	49	(353)
Balance carried forward	194	145

Further details are set out in the accounting policies note m) on page 58.

9. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the years ended 31 October 2013 and 31 October 2012. Please refer to note 10 on page 103 for further details.

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Transactions costs	80	61

10. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 October 2013 No. of Shares	31 October 2012 No. of Shares
Number of redeemable participating shares:		
Balance at the beginning of year	24,200,000	22,100,000
Issued during the year	8,800,000	7,700,000
Redeemed during the year	(16,700,000)	(5,600,000)
Balance at the end of year	16,300,000	24,200,000

11. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	No. of Shares
Shares in issue	
As at 31 October 2013	16,300,000
As at 31 October 2012	24,200,000
As at 31 October 2011	22,100,000

	\$'000
Net asset value	
As at 31 October 2013	99,170
As at 31 October 2012	90,689
As at 31 October 2011	124,228

	\$'000
Net asset value per share	
As at 31 October 2013	\$6.08
As at 31 October 2012	\$3.75
As at 31 October 2011	\$5.62

12. RECEIVABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Sale of securities awaiting settlement	-	376
Dividend income receivable	346	202
Securities lending income receivable	25	104
Tax reclaim receivable	25	19
Distributions payable held with Registrar*	818	1,820
	1,214	2,521

* Further details are set out in note 12 on page 104.

iShares Global Clean Energy UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013 \$'000	31 October 2012 \$'000
Financial assets:		
Investment in equities	98,455	90,132
	98,455	90,132

14. PAYABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Management fees payable	(116)	(52)
	(116)	(52)

15. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the years ended 31 October 2013 and 31 October 2012 other than those disclosed in note 17 on page 105.

16. RELATED PARTIES

The related parties are set out on pages 106 to 108.

17. EFFICIENT PORTFOLIO MANAGEMENT

The Company may, subject to the conditions and within the limits from time to time laid down by the Central Bank of Ireland and the prospectus, engage in securities lending and employ techniques and instruments relating to transferable securities for efficient portfolio management purposes.

During the year the Company engaged in securities lending. The Company receives either cash collateral or securities as collateral, as determined within the schedule, for a value in excess of the market value of the securities loaned. As at the 31 October 2013 the collateral consists of securities admitted to or dealt on a regulated market.

The collateral is registered and held in the name of BlackRock Advisors (UK) Limited on behalf of the Funds in any or all of the following collateral agents and central securities depositories: JP Morgan Chase, Bank of New York Mellon Corporation, Euroclear or CREST, depending on the type of collateral the counterparty needs to give as per the schedule in order to cover the required value of exposure. Further details can be seen on page 81.

The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary.

The securities lending agent appointed pursuant to the stock lending agreement is BlackRock Advisors (UK) Limited. Securities lending income is split between the Fund and the securities lending agent in a ratio of 60:40 in favour of the Fund, with all operational costs borne out of the securities lending agents share.

	31 October 2013 \$'000	31 October 2012 \$'000
Income earned during year	760	1,797
Value of securities on loan at year end	19,909	20,078
Value of collateral held by the Company at year end	22,440	22,686

Please see note 18 for more information on financial derivative instruments.

18. FINANCIAL DERIVATIVE INSTRUMENTS

The Fund may buy and sell financial derivative instruments. See further details in the Fund's Schedule of Investments and note 3 to the financial statements.

19. SIGNIFICANT EVENTS DURING THE YEAR

Please refer to note 22 on pages 108 and 109.

20. SUBSEQUENT EVENTS

Please refer to note 23 on page 109.

iShares Global Clean Energy UCITS ETF

Schedule of investments

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market			
	Equities		
	Austria		
	Electricity		
114,798	Verbund AG Com NPV	2,698	2.72
	Total Austria	2,698	2.72
	Bermuda		
	Semiconductors		
18,694,000	Hanergy Solar Group Ltd Com HKD 0.0025	3,159	3.18
	Total Bermuda	3,159	3.18
	Brazil		
	Electricity		
542,670	Cia Energetica de Minas Gerais ADR NPV	4,862	4.90
177,044	Cia Paranaense de Energia ADR NPV	2,454	2.48
	Total Brazil	7,316	7.38
	Cayman Islands		
	Alternative energy		
13,968,000	GCL-Poly Energy Holdings Ltd Com HKD 0.10	4,270	4.31
132,854	Trina Solar Ltd ADR USD 0.00001	1,947	1.96
194,797	Yingli Green Energy Holding Co Ltd ADR USD 0.01	1,167	1.18
	Total Cayman Islands	7,384	7.45
	Chile		
	Electricity		
113,688	Empresa Nacional de Electricidad SA ADR NPV	5,128	5.17
	Total Chile	5,128	5.17
	Denmark		
	Electrical components & equipment		
187,786	Vestas Wind Systems A/S Com DKK 1.00	5,038	5.08
	Total Denmark	5,038	5.08
	Hong Kong		
	Environmental control		
3,823,000	China Everbright International Ltd Com HKD 0.10	3,797	3.83
	Total Hong Kong	3,797	3.83

Holding	Investment	Fair value \$'000	% of net asset value
	Italy		
	Alternative energy		
2,115,458	Enel Green Power SpA Com EUR 0.20	5,142	5.19
	Total Italy	5,142	5.19
	Japan		
	Electricity		
146,900	Electric Power Development Co Ltd Com NPV	4,687	4.73
340,300	Hokuriku Electric Power Co Com NPV	4,828	4.87
372,400	Kansai Electric Power Co Inc Com NPV	4,695	4.73
333,200	Kyushu Electric Power Co Inc Com NPV	4,673	4.71
378,000	Tohoku Electric Power Co Inc Com NPV	4,558	4.60
	Total Japan	23,441	23.64
	New Zealand		
	Electricity		
1,186,872	Mighty River Power Ltd Com NPV	2,181	2.20
	Total New Zealand	2,181	2.20
	Norway		
	Alternative energy		
3,515,579	REC Silicon ASA Com NOK 1.00	1,740	1.75
	Total Norway	1,740	1.75
	People's Republic of China		
	Alternative energy		
4,270,000	China Longyuan Power Group Corp Com CNY 1.00	4,902	4.94
	Electrical components & equipment		
599,600	Dongfang Electric Corp Ltd Com CNY 1.00	962	0.97
	Electricity		
4,063,000	China Datang Corp Renewable Power Co Ltd Com CNY 1.00	823	0.83
4,900,000	Huaneng Renewables Corp Ltd Com CNY 1.00	1,883	1.90
	Total People's Republic of China	8,570	8.64
	Spain		
	Alternative energy		
351,031	EDP Renovaveis SA Com EUR 5.00	1,937	1.95
351,584	Gamesa Corp Tecnologica SA Com EUR 0.17	3,408	3.44
	Total Spain	5,345	5.39

iShares Global Clean Energy UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value
United States		
Alternative energy		
58,540 SolarCity Corp Com USD 0.0001	3,118	3.14
80,147 Solazyme Inc Com USD 0.001	838	0.85
70,996 SunPower Corp Com USD 0.001	2,142	2.16
Electricity		
228,398 Covanta Holding Corp Com USD 0.10	3,919	3.95
Semiconductors		
116,231 First Solar Inc Com USD 0.001	5,837	5.88
221,842 GT Advanced Technologies Inc Com USD 0.01	1,662	1.68
Total United States	17,516	17.66
Total equities	98,455	99.28
Total value of investments	98,455	99.28
Cash[†]	241	0.24
Other net assets	280	0.28
Net assets attributable to redeemable participating shareholders	98,976	99.80
Adjustment to align to the valuation methodology as set out in the prospectus	194	0.20
Net asset value attributable to redeemable participating shareholders at the end of the year	99,170	100.00

[†] Substantially all cash positions are held with State Street Bank and Trust Company.

Analysis of total current assets gross of all liabilities (unaudited)	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	98,455	98.54
Other assets	1,455	1.46
Total current assets	99,910	100.00

iShares Global Clean Energy UCITS ETF

Schedule of material purchases and sales

For the year ended 31 October 2013

The 20 largest sales

Holding Investments	Proceeds \$'000
683,720 Vestas Wind Systems A/S Com DKK 1.00	13,923
466,438 AGL Energy Ltd Com NPV	6,830
441,800 Kyushu Electric Power Co Inc Com NPV	5,956
470,400 Kansai Electric Power Co Inc Com NPV	5,776
140,856 First Solar Inc Com USD 0.001	5,594
5,038,000 China Longyuan Power Group Corp Com CNY 1.00	5,040
150,400 Electric Power Development Co Ltd Com NPV	4,709
405,800 Tohoku Electric Power Co Inc Com NPV	4,590
5,397,000 China Everbright International Ltd Com HKD 0.10	4,496
17,295,000 GCL-Poly Energy Holdings Ltd Com HKD 0.10	4,344
290,300 Hokuriku Electric Power Co Com NPV	4,190
1,968,106 Enel Green Power SpA Com EUR 0.20	4,145
197,466 Covanta Holding Corp Com USD 0.10	4,090
167,118 Verbund AG Com NPV	3,601
508,789 Gamesa Corp Tecnologica SA Com EUR 0.17	3,564
243,382 Cia Paranaense de Energia ADR NPV	3,266
360,239 Cia Energetica de Minas Gerais ADR NPV	3,206
74,031 Empresa Nacional de Electricidad SA ADR NPV	3,183
24,022,000 Hanergy Solar Group Ltd Com HKD 0.0025	2,764
503,613 EDP Renovaveis SA Com EUR 5.00	2,589

The 20 largest purchases

Holding Investments	Cost \$'000
470,264 Cia Energetica de Minas Gerais ADR NPV	4,806
92,704 Empresa Nacional de Electricidad SA ADR NPV	4,232
123,300 Electric Power Development Co Ltd Com NPV	3,855
10,708,000 Huaneng Renewables Corp Ltd Com CNY 1.00	3,578
58,767 SolarCity Corp Com USD 0.0001	3,493
227,164 Vestas Wind Systems A/S Com DKK 1.00	3,450
165,465 Covanta Holding Corp Com USD 0.10	3,363
74,268 First Solar Inc Com USD 0.001	3,316
228,600 Hokuriku Electric Power Co Com NPV	3,248
1,448,110 Enel Green Power SpA Com EUR 0.20	3,138
226,300 Kyushu Electric Power Co Inc Com NPV	3,117
42,716,000 Hanergy Solar Group Ltd Com HKD 0.0025	3,116
243,700 Kansai Electric Power Co Inc Com NPV	3,037
2,585,000 China Longyuan Power Group Corp Com CNY 1.00	2,587
216,100 Tohoku Electric Power Co Inc Com NPV	2,505
169,097 AGL Energy Ltd Com NPV	2,481
1,191,468 Mighty River Power Ltd Com NPV	2,198
9,350,000 China Datang Corp Renewable Power Co Ltd Com CNY 1.00	2,071
8,331,000 GCL-Poly Energy Holdings Ltd Com HKD 0.10	2,049
2,479,000 China Everbright International Ltd Com HKD 0.10	1,968

The UCITS notices issued by the Central Bank of Ireland require a Schedule of Portfolio changes during the year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the year is available, upon request, at no cost from the Administrator.

iShares Global Infrastructure UCITS ETF

Income statement

For the year ended 31 October 2013

	Notes	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Operating income	2	13,965	14,824
Net gains on financial assets/liabilities at fair value through profit or loss	3	22,018	1,877
Total gains		35,983	16,701
Operating expenses	4	(2,135)	(2,058)
Net operating profit		33,848	14,643
Finance costs:			
Distributions to redeemable participating shareholders	6	(10,639)	(11,661)
Interest expense	7	(1)	(11)
Total finance costs		(10,640)	(11,672)
Net profit for the financial year before tax		23,208	2,971
Non-reclaimable withholding tax		(1,258)	(1,071)
Net profit for the financial year after tax		21,950	1,900
Adjustment to align to the valuation methodology as set out in the prospectus	8	(11)	119
Increase in net assets attributable to redeemable participating shareholders from operations		21,939	2,019

There are no recognised gains or losses arising in the year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

Statement of changes in net assets attributable to redeemable participating shareholders

For the year ended 31 October 2013

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the year	324,324	261,653
Increase in net assets attributable to redeemable participating shareholders from operations	21,939	2,019
Share transactions:		
Proceeds from issue of redeemable participating shares	147,914	163,197
Payments on redemption of redeemable participating shares	(126,365)	(102,545)
Increase in net assets resulting from share transactions	21,549	60,652
Net assets attributable to redeemable participating shareholders at the end of the year	367,812	324,324

The accompanying notes form an integral part of these financial statements.

iShares Global Infrastructure UCITS ETF

Balance sheet

As at 31 October 2013

	Notes	31 October 2013 \$'000	31 October 2012 \$'000
CURRENT ASSETS			
Cash and cash equivalents		824	706
Receivables	12	3,616	3,738
Financial assets at fair value through profit or loss	13	366,493	322,729
Total current assets		370,933	327,173
CURRENT LIABILITIES			
Payables	14	(369)	(175)
Distributions payable to redeemable participating shareholders	6	(2,926)	(2,859)
Total current liabilities		(3,295)	(3,034)
Net assets attributable to redeemable participating shareholders		367,638	324,139
Adjustment to align to the valuation methodology as set out in the prospectus	8	174	185
Net asset value attributable to redeemable participating shareholders at the end of the year		367,812	324,324

The accompanying notes form an integral part of these financial statements. Details of the NAV per share are set out in note 11.

iShares Global Infrastructure UCITS ETF

Notes to the financial statements

For the year ended 31 October 2013

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 54 to 58. The financial instruments and risks are set out on pages 59 to 98. The notes relating to tax, soft commissions and exchange rates are set out in the notes on pages 101 to 109.

2. OPERATING INCOME

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Deposit interest income	2	5
Dividend income	13,767	14,348
Securities lending income	196	471
	13,965	14,824

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net gains on investments in securities held at fair value through profit or loss	22,024	1,913
Net losses on other investments	(6)	(36)
	22,018	1,877

4. OPERATING EXPENSES

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Management fees	(2,135)	(2,058)
	(2,135)	(2,058)

5. MANAGEMENT FEES

Fees earned by the Manager during the year and balances outstanding as at 31 October 2013 and 31 October 2012 are disclosed in note 4 and note 14 respectively.

Please refer to page 101 for each Fund's management fee rate.

The Manager is responsible for discharging, from this fee, all fees of the Investment Manager, the Administrator and the Custodian and any distributing agent appointed by the distributor through whom the shares will be marketed, together with all reasonable out of pocket expenses of such service providers, (including sub-custodial fees and expenses, (which will be at normal commercial rates) and transaction related charges of the Administrator and Custodian). The Manager will also be responsible for discharging from its fee for each share class an attributable proportion of the organisational and operating expenses, including audit and Directors fees, of the Company. The fee will be accrued daily based on the daily net asset value of the share classes and will be paid monthly in arrears. Where the actual fees and costs incurred exceed the amount paid to the Manager, the excess will be discharged by the Manager from its own assets.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of Shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the year were as follows:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
January 2012	-	2,557
April 2012	-	1,879
July 2012	-	4,824
October 2012	-	2,859
January 2013	1,865	-
April 2013	1,643	-
July 2013	4,316	-
October 2013	2,926	-
	10,750	12,119
Equalisation income	(932)	(955)
Equalisation expense	821	497
	10,639	11,661

iShares Global Infrastructure UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

7. INTEREST EXPENSE

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Bank interest	(1)	(11)
	(1)	(11)

8. ADJUSTMENT TO ALIGN TO THE VALUATION METHODOLOGY AS SET OUT IN THE PROSPECTUS

The adjustment between the financial statements net asset value and the valuation methodology set out in the prospectus is shown below:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Balance brought forward	185	66
Adjustment to align to the valuation methodology as set out in the prospectus	(11)	119
Total adjustment for the year	(11)	119
Balance carried forward	174	185

Further details are set out in the accounting policies note m) on page 58.

9. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the years ended 31 October 2013 and 31 October 2012. Please refer to note 10 on page 103 for further details.

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Transactions costs	163	149

10. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 October 2013 No. of Shares	31 October 2012 No. of Shares
Number of redeemable participating shares:		
Balance at the beginning of year	14,800,000	12,000,000
Issued during the year	6,600,000	7,600,000
Redeemed during the year	(5,760,000)	(4,800,000)
Balance at the end of year	15,640,000	14,800,000

11. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	No. of Shares
Shares in issue	
As at 31 October 2013	15,640,000
As at 31 October 2012	14,800,000
As at 31 October 2011	12,000,000

	\$'000
Net asset value	
As at 31 October 2013	367,812
As at 31 October 2012	324,324
As at 31 October 2011	261,653

	\$'000
Net asset value per share	
As at 31 October 2013	\$23.52
As at 31 October 2012	\$21.91
As at 31 October 2011	\$21.80

12. RECEIVABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Dividend income receivable	511	555
Securities lending income receivable	11	11
Tax reclaim receivable	168	313
Distributions payable held with Registrar*	2,926	2,859
	3,616	3,738

* Further details are set out in note 12 on page 104.

iShares Global Infrastructure UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013 \$'000	31 October 2012 \$'000
Financial assets:		
Investment in equities	366,493	322,729
	366,493	322,729

14. PAYABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Management fees payable	(369)	(175)
	(369)	(175)

15. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the years ended 31 October 2013 and 31 October 2012 other than those disclosed in note 17 on page 105.

16. RELATED PARTIES

The related parties are set out on pages 106 to 108.

17. EFFICIENT PORTFOLIO MANAGEMENT

The Company may, subject to the conditions and within the limits from time to time laid down by the Central Bank of Ireland and the prospectus, engage in securities lending and employ techniques and instruments relating to transferable securities for efficient portfolio management purposes.

During the year the Company engaged in securities lending. The Company receives either cash collateral or securities as collateral, as determined within the schedule, for a value in excess of the market value of the securities loaned. As at the 31 October 2013 the collateral consists of securities admitted to or dealt on a regulated market.

The collateral is registered and held in the name of BlackRock Advisors (UK) Limited on behalf of the Funds in any or all of the following collateral agents and central securities depositories: JP Morgan Chase, Bank of New York Mellon Corporation, Euroclear or CREST, depending on the type of collateral the counterparty needs to give as per the schedule in order to cover the required value of exposure. Further details can be seen on page 81.

The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary.

The securities lending agent appointed pursuant to the stock lending agreement is BlackRock Advisors (UK) Limited. Securities lending income is split between the Fund and the securities lending agent in a ratio of 60:40 in favour of the Fund, with all operational costs borne out of the securities lending agents share.

	31 October 2013 \$'000	31 October 2012 \$'000
Income earned during year	196	471
Value of securities on loan at year end	27,253	13,480
Value of collateral held by the Company at year end	30,562	15,039

Please see note 18 for more information on financial derivative instruments.

18. FINANCIAL DERIVATIVE INSTRUMENTS

The Fund may buy and sell financial derivative instruments. See further details in the Fund's Schedule of Investments and note 3 to the financial statements.

19. SIGNIFICANT EVENTS DURING THE YEAR

Please refer to note 22 on pages 108 and 109.

20. SUBSEQUENT EVENTS

Please refer to note 23 on page 109.

iShares Global Infrastructure UCITS ETF

Schedule of investments

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market			
	Equities		
	Australia		
	Commercial services		
430,351	Transurban Group Misc NPV	2,889	0.79
	Electricity		
162,355	AGL Energy Ltd Com NPV	2,395	0.65
	Pipelines		
240,265	APA Group Misc NPV	1,377	0.37
	Transportation		
289,891	Asciano Ltd Com NPV	1,595	0.43
	Total Australia	8,256	2.24
	Brazil		
	Commercial services		
257,132	CCR SA Com NPV	2,141	0.58
	Electricity		
161,457	Cia Energetica de Minas Gerais Pref BRL 5.00	1,446	0.39
62,000	Tractebel Energia SA Com NPV	1,062	0.29
	Water		
101,500	Cia de Saneamento Basico do Estado de Sao Paulo Com NPV	1,084	0.30
	Total Brazil	5,733	1.56
	Canada		
	Electricity		
22,569	Atco Ltd Com NPV	1,046	0.28
9,725	Emera Inc Com NPV	286	0.08
62,924	Fortis Inc Com NPV	1,955	0.53
77,900	TransAlta Corp Com NPV	1,046	0.29
	Gas		
53,356	Canadian Utilities Ltd Com NPV	1,958	0.53
	Pipelines		
242,813	Enbridge Inc Com NPV	10,522	2.86
90,595	Pembina Pipeline Corp Com NPV	2,969	0.81
207,517	TransCanada Corp Com NPV	9,349	2.54
	Total Canada	29,131	7.92
	Czech Republic		
	Electricity		
47,542	CEZ AS Com CZK 100.00	1,360	0.37
	Total Czech Republic	1,360	0.37

Holding	Investment	Fair value \$'000	% of net asset value
	Finland		
	Electricity		
131,421	Fortum Oyj Com EUR 3.40	2,930	0.80
	Total Finland	2,930	0.80
	France		
	Electricity		
76,878	Electricite de France SA Com EUR 0.50	2,700	0.73
384,806	GDF Suez Com EUR 1.00	9,594	2.61
	Water		
75,540	Suez Environnement Co Com EUR 4.00	1,320	0.36
118,164	Veolia Environnement SA Com EUR 5.00	2,027	0.55
	Total France	15,641	4.25
	Germany		
	Electricity		
539,809	E.ON SE Com NPV	9,881	2.69
142,718	RWE AG Com NPV	5,270	1.43
	Total Germany	15,151	4.12
	Hong Kong		
	Electricity		
454,851	CLP Holdings Ltd Com HKD 5.00	3,649	0.99
390,344	Power Assets Holdings Ltd Com HKD 1.00	3,242	0.88
	Gas distribution		
1,664,786	Hong Kong & China Gas Co Ltd Com HKD 0.25	3,887	1.06
	Total Hong Kong	10,778	2.93
	Italy		
	Alternative energy		
460,309	Enel Green Power SpA Com EUR 0.20	1,119	0.30
	Commercial services		
84,812	Atlantia SpA Com EUR 1.00	1,862	0.50
	Electricity		
1,914,703	Enel SpA Com EUR 1.00	8,449	2.30
424,149	Terna Rete Elettrica Nazionale SpA Com EUR 0.22	2,100	0.57
	Gas distribution		
618,166	Snam SpA Com NPV	3,187	0.87
	Total Italy	16,717	4.54

iShares Global Infrastructure UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
Japan			Spain (cont)		
Electricity			Gas distribution		
209,422 Chubu Electric Power Co Inc Com NPV	3,095	0.84	53,517 Enagas SA Com EUR 1.50	1,431	0.39
92,560 Chugoku Electric Power Co Inc Com NPV	1,412	0.38	90,719 Gas Natural SDG SA Com EUR 1.00	2,142	0.58
43,523 Electric Power Development Co Ltd Com NPV	1,389	0.38	Total Spain	17,378	4.72
228,950 Kansai Electric Power Co Inc Com NPV	2,887	0.78	United Kingdom		
137,143 Kyushu Electric Power Co Inc Com NPV	1,923	0.52	Electricity		
141,900 Tohoku Electric Power Co Inc Com NPV	1,711	0.47	282,814 SSE Plc Com GBP 0.50	6,429	1.75
431,600 Tokyo Electric Power Co Inc Com NPV	2,301	0.63	Gas distribution		
Gas distribution			1,520,366 Centrica Plc Com GBP 0.061728395	8,630	2.35
584,000 Osaka Gas Co Ltd Com NPV	2,452	0.67	1,100,695 National Grid Plc Com GBP 0.1139535	13,864	3.77
742,000 Tokyo Gas Co Ltd Com NPV	4,016	1.09	Holding companies - diversified operations		
Total Japan	21,186	5.76	119,265 Drax Group Plc Com GBP 0.1155172	1,219	0.33
Portugal			Water		
Electricity			107,573 Pennon Group Plc Com GBP 0.407	1,176	0.32
490,352 EDP - Energias de Portugal SA Com EUR 1.00	1,808	0.49	70,759 Severn Trent Plc Com GBP 0.9789	2,111	0.57
Total Portugal	1,808	0.49	201,198 United Utilities Group Plc Com GBP 0.05	2,276	0.62
Republic of South Korea			Total United Kingdom	35,705	9.71
Electricity			United States		
68,470 Korea Electric Power Corp Com KRW 5000.00	1,827	0.50	Electricity		
Total Republic of South Korea	1,827	0.50	183,209 AES Corp Com USD 0.01	2,581	0.70
Singapore			32,787 Alliant Energy Corp Com USD 0.01	1,712	0.47
Transportation			71,316 Ameren Corp Com USD 0.01	2,579	0.70
1,501,000 Hutchison Port Holdings Trust Unit NPV	1,096	0.30	143,647 American Electric Power Co Inc Com USD 6.50	6,728	1.83
Total Singapore	1,096	0.30	108,827 Calpine Corp Com USD 0.001	2,194	0.60
Spain			78,198 CMS Energy Corp Com USD 0.01	2,147	0.58
Commercial services			85,737 Consolidated Edison Inc Com USD 0.10	4,991	1.36
145,231 Abertis Infraestructuras SA Com EUR 3.00	3,118	0.85	170,472 Dominion Resources Inc Com NPV	10,868	2.96
Electricity			51,333 DTE Energy Co Com NPV	3,548	0.97
1,415,481 Iberdrola SA Com EUR 0.75	8,906	2.42	208,341 Duke Energy Corp Com USD 0.001	14,944	4.06
28,540 Red Electrica Corp SA Com EUR 2.00	1,781	0.48	96,147 Edison International Com NPV	4,716	1.28
			52,555 Entergy Corp Com USD 0.01	3,400	0.92
			252,772 Exelon Corp Com NPV	7,214	1.96
			123,398 FirstEnergy Corp Com USD 0.10	4,673	1.27
			23,518 Integrys Energy Group Inc Com USD 1.00	1,380	0.38
			14,129 ITC Holdings Corp Com NPV	1,422	0.39

iShares Global Infrastructure UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value		Fair value \$'000	% of net asset value
United States (cont)			Total value of investments	366,493	99.64
Electricity (cont)			Cash[†]	824	0.22
22,221 National Fuel Gas Co Com USD 1.00	1,589	0.43	Other net assets	321	0.09
124,223 NextEra Energy Inc Com USD 0.01	10,530	2.86	Net assets attributable to redeemable participating shareholders	367,638	99.95
92,307 Northeast Utilities Com USD 5.00	3,961	1.08	Adjustment to align to the valuation methodology as set out in the prospectus	174	0.05
95,548 NRG Energy Inc Com USD 0.01	2,725	0.74	Net asset value attributable to redeemable participating shareholders at the end of the year	367,812	100.00
69,461 NV Energy Inc Com USD 1.00	1,648	0.45	[†] Substantially all cash positions are held with State Street Bank and Trust Company.		
57,873 OGE Energy Corp Com USD 0.01	2,134	0.58			
73,767 Pepco Holdings Inc Com USD 0.01	1,422	0.39			
131,364 PG&E Corp Com NPV	5,495	1.49			
32,558 Pinnacle West Capital Corp Com NPV	1,824	0.50			
186,415 PPL Corp Com USD 0.01	5,712	1.55			
150,078 Public Service Enterprise Group Inc Com NPV	5,028	1.37			
37,314 Scana Corp Com NPV	1,739	0.47			
255,726 Southern Co Com USD 5.00	10,462	2.84			
64,523 TECO Energy Inc Com USD 1.00	1,107	0.30			
37,431 Westar Energy Inc Com USD 5.00	1,183	0.32			
67,184 Wisconsin Energy Corp Com USD 0.01	2,828	0.77			
146,735 Xcel Energy Inc Com USD 2.50	4,235	1.15			
Gas					
32,832 AGL Resources Inc Com USD 5.00	1,571	0.43			
26,795 Atmos Energy Corp Com NPV	1,186	0.32			
126,096 CenterPoint Energy Inc Com USD 0.01	3,101	0.84			
91,409 NiSource Inc Com USD 0.01	2,882	0.78			
71,795 Sempra Energy Com NPV	6,546	1.78			
Pipelines					
195,601 Kinder Morgan Inc Com USD 0.01	6,907	1.88			
60,381 Oneok Inc Com USD 0.01	3,410	0.93			
196,537 Spectra Energy Corp Com USD 0.001	6,993	1.90			
200,975 Williams Cos Inc Com USD 1.00	7,177	1.95			
Water					
52,065 American Water Works Co Inc Com USD 0.01	2,232	0.61			
42,594 Aqua America Inc Com USD 0.50	1,072	0.29			
Total United States	181,796	49.43			
Total equities	366,493	99.64			

Analysis of total current assets gross of all liabilities (unaudited)	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	366,493	98.80
Other assets	4,440	1.20
Total current assets	370,933	100.00

iShares Global Infrastructure UCITS ETF

Schedule of material purchases and sales

For the year ended 31 October 2013

The 20 largest sales

Holding Investments	Proceeds \$'000
293,621 GDF Suez Com EUR 1.00	5,926
82,144 Duke Energy Corp Com USD 0.001	5,486
437,177 National Grid Plc Com GBP 0.1139535	5,024
104,541 Southern Co Com USD 5.00	4,558
102,593 Enbridge Inc Com NPV	4,426
225,610 E.ON SE Com NPV	3,914
84,834 TransCanada Corp Com NPV	3,894
50,784 NextEra Energy Inc Com USD 0.01	3,854
67,014 Dominion Resources Inc Com NPV	3,714
98,408 Kinder Morgan Inc Com USD 0.01	3,599
621,539 Centrica Plc Com GBP 0.061728395	3,494
893,721 Enel SpA Com EUR 1.00	3,275
606,151 Iberdrola SA Com EUR 0.75	3,207
101,674 Exelon Corp Com NPV	3,127
37,490 Kinder Morgan Management LLC Com NPV	3,032
82,547 RWE AG Com NPV	2,977
1,028,000 Hong Kong & China Gas Co Ltd Com HKD 0.25	2,776
115,098 SSE Plc Com GBP 0.50	2,701
79,290 Williams Cos Inc Com USD 1.00	2,699
57,879 American Electric Power Co Inc Com USD 6.50	2,565

The 20 largest purchases

Holding Investments	Cost \$'000
97,981 Duke Energy Corp Com USD 0.001	6,611
534,310 National Grid Plc Com GBP 0.1139535	6,238
121,215 Southern Co Com USD 5.00	5,321
125,565 Enbridge Inc Com NPV	5,305
212,927 GDF Suez Com EUR 1.00	4,686
80,465 Dominion Resources Inc Com NPV	4,596
98,364 TransCanada Corp Com NPV	4,509
58,884 NextEra Energy Inc Com USD 0.01	4,505
239,782 E.ON SE Com NPV	4,365
791,734 Iberdrola SA Com EUR 0.75	4,297
720,672 Centrica Plc Com GBP 0.061728395	4,085
107,673 Williams Cos Inc Com USD 1.00	3,777
121,006 Exelon Corp Com NPV	3,777
90,409 Kinder Morgan Inc Com USD 0.01	3,320
862,926 Enel SpA Com EUR 1.00	3,275
137,304 SSE Plc Com GBP 0.50	3,219
68,620 American Electric Power Co Inc Com USD 6.50	3,092
96,927 Spectra Energy Corp Com USD 0.001	3,021
96,653 PPL Corp Com USD 0.01	2,907
66,838 PG&E Corp Com NPV	2,864

The UCITS notices issued by the Central Bank of Ireland require a Schedule of Portfolio changes during the year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the year is available, upon request, at no cost from the Administrator.

iShares Global Timber & Forestry UCITS ETF

Income statement

For the year ended 31 October 2013

	Notes	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Operating income	2	2,677	3,188
Net gains on financial assets/liabilities at fair value through profit or loss	3	21,142	3,240
Total gains		23,819	6,428
Operating expenses	4	(636)	(636)
Net operating profit		23,183	5,792
Finance costs:			
Distributions to redeemable participating shareholders	6	(1,828)	(2,227)
Interest expense	7	-	(2)
Total finance costs		(1,828)	(2,229)
Net profit for the financial year before tax		21,355	3,563
Non-reclaimable withholding tax		(181)	(314)
Net profit for the financial year after tax		21,174	3,249
Adjustment to align to the valuation methodology as set out in the prospectus	8	(29)	47
Increase in net assets attributable to redeemable participating shareholders from operations		21,145	3,296

There are no recognised gains or losses arising in the year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

Statement of changes in net assets attributable to redeemable participating shareholders

For the year ended 31 October 2013

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the year	88,087	81,894
Increase in net assets attributable to redeemable participating shareholders from operations	21,145	3,296
Share transactions:		
Proceeds from issue of redeemable participating shares	28,942	83,383
Payments on redemption of redeemable participating shares	(65,583)	(80,486)
(Decrease)/increase in net assets resulting from share transactions	(36,641)	2,897
Net assets attributable to redeemable participating shareholders at the end of the year	72,591	88,087

The accompanying notes form an integral part of these financial statements.

iShares Global Timber & Forestry UCITS ETF

Balance sheet

As at 31 October 2013

	Notes	31 October 2013 \$'000	31 October 2012 \$'000
CURRENT ASSETS			
Cash and cash equivalents		104	106
Receivables	12	902	953
Financial assets at fair value through profit or loss	13	72,351	87,831
Total current assets		73,357	88,890
CURRENT LIABILITIES			
Bank overdraft		(2)	(2)
Payables	14	(90)	(48)
Distributions payable to redeemable participating shareholders	6	(764)	(872)
Total current liabilities		(856)	(922)
Net assets attributable to redeemable participating shareholders		72,501	87,968
Adjustment to align to the valuation methodology as set out in the prospectus	8	90	119
Net asset value attributable to redeemable participating shareholders at the end of the year		72,591	88,087

The accompanying notes form an integral part of these financial statements. Details of the NAV per share are set out in note 11.

iShares Global Timber & Forestry UCITS ETF

Notes to the financial statements

For the year ended 31 October 2013

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 54 to 58. The financial instruments and risks are set out on pages 59 to 98. The notes relating to tax, soft commissions and exchange rates are set out in the notes on pages 101 to 109.

2. OPERATING INCOME

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Deposit interest income	-	2
Dividend income	2,577	3,161
Securities lending income	100	25
	2,677	3,188

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net gains on investments in securities held at fair value through profit or loss	21,152	3,257
Net losses on other investments	(10)	(17)
	21,142	3,240

4. OPERATING EXPENSES

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Management fees	(636)	(636)
	(636)	(636)

5. MANAGEMENT FEES

Fees earned by the Manager during the year and balances outstanding as at 31 October 2013 and 31 October 2012 are disclosed in note 4 and note 14 respectively.

Please refer to page 101 for each Fund's management fee rate.

The Manager is responsible for discharging, from this fee, all fees of the Investment Manager, the Administrator and the Custodian and any distributing agent appointed by the distributor through whom the shares will be marketed, together with all reasonable out of pocket expenses of such service providers, (including sub-custodial fees and expenses, (which will be at normal commercial rates) and transaction related charges of the Administrator and Custodian). The Manager will also be responsible for discharging from its fee for each share class an attributable proportion of the organisational and operating expenses, including audit and Directors fees, of the Company. The fee will be accrued daily based on the daily net asset value of the share classes and will be paid monthly in arrears. Where the actual fees and costs incurred exceed the amount paid to the Manager, the excess will be discharged by the Manager from its own assets.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of Shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the year were as follows:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
April 2012	-	1,345
October 2012	-	872
April 2013	750	-
October 2013	764	-
	1,514	2,217
Equalisation income	(118)	(329)
Equalisation expense	432	339
	1,828	2,227

iShares Global Timber & Forestry UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

7. INTEREST EXPENSE

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Bank interest	-	(2)
	-	(2)

8. ADJUSTMENT TO ALIGN TO THE VALUATION METHODOLOGY AS SET OUT IN THE PROSPECTUS

The adjustment between the financial statements net asset value and the valuation methodology set out in the prospectus is shown below:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Balance brought forward	119	72
Adjustment to align to the valuation methodology as set out in the prospectus	(29)	47
Total adjustment for the year	(29)	47
Balance carried forward	90	119

Further details are set out in the accounting policies note m) on page 58.

9. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the years ended 31 October 2013 and 31 October 2012. Please refer to note 10 on page 103 for further details.

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Transactions costs	72	82

10. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 October 2013 No. of Shares	31 October 2012 No. of Shares
Number of redeemable participating shares:		
Balance at the beginning of year	5,700,000	5,700,000
Issued during the year	1,700,000	5,600,000
Redeemed during the year	(3,600,000)	(5,600,000)
Balance at the end of year	3,800,000	5,700,000

11. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	No. of Shares
Shares in issue	
As at 31 October 2013	3,800,000
As at 31 October 2012	5,700,000
As at 31 October 2011	5,700,000

	\$'000
Net asset value	
As at 31 October 2013	72,591
As at 31 October 2012	88,087
As at 31 October 2011	81,894

	\$'000
Net asset value per share	
As at 31 October 2013	\$19.10
As at 31 October 2012	\$15.45
As at 31 October 2011	\$14.37

12. RECEIVABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Dividend income receivable	93	77
Securities lending income receivable	4	4
Tax reclaim receivable	41	-
Distributions payable held with Registrar*	764	872
	902	953

* Further details are set out in note 12 on page 104.

iShares Global Timber & Forestry UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013	31 October 2012
Financial assets:	\$'000	\$'000
Investment in equities	72,351	87,831
	72,351	87,831

14. PAYABLES

	31 October 2013	31 October 2012
	\$'000	\$'000
Management fees payable	(90)	(48)
	(90)	(48)

15. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the years ended 31 October 2013 and 31 October 2012 other than those disclosed in note 17 on page 105.

16. RELATED PARTIES

The related parties are set out on pages 106 to 108.

17. EFFICIENT PORTFOLIO MANAGEMENT

The Company may, subject to the conditions and within the limits from time to time laid down by the Central Bank of Ireland and the prospectus, engage in securities lending and employ techniques and instruments relating to transferable securities for efficient portfolio management purposes.

During the year the Company engaged in securities lending. The Company receives either cash collateral or securities as collateral, as determined within the schedule, for a value in excess of the market value of the securities loaned. As at the 31 October 2013 the collateral consists of securities admitted to or dealt on a regulated market.

The collateral is registered and held in the name of BlackRock Advisors (UK) Limited on behalf of the Funds in any or all of the following collateral agents and central securities depositories: JP Morgan Chase, Bank of New York Mellon Corporation, Euroclear or CREST, depending on the type of collateral the counterparty needs to give as per the schedule in order to cover the required value of exposure. Further details can be seen on page 81.

The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary.

The securities lending agent appointed pursuant to the stock lending agreement is BlackRock Advisors (UK) Limited. Securities lending income is split between the Fund and the securities lending agent in a ratio of 60:40 in favour of the Fund, with all operational costs borne out of the securities lending agents share.

	31 October 2013	31 October 2012
	\$'000	\$'000
Income earned during year	100	25
Value of securities on loan at year end	9,682	4,971
Value of collateral held by the Company at year end	10,818	5,773

Please see note 18 for more information on financial derivative instruments.

18. FINANCIAL DERIVATIVE INSTRUMENTS

The Fund may buy and sell financial derivative instruments. See further details in the Fund's Schedule of Investments and note 3 to the financial statements.

19. SIGNIFICANT EVENTS DURING THE YEAR

Please refer to note 22 on pages 108 and 109.

20. SUBSEQUENT EVENTS

Please refer to note 23 on page 109.

iShares Global Timber & Forestry UCITS ETF

Schedule of investments

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market			
	Equities		
	Bermuda		
	Forest products & paper		
1,543,000	Nine Dragons Paper Holdings Ltd Com HKD 0.10	1,270	1.75
	Total Bermuda	1,270	1.75
	Brazil		
	Building materials and fixtures		
234,604	Duratex SA Com NPV	1,474	2.03
	Forest products & paper		
204,512	Fibria Celulose SA ADR NPV	2,667	3.68
541,600	Klabin SA Pref NPV	2,899	3.99
	Total Brazil	7,040	9.70
	Canada		
	Forest products & paper		
152,024	Canfor Corp Com NPV	3,149	4.34
62,805	West Fraser Timber Co Ltd Com NPV	5,734	7.90
	Total Canada	8,883	12.24
	Finland		
	Forest products & paper		
314,502	Stora Enso Oyj Com NPV	2,929	4.04
200,849	UPM-Kymmene Oyj Com NPV	3,189	4.39
	Total Finland	6,118	8.43
	Ireland		
	Forest products & paper		
127,205	Smurfit Kappa Group Plc Com EUR 0.001	3,079	4.24
	Total Ireland	3,079	4.24
	Japan		
	Forest products & paper		
107,300	Nippon Paper Industries Co Ltd Com NPV	1,709	2.35
654,000	Oji Holdings Corp Com NPV	2,980	4.11
153,900	Sumitomo Forestry Co Ltd Com NPV	1,785	2.46
	Total Japan	6,474	8.92
	South Africa		
	Forest products & paper		
423,582	Sappi Ltd Com ZAR 1.00	1,228	1.69
	Total South Africa	1,228	1.69

Holding	Investment	Fair value \$'000	% of net asset value
	Sweden		
	Forest products & paper		
47,026	Holmen AB Com NPV	1,564	2.15
	Total Sweden	1,564	2.15
	United Kingdom		
	Forest products & paper		
166,214	Mondi Plc Com EUR 0.20	2,972	4.09
	Total United Kingdom	2,972	4.09
	United States		
	Containers & packaging		
48,640	Packaging Corp of America Com USD 0.01	3,030	4.17
73,566	Sonoco Products Co Com NPV	2,990	4.12
	Forest products & paper		
20,655	Deltic Timber Corp Com USD 0.01	1,322	1.82
60,520	International Paper Co Com USD 1.00	2,699	3.72
36,962	KapStone Paper and Packaging Corp Com USD 0.0001	1,921	2.65
74,609	MeadWestvaco Corp Com USD 0.01	2,598	3.58
	Real estate investment trusts		
118,489	Plum Creek Timber Co Inc Reits USD 0.01	5,379	7.41
74,816	Potlatch Corp Reits USD 1.00	3,052	4.20
100,384	Rayonier Inc Reits NPV	4,718	6.50
197,751	Weyerhaeuser Co Reits USD 1.25	6,014	8.29
	Total United States	33,723	46.46
	Total equities	72,351	99.67
	Total value of investments	72,351	99.67
	Cash[†]	102	0.14
	Other net assets	48	0.07
	Net assets attributable to redeemable participating shareholders	72,501	99.88
	Adjustment to align to the valuation methodology as set out in the prospectus	90	0.12
	Net asset value attributable to redeemable participating shareholders at the end of the year	72,591	100.00

[†] Substantially all cash positions are held with State Street Bank and Trust Company.

iShares Global Timber & Forestry UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Analysis of total current assets gross of all liabilities (unaudited)	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	72,351	98.63
Other assets	1,006	1.37
Total current assets	73,357	100.00

iShares Global Timber & Forestry UCITS ETF

Schedule of material purchases and sales

For the year ended 31 October 2013

The 20 largest sales

Holding Investments	Proceeds \$'000
171,703 Weyerhaeuser Co Reits USD 1.25	5,035
91,118 Rayonier Inc Reits NPV	5,025
1,880,000 Wilmar International Ltd Com NPV	4,966
103,743 Plum Creek Timber Co Inc Reits USD 0.01	4,927
10,269,000 Golden Agri-Resources Ltd Com USD 0.025	4,437
86,148 Packaging Corp of America Com USD 0.01	4,321
287,307 Mondi Plc Com EUR 0.20	4,244
49,619 West Fraser Timber Co Ltd Com NPV	4,228
474,533 Stora Enso Oyj Com NPV	3,832
297,657 Fibria Celulose SA ADR NPV	3,549
255,689 UPM-Kymmene Oyj Com NPV	3,380
789,000 Oji Holdings Corp Com NPV	3,146
68,233 International Paper Co Com USD 1.00	3,059
82,807 Sonoco Products Co Com NPV	2,971
134,469 Canfor Corp Com NPV	2,767
74,935 MeadWestvaco Corp Com USD 0.01	2,695
62,999 Potlatch Corp Reits USD 1.00	2,628
245,800 Sumitomo Forestry Co Ltd Com NPV	2,547
79,509 Holmen AB Com NPV	2,435
621,374 Suzano Papel e Celulose SA Pref NPV	2,383

The 20 largest purchases

Holding Investments	Cost \$'000
754,100 Klabin SA Pref NPV	5,024
64,292 Plum Creek Timber Co Inc Reits USD 0.01	2,980
36,634 West Fraser Timber Co Ltd Com NPV	2,960
128,090 Smurfit Kappa Group Plc Com EUR 0.001	2,942
102,986 Weyerhaeuser Co Reits USD 1.25	2,935
50,368 Rayonier Inc Reits NPV	2,691
163,137 UPM-Kymmene Oyj Com NPV	1,829
3,766,000 Golden Agri-Resources Ltd Com USD 0.025	1,824
250,697 Stora Enso Oyj Com NPV	1,710
41,201 Potlatch Corp Reits USD 1.00	1,691
37,219 KapStone Paper and Packaging Corp Com USD 0.0001	1,599
549,000 Wilmar International Ltd Com NPV	1,460
124,934 Fibria Celulose SA ADR NPV	1,453
78,243 Canfor Corp Com NPV	1,392
42,607 Sonoco Products Co Com NPV	1,378
364,000 Oji Holdings Corp Com NPV	1,205
30,056 Packaging Corp of America Com USD 0.01	1,198
100,502 Mondi Plc Com EUR 0.20	1,166
29,212 International Paper Co Com USD 1.00	1,141
34,407 MeadWestvaco Corp Com USD 0.01	1,121

The UCITS notices issued by the Central Bank of Ireland require a Schedule of Portfolio changes during the year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the year is available, upon request, at no cost from the Administrator.

iShares Global Water UCITS ETF

Income statement

For the year ended 31 October 2013

	Notes	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Operating income	2	5,920	5,726
Net gains on financial assets/liabilities at fair value through profit or loss	3	48,591	14,098
Total gains		54,511	19,824
Operating expenses	4	(1,436)	(1,249)
Net operating profit		53,075	18,575
Finance costs:			
Distributions to redeemable participating shareholders	6	(4,369)	(4,146)
Interest expense	7	(1)	(20)
Total finance costs		(4,370)	(4,166)
Net profit for the financial year before tax		48,705	14,409
Non-reclaimable withholding tax		(324)	(334)
Net profit for the financial year after tax		48,381	14,075
Adjustment to align to the valuation methodology as set out in the prospectus	8	84	(283)
Increase in net assets attributable to redeemable participating shareholders from operations		48,465	13,792

There are no recognised gains or losses arising in the year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

Statement of changes in net assets attributable to redeemable participating shareholders

For the year ended 31 October 2013

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the year	188,724	208,162
Increase in net assets attributable to redeemable participating shareholders from operations	48,465	13,792
Share transactions:		
Proceeds from issue of redeemable participating shares	48,397	9,650
Payments on redemption of redeemable participating shares	(18,958)	(42,880)
Increase/(decrease) in net assets resulting from share transactions	29,439	(33,230)
Net assets attributable to redeemable participating shareholders at the end of the year	266,628	188,724

The accompanying notes form an integral part of these financial statements.

iShares Global Water UCITS ETF

Balance sheet

As at 31 October 2013

	Notes	31 October 2013 \$'000	31 October 2012 \$'000
CURRENT ASSETS			
Cash and cash equivalents		2,877	351
Receivables	12	4,254	3,009
Financial assets at fair value through profit or loss	13	266,212	188,193
Total current assets		273,343	191,553
CURRENT LIABILITIES			
Bank overdraft		(258)	(34)
Payables	14	(3,231)	(107)
Distributions payable to redeemable participating shareholders	6	(3,467)	(2,845)
Total current liabilities		(6,956)	(2,986)
Net assets attributable to redeemable participating shareholders		266,387	188,567
Adjustment to align to the valuation methodology as set out in the prospectus	8	241	157
Net asset value attributable to redeemable participating shareholders at the end of the year		266,628	188,724

The accompanying notes form an integral part of these financial statements. Details of the NAV per share are set out in note 11.

iShares Global Water UCITS ETF

Notes to the financial statements

For the year ended 31 October 2013

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 54 to 58. The financial instruments and risks are set out on pages 59 to 98. The notes relating to tax, soft commissions and exchange rates are set out in the notes on pages 101 to 109.

2. OPERATING INCOME

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Deposit interest income	-	10
Dividend income	5,735	5,496
Securities lending income	185	220
	5,920	5,726

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net gains on investments in securities held at fair value through profit or loss	48,330	14,177
Net gains on futures	227	-
Net gains/(losses) on other investments	34	(79)
	48,591	14,098

4. OPERATING EXPENSES

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Management fees	(1,436)	(1,249)
	(1,436)	(1,249)

5. MANAGEMENT FEES

Fees earned by the Manager during the year and balances outstanding as at 31 October 2013 and 31 October 2012 are disclosed in note 4 and note 14 respectively.

Please refer to page 101 for each Fund's management fee rate.

The Manager is responsible for discharging, from this fee, all fees of the Investment Manager, the Administrator and the Custodian and any distributing agent appointed by the distributor through whom the shares will be marketed, together with all reasonable out of pocket expenses of such service providers, (including sub-custodial fees and expenses, (which will be at normal commercial rates) and transaction related charges of the Administrator and Custodian). The Manager will also be responsible for discharging from its fee for each share class an attributable proportion of the organisational and operating expenses, including audit and Directors fees, of the Company. The fee will be accrued daily based on the daily net asset value of the share classes and will be paid monthly in arrears. Where the actual fees and costs incurred exceed the amount paid to the Manager, the excess will be discharged by the Manager from its own assets.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of Shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the year were as follows:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
April 2012	-	1,196
October 2012	-	2,845
April 2013	1,081	-
October 2013	3,467	-
	4,548	4,041
Equalisation income	(283)	(104)
Equalisation expense	104	209
	4,369	4,146

iShares Global Water UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

7. INTEREST EXPENSE

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Bank interest	(1)	(20)
	(1)	(20)

8. ADJUSTMENT TO ALIGN TO THE VALUATION METHODOLOGY AS SET OUT IN THE PROSPECTUS

The adjustment between the financial statements net asset value and the valuation methodology set out in the prospectus is shown below:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Balance brought forward	157	440
Adjustment to align to the valuation methodology as set out in the prospectus	84	(283)
Total adjustment for the year	84	(283)
Balance carried forward	241	157

Further details are set out in the accounting policies note m) on page 58.

9. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the years ended 31 October 2013 and 31 October 2012. Please refer to note 10 on page 103 for further details.

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Transactions costs	89	121

10. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 October 2013 No. of Shares	31 October 2012 No. of Shares
Number of redeemable participating shares:		
Balance at the beginning of year	7,600,000	9,000,000
Issued during the year	1,700,000	400,000
Redeemed during the year	(700,000)	(1,800,000)
Balance at the end of year	8,600,000	7,600,000

11. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	No. of Shares
Shares in issue	
As at 31 October 2013	8,600,000
As at 31 October 2012	7,600,000
As at 31 October 2011	9,000,000

	\$'000
Net asset value	
As at 31 October 2013	266,628
As at 31 October 2012	188,724
As at 31 October 2011	208,162

	\$'000
Net asset value per share	
As at 31 October 2013	\$31.00
As at 31 October 2012	\$24.83
As at 31 October 2011	\$23.13

12. RECEIVABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Sales of securities awaiting settlement	653	-
Dividend income receivable	125	135
Securities lending income receivable	8	11
Tax reclaim receivable	1	18
Distributions payable held with Registrar*	3,467	2,845
	4,254	3,009

* Further details are set out in note 12 on page 104.

iShares Global Water UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013 \$'000	31 October 2012 \$'000
Financial assets:		
Investment in equities	266,194	188,193
Investment in rights	18	-
	266,212	188,193

14. PAYABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Purchase of securities awaiting settlement	(2,952)	-
Management fees payable	(270)	(107)
Other payables	(9)	-
	(3,231)	(107)

15. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the years ended 31 October 2013 and 31 October 2012 other than those disclosed in note 17 on page 105.

16. RELATED PARTIES

The related parties are set out on pages 106 to 108.

17. EFFICIENT PORTFOLIO MANAGEMENT

The Company may, subject to the conditions and within the limits from time to time laid down by the Central Bank of Ireland and the prospectus, engage in securities lending and employ techniques and instruments relating to transferable securities for efficient portfolio management purposes.

During the year the Company engaged in securities lending. The Company receives either cash collateral or securities as collateral, as determined within the schedule, for a value in excess of the market value of the securities loaned. As at the 31 October 2013 the collateral consists of securities admitted to or dealt on a regulated market.

The collateral is registered and held in the name of BlackRock Advisors (UK) Limited on behalf of the Funds in any or all of the following collateral agents and central securities depositories: JP Morgan Chase, Bank of New York Mellon Corporation, Euroclear or CREST, depending on the type of collateral the counterparty needs to give as per the schedule in order to cover the required value of exposure. Further details can be seen on page 81.

The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary.

The securities lending agent appointed pursuant to the stock lending agreement is BlackRock Advisors (UK) Limited. Securities lending income is split between the Fund and the securities lending agent in a ratio of 60:40 in favour of the Fund, with all operational costs borne out of the securities lending agents share.

	31 October 2013 \$'000	31 October 2012 \$'000
Income earned during year	185	220
Value of securities on loan at year end	14,429	20,554
Value of collateral held by the company at year end	16,117	23,322

Please see note 18 for more information on financial derivative instruments.

18. FINANCIAL DERIVATIVE INSTRUMENTS

The Fund may buy and sell financial derivative instruments. See further details in the Fund's Schedule of Investments and note 3 to the financial statements.

19. SIGNIFICANT EVENTS DURING THE YEAR

Please refer to note 22 on pages 108 and 109.

20. SUBSEQUENT EVENTS

Please refer to note 23 on page 109.

iShares Global Water UCITS ETF

Schedule of investments

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market			
	Equities		
	Austria		
	Industrial machinery		
111,019	Andritz AG Com NPV	6,808	2.55
	Total Austria	6,808	2.55
	Bermuda		
	Environmental control		
6,936,000	Beijing Enterprises Water Group Ltd Com HKD 0.10	3,069	1.15
	Total Bermuda	3,069	1.15
	Brazil		
	Water		
660,719	Cia de Saneamento Basico do Estado de Sao Paulo ADR NPV	7,004	2.63
	Total Brazil	7,004	2.63
	Finland		
	Specialty chemicals		
149,199	Kemira Oyj Com NPV	2,398	0.90
	Total Finland	2,398	0.90
	France		
	Water		
559,941	Suez Environnement Co Com EUR 4.00	9,786	3.67
689,957	Veolia Environnement SA Com EUR 5.00	11,833	4.44
	Total France	21,619	8.11
	Hong Kong		
	Environmental control		
4,245,000	China Everbright International Ltd Com HKD 0.10	4,216	1.58
8,335,000	Interchina Holdings Co Com HKD 0.10	580	0.22
	Water		
4,812,000	Guangdong Investment Ltd Com HKD 0.50	4,134	1.55
	Total Hong Kong	8,930	3.35
	Israel		
	Chemicals		
619,023	Israel Chemicals Ltd Com ILS 1.00	5,110	1.92
	Total Israel	5,110	1.92

Holding	Investment	Fair value \$'000	% of net asset value
	Italy		
	Electricity		
967,868	Hera SpA Com EUR 1.00	1,957	0.73
	Industrial machinery		
118,299	Interpump Group SpA Com EUR 0.52	1,312	0.49
	Total Italy	3,269	1.22
	Japan		
	Environmental control		
160,500	Kurita Water Industries Ltd Com NPV	3,497	1.31
	Machinery – diversified		
894,000	Ebara Corp Com NPV	4,784	1.79
	Total Japan	8,281	3.10
	Netherlands		
	Heavy construction		
119,395	Arcadis NV Com EUR 0.02	3,750	1.41
	Miscellaneous manufacturers		
140,562	Aalberts Industries NV Com EUR 0.25	4,202	1.57
	Total Netherlands	7,952	2.98
	Republic of South Korea		
	Environmental control		
102,778	Coway Co Ltd Com KRW 500.00	5,823	2.18
	Total Republic of South Korea	5,823	2.18
	Singapore		
	Environmental control		
1,132,000	Sound Global Ltd Com NPV	639	0.24
877,000	United Envirotech Ltd Com NPV	590	0.22
	Total Singapore	1,229	0.46
	Spain		
	Heavy construction		
95,106	Fomento de Construcciones y Contratas SA Com EUR 1.00	2,195	0.82
	Total Spain	2,195	0.82
	Sweden		
	Miscellaneous manufacturers		
463,772	Alfa Laval AB Com NPV	10,607	3.98
	Total Sweden	10,607	3.98
	Switzerland		
	Building materials and fixtures		
56,405	Geberit AG Com CHF 0.10	16,899	6.34

iShares Global Water UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Switzerland (cont)				United States (cont)			
Miscellaneous manufacturers				Water			
288,327	Pentair Ltd Com USD 0.167	19,349	7.26	74,103	American States Water Co Com NPV	2,110	0.79
34,905	Sulzer AG Com CHF 0.01	5,470	2.05	340,143	American Water Works Co Inc Com USD 0.01	14,582	5.47
Total Switzerland		41,718	15.65	339,534	Aqua America Inc Com USD 0.50	8,546	3.20
United Kingdom				91,910	California Water Service Group Com USD 0.01	2,004	0.75
Electronics				21,367	Connecticut Water Service Inc Com NPV	685	0.26
572,193	Halma Plc Com GBP 0.10	5,042	1.89	Total United States		82,728	31.03
127,073	Rotork Plc Com GBP 0.05	5,843	2.19	Total equities			
Water				Rights			
711,030	Pennon Group Plc Com GBP 0.407	7,774	2.92	Italy			
462,633	Severn Trent Plc Com GBP 0.9789	13,802	5.18	1,011,455	Hera SpA - Rights 12 November 2013	18	0.01
1,325,564	United Utilities Group Plc Com GBP 0.05	14,993	5.62	Total Italy		18	0.01
Total United Kingdom		47,454	17.80	Total rights		18	0.01
United States				Total value of investments			
Building materials and fixtures				Cash[†]			
232,148	Mueller Water Products Inc Com USD 0.01	1,989	0.75			2,619	0.98
Electronic equipment				Other net liabilities			
20,869	Badger Meter Inc Com USD 1.00	1,085	0.41			(2,444)	(0.91)
56,710	Franklin Electric Co Inc Com USD 0.10	2,146	0.80	Net assets attributable to redeemable participating shareholders			
56,265	Itron Inc Com NPV	2,400	0.90			266,387	99.91
41,589	Watts Water Technologies Inc Com USD 0.10	2,403	0.90	Adjustment to align to the valuation methodology as set out in the prospectus			
Engineering & construction						241	0.09
75,249	Aegion Corp Com USD 0.01	1,542	0.58	Net asset value attributable to redeemable participating shareholders at the end of the year			
38,611	Layne Christensen Co Com USD 0.01	747	0.28			266,628	100.00
Environmental control				[†] Substantially all cash positions are held with State Street Bank and Trust Company.			
78,602	Calgon Carbon Corp Com USD 0.01	1,568	0.59				
229,935	Nuverra Environmental Solutions Inc Com USD 0.001	561	0.21				
125,529	Tetra Tech Inc Com USD 0.01	3,278	1.23				
Machinery – diversified							
22,019	Gorman-Rupp Co Com NPV	896	0.34				
120,017	IDEX Corp Com USD 0.01	8,298	3.11				
18,508	Lindsay Corp Com USD 1.00	1,407	0.53				
270,004	Xylem Inc Com USD 0.01	9,312	3.49				
Mining							
48,427	Compass Minerals International Inc Com USD 0.01	3,606	1.35				
Miscellaneous manufacturers							
188,141	Danaher Corp Com USD 0.01	13,563	5.09				

iShares Global Water UCITS ETF

Schedule of material purchases and sales

For the year ended 31 October 2013

The 20 largest sales

Holding Investments	Proceeds \$'000
232,789 Veolia Environnement SA Com EUR 5.00	3,800
47,260 Pentair Ltd Com USD 0.167	2,649
30,053 Danaher Corp Com USD 0.01	1,968
7,189 Geberit AG Com CHF 0.10	1,728
134,334 United Utilities Group Plc Com GBP 0.05	1,481
37,001 American Water Works Co Inc Com USD 0.01	1,480
73,400 Daiseki Co Ltd Com NPV	1,247
46,792 Severn Trent Plc Com GBP 0.9789	1,239
54,150 Alfa Laval AB Com NPV	1,171
1,155,000 Hyflux Ltd Com NPV	1,093
16,757 IDEX Corp Com USD 0.01	878
92,015 Fomento de Construcciones y Contratas SA Com EUR 1.00	855
40,245 Cia de Saneamento Basico do Estado de Sao Paulo ADR NPV	833
73,351 Israel Chemicals Ltd Com ILS 1.00	829
13,205 Andritz AG Com NPV	810
28,542 Aqua America Inc Com USD 0.50	804
27,687 Xylem Inc Com USD 0.01	765
58,126 Suez Environnement Co Com EUR 4.00	761
71,246 Pennon Group Plc Com GBP 0.407	736
19,112 Hawkins Inc Com USD 0.05	695

The 20 largest purchases

Holding Investments	Cost \$'000
109,821 Coway Co Ltd Com KRW 500.00	5,478
63,812 Pentair Ltd Com USD 0.167	3,695
296,749 United Utilities Group Plc Com GBP 0.05	3,351
12,918 Geberit AG Com CHF 0.10	3,233
73,733 American Water Works Co Inc Com USD 0.01	3,001
47,041 Danaher Corp Com USD 0.01	2,950
103,634 Severn Trent Plc Com GBP 0.9789	2,947
184,646 Veolia Environnement SA Com EUR 5.00	2,582
111,729 Alfa Laval AB Com NPV	2,489
100,973 Fomento de Construcciones y Contratas SA Com EUR 1.00	2,010
115,393 Cia de Saneamento Basico do Estado de Sao Paulo ADR NPV	1,960
65,341 Aqua America Inc Com USD 0.50	1,849
126,447 Suez Environnement Co Com EUR 4.00	1,815
168,054 Pennon Group Plc Com GBP 0.407	1,780
60,291 Xylem Inc Com USD 0.01	1,671
28,164 IDEX Corp Com USD 0.01	1,616
27,121 Andritz AG Com NPV	1,605
137,450 Israel Chemicals Ltd Com ILS 1.00	1,462
8,146 Sulzer AG Com CHF 0.01	1,303
263,000 Ebara Corp Com NPV	1,252

The UCITS notices issued by the Central Bank of Ireland require a Schedule of Portfolio changes during the year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the year is available, upon request, at no cost from the Administrator.

iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF

Income statement

For the year ended 31 October 2013

	Notes	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Operating income	2	117,508	84,968
Net (losses)/gains on financial assets/liabilities at fair value through profit or loss	3	(213,354)	172,431
Total (losses)/gains		(95,846)	257,399
Operating expenses	4	(10,667)	(7,072)
Net operating (loss)/profit		(106,513)	250,327
Finance costs:			
Distributions to redeemable participating shareholders	6	(105,205)	(76,831)
Total finance costs		(105,205)	(76,831)
Net (loss)/profit for the financial year		(211,718)	173,496
(Decrease)/increase in net assets attributable to redeemable participating shareholders from operations		(211,718)	173,496

There are no recognised gains or losses arising in the year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

Statement of changes in net assets attributable to redeemable participating shareholders

For the year ended 31 October 2013

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the year	2,148,481	887,266
(Decrease)/increase in net assets attributable to redeemable participating shareholders from operations	(211,718)	173,496
Share transactions:		
Proceeds from issue of redeemable participating shares	1,350,813	1,253,664
Payments on redemption of redeemable participating shares	(638,671)	(165,945)
Increase in net assets resulting from share transactions	712,142	1,087,719
Net assets attributable to redeemable participating shareholders at the end of the year	2,648,905	2,148,481

The accompanying notes form an integral part of these financial statements.

iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF

Balance sheet

As at 31 October 2013

	Notes	31 October 2013 \$'000	31 October 2012 \$'000
CURRENT ASSETS			
Cash and cash equivalents		10,384	17,579
Receivables	10	54,435	36,482
Financial assets at fair value through profit or loss	11	2,609,998	2,102,637
Total current assets		2,674,817	2,156,698
CURRENT LIABILITIES			
Payables	12	(16,575)	(803)
Distributions payable to redeemable participating shareholders	6	(9,337)	(7,414)
Total current liabilities		(25,912)	(8,217)
Net assets attributable to redeemable participating shareholders at the end of the year		2,648,905	2,148,481

The accompanying notes form an integral part of these financial statements. Details of the NAV per share are set out in note 9.

iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF

Notes to the financial statements

For the year ended 31 October 2013

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 54 to 58. The financial instruments and risks are set out on pages 59 to 98. The notes relating to tax, soft commissions and exchange rates are set out in the notes on pages 101 to 109.

2. OPERATING INCOME

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Deposit interest income	19	18
Bond interest income	117,228	84,861
Securities lending income	261	89
	117,508	84,968

3. NET (LOSSES)/GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net (losses)/gains on investments in securities held at fair value through profit or loss	(213,354)	172,431
	(213,354)	172,431

4. OPERATING EXPENSES

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Management fees	(10,667)	(7,072)
	(10,667)	(7,072)

5. MANAGEMENT FEES

Fees earned by the Manager during the year and balances outstanding as at 31 October 2013 and 31 October 2012 are disclosed in note 4 and note 12 respectively.

Please refer to page 101 for each Fund's management fee rate.

The Manager is responsible for discharging, from this fee, all fees of the Investment Manager, the Administrator and the Custodian and any distributing agent appointed by the distributor through whom the shares will be marketed, together with all reasonable out of pocket expenses of such service providers, (including sub-custodial fees and expenses, (which will be at normal commercial rates) and transaction related charges of the Administrator and Custodian).

The Manager will also be responsible for discharging from its fee for each share class an attributable proportion of the organisational and operating expenses, including audit and Directors fees, of the Company. The fee will be accrued daily based on the daily net asset value of the share classes and will be paid monthly in arrears. Where the actual fees and costs incurred exceed the amount paid to the Manager, the excess will be discharged by the Manager from its own assets.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of Shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the year were as follows:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
November 2011	-	3,670
December 2011	-	5,282
January 2012	-	4,041
February 2012	-	3,888
March 2012	-	5,833
April 2012	-	6,914
May 2012	-	6,502
June 2012	-	6,821
July 2012	-	9,316
August 2012	-	9,591
September 2012	-	9,464
October 2012	-	7,414
November 2012	6,698	-
December 2012	10,321	-
January 2013	7,126	-
February 2013	8,627	-
March 2013	11,866	-
April 2013	7,518	-
May 2013	10,963	-
June 2013	7,694	-
July 2013	8,038	-
August 2013	9,266	-
September 2013	8,771	-
October 2013	9,337	-
	106,225	78,736
Equalisation income	(2,308)	(2,160)
Equalisation expense	1,288	255
	105,205	76,831

iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

7. TRANSACTION COSTS

Transaction costs on this Fund are not separately identifiable for the years ended 31 October 2013 and 31 October 2012. Please refer to note 10 on page 103 for further details.

8. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 October 2013	31 October 2012
Number of redeemable participating shares:	No. of Shares	No. of Shares
Balance at the beginning of year	18,000,000	8,200,000
Issued during the year	11,919,695	11,200,000
Redeemed during the year	(5,779,000)	(1,400,000)
Balance at the end of year	24,140,695	18,000,000

9. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	No. of Shares
Shares in issue	
As at 31 October 2013	24,140,695
As at 31 October 2012	18,000,000
As at 31 October 2011	8,200,000

	\$'000
Net asset value	
As at 31 October 2013	2,648,905
As at 31 October 2012	2,148,481
As at 31 October 2011	887,266

Net asset value per share	
As at 31 October 2013	\$109.73
As at 31 October 2012	\$119.36
As at 31 October 2011	\$108.20

10. RECEIVABLES

	31 October 2013	31 October 2012
	\$'000	\$'000
Sale of securities awaiting settlement	5,325	1
Securities lending income receivable	41	21
Bond income receivable	39,732	29,046
Distributions payable held with Registrar*	9,337	7,414
	54,435	36,482

* Further details are set out in note 12 on page 104.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013	31 October 2012
Financial assets:	\$'000	\$'000
Investment in bonds	2,609,998	2,102,637
	2,609,998	2,102,637

12. PAYABLES

	31 October 2013	31 October 2012
	\$'000	\$'000
Purchase of securities awaiting settlement	(14,781)	-
Management fees payable	(1,794)	(803)
	(16,575)	(803)

13. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the years ended 31 October 2013 and 31 October 2012 other than those disclosed in note 17 on page 105.

14. RELATED PARTIES

The related parties are set out on pages 106 to 108.

15. EFFICIENT PORTFOLIO MANAGEMENT

The Company may, subject to the conditions and within the limits from time to time laid down by the Central Bank of Ireland and the prospectus, engage in securities lending and employ techniques and instruments relating to transferable securities for efficient portfolio management purposes.

During the year the Company engaged in securities lending. The Company receives either cash collateral or securities as collateral, as determined within the schedule, for a value in excess of the market value of the securities loaned. As at the 31 October 2013 the collateral consists of securities admitted to or dealt on a regulated market.

iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

15. EFFICIENT PORTFOLIO MANAGEMENT (continued)

The collateral is registered and held in the name of BlackRock Advisors (UK) Limited on behalf of the Funds in any or all of the following collateral agents and central securities depositories: JP Morgan Chase, Bank of New York Mellon Corporation, Euroclear or CREST, depending on the type of collateral the counterparty needs to give as per the schedule in order to cover the required value of exposure. Further details can be seen on page 81.

The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary.

The securities lending agent appointed pursuant to the stock lending agreement is BlackRock Advisors (UK) Limited. Securities lending income is split between the Fund and the securities lending agent in a ratio of 60:40 in favour of the Fund, with all operational costs borne out of the securities lending agents share.

	31 October 2013 \$'000	31 October 2012 \$'000
Income earned during year	261	89
Value of securities on loan at year end	242,840	167,067
Value of collateral held by the Company at year end	267,391	178,670

Please see note 16 for more information on financial derivative instruments.

16. FINANCIAL DERIVATIVE INSTRUMENTS

The Fund may buy and sell financial derivative instruments. See further details in the Fund's Schedule of Investments and note 3 to the financial statements.

17. SIGNIFICANT EVENTS DURING THE YEAR

Please refer to note 22 on pages 108 and 109.

18. SUBSEQUENT EVENTS

Please refer to note 23 on page 109.

iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF

Schedule of investments

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market		
Bonds		
Argentina		
Government bonds - Baa2 rating		
44,321,000 Argentine Republic Government International Bond 2.5% 31/12/2038	16,399	0.62
9,262,000 Argentine Republic Government International Bond 8.28% 31/12/2033	9,120	0.35
25,916,000 Argentine Republic Government International Bond 8.28% 31/12/2033	26,062	0.98
Total Argentina	51,581	1.95
Australia		
Corporate bonds - Aa3 rating		
5,000,000 CNOOC Curtis Funding No 1 Pty Ltd 4.5% 03/10/2023	5,096	0.19
Total Australia	5,096	0.19
Azerbaijan		
Corporate bonds - Ba1 rating		
13,395,000 State Oil Co of the Azerbaijan Republic 4.75% 13/03/2023	12,893	0.49
Total Azerbaijan	12,893	0.49
Brazil		
Corporate bonds - Baa2 rating		
3,800,000 Caixa Economica Federal 2.375% 06/11/2017	3,596	0.13
5,000,000 Caixa Economica Federal 4.5% 03/10/2018	5,018	0.19
Government bonds - Baa2 rating		
1,000,000 Banco Nacional de Desenvolvimento Economico e Social 3.375% 26/09/2016	1,012	0.04
4,000,000 Banco Nacional de Desenvolvimento Economico e Social 5.5% 12/07/2020	4,190	0.16
2,500,000 Banco Nacional de Desenvolvimento Economico e Social 5.75% 26/09/2023	2,591	0.10
1,000,000 Banco Nacional de Desenvolvimento Economico e Social 6.369% 16/06/2018	1,100	0.04
8,800,000 Banco Nacional de Desenvolvimento Economico e Social 6.5% 10/06/2019	9,713	0.37

Holding Investment	Fair value \$'000	% of net asset value
Brazil (cont)		
Government bonds - Baa2 rating (cont)		
15,300,000 Brazilian Government International Bond 2.625% 05/01/2023	13,617	0.51
1,334,000 Brazilian Government International Bond 4.875% 22/01/2021	1,449	0.05
11,449,000 Brazilian Government International Bond 5.625% 07/01/2041	11,621	0.44
2,426,000 Brazilian Government International Bond 5.875% 15/01/2019	2,784	0.10
33,174,000 Brazilian Government International Bond 6% 17/01/2017	37,370	1.41
37,368,000 Brazilian Government International Bond 7.125% 20/01/2037	44,655	1.69
4,176,000 Brazilian Government International Bond 8.25% 20/01/2034	5,544	0.21
8,317,000 Brazilian Government International Bond 10.125% 15/05/2027	13,016	0.49
8,128,000 Brazilian Government International Bond 11% 17/08/2040	9,469	0.36
Total Brazil	166,745	6.29
British Virgin Islands		
Corporate bonds - Aa3 rating		
7,900,000 Sinopec Group Overseas Development 2012 Ltd 2.75% 17/05/2017	8,063	0.30
25,289,000 Sinopec Group Overseas Development 2012 Ltd 3.9% 17/05/2022	24,840	0.94
2,000,000 Sinopec Group Overseas Development 2012 Ltd 4.875% 17/05/2042	1,885	0.07
14,600,000 State Grid Overseas Investment 2013 Ltd 3.125% 22/05/2023	13,739	0.52
Corporate bonds - Baa1 rating		
10,000,000 Sinochem Overseas Capital Co Ltd 4.5% 12/11/2020	10,231	0.39
Total British Virgin Islands	58,758	2.22
Cayman Islands		
Corporate bonds - Aa3 rating		
8,500,000 Amber Circle Funding Ltd 3.25% 04/12/2022	7,883	0.30
Government bonds - Baa2 rating		
6,000,000 Brazil Minas SPE via State of Minas Gerais 5.333% 15/02/2028	5,850	0.22
Total Cayman Islands	13,733	0.52

iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
Chile			Croatia (cont)		
Corporate bonds - A1 rating			Government bonds - Ba1 rating (cont)		
14,700,000 Corp Nacional del Cobre de Chile 3% 17/07/2022	13,453	0.51	12,520,000 Croatia Government International Bond 6.625% 14/07/2020	13,522	0.51
10,308,000 Corp Nacional del Cobre de Chile 3.75% 04/11/2020	10,297	0.39	35,590,000 Croatia Government International Bond 6.75% 05/11/2019	38,838	1.47
8,840,000 Corp Nacional del Cobre de Chile 3.875% 03/11/2021	8,739	0.33	Total Croatia	69,088	2.61
Government bonds - Aa3 rating			Dominican Republic		
9,445,000 Chile Government International Bond 3.25% 14/09/2021	9,540	0.36	Government bonds - B1 rating		
9,683,000 Chile Government International Bond 3.875% 05/08/2020	10,312	0.39	9,150,000 Dominican Republic International Bond 5.875% 18/04/2024	8,967	0.34
Total Chile	52,341	1.98	15,300,000 Dominican Republic International Bond 7.5% 06/05/2021	16,983	0.64
Colombia			Total Dominican Republic	25,950	0.98
Government bonds - Baa3 rating			Egypt		
2,500,000 Colombia Government International Bond 2.625% 15/03/2023	2,250	0.09	Government bonds - Caa1 rating		
2,587,000 Colombia Government International Bond 4.375% 12/07/2021	2,729	0.10	9,679,000 Egypt Government International Bond 5.75% 29/04/2020	8,965	0.34
16,166,000 Colombia Government International Bond 6.125% 18/01/2041	18,066	0.68	Total Egypt	8,965	0.34
13,464,000 Colombia Government International Bond 7.375% 27/01/2017	15,719	0.59	El Salvador		
34,308,000 Colombia Government International Bond 7.375% 18/03/2019	41,942	1.58	Government bonds - Ba3 rating		
26,487,000 Colombia Government International Bond 7.375% 18/09/2037	33,837	1.28	9,426,000 El Salvador Government International Bond 7.65% 15/06/2035	9,944	0.37
348,000 Colombia Government International Bond 8.125% 21/05/2024	459	0.02	Total El Salvador	9,944	0.37
Total Colombia	115,002	4.34	Ghana		
Costa Rica			Government bonds - B1 rating		
Government bonds - Baa3 rating			9,650,000 Republic of Ghana 7.875% 07/08/2023	9,578	0.36
9,995,000 Costa Rica Government International Bond 4.25% 26/01/2023	9,445	0.36	Total Ghana	9,578	0.36
Total Costa Rica	9,445	0.36	Hungary		
Croatia			Government bonds - Ba1 rating		
Government bonds - Ba1 rating			19,126,000 Hungary Government International Bond 4.125% 19/02/2018	19,173	0.72
9,478,000 Croatia Government International Bond 5.5% 04/04/2023	9,395	0.35	11,220,000 Hungary Government International Bond 5.375% 21/02/2023	11,141	0.42
2,437,000 Croatia Government International Bond 6.25% 27/04/2017	2,604	0.10	19,456,000 Hungary Government International Bond 6.25% 29/01/2020	21,060	0.80
4,456,000 Croatia Government International Bond 6.375% 24/03/2021	4,729	0.18	20,942,000 Hungary Government International Bond 6.375% 29/03/2021	22,702	0.86
			13,368,000 Hungary Government International Bond 7.625% 29/03/2041	15,080	0.57
			Total Hungary	89,156	3.37

iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Indonesia				Ireland (cont)			
Corporate bonds - Baa3 rating				Corporate bonds - Baa2 rating (cont)			
11,336,000	Pertamina Persero PT 4.875% 03/05/2022	10,883	0.41	8,600,000	Vnesheconombank Via VEB Finance Plc 6.902% 09/07/2020	9,675	0.37
8,300,000	Pertamina Persero PT 5.625% 20/05/2043	7,034	0.27	Total Ireland		24,379	0.92
8,362,000	Pertamina Persero PT 6% 03/05/2042	7,400	0.28	Ivory coast			
5,000,000	Perusahaan Listrik Negara PT 5.25% 24/10/2042	4,050	0.15	Government bonds - NR rating			
Government bonds - Baa3 rating				25,010,000	Ivory Coast Government International Bond 5.75% 31/12/2032	22,572	0.85
2,000,000	Indonesia Government International Bond 3.375% 15/04/2023	1,800	0.07	Total Ivory coast		22,572	0.85
6,000,000	Indonesia Government International Bond 4.625% 15/04/2043	5,085	0.19	Kazakhstan			
2,071,000	Indonesia Government International Bond 4.875% 05/05/2021	2,149	0.08	Corporate bonds - Baa1 rating			
13,676,000	Indonesia Government International Bond 5.25% 17/01/2042	12,650	0.48	8,200,000	KazAgro National Management Holding JSC 4.625% 24/05/2023	7,749	0.29
1,000,000	Indonesia Government International Bond 5.375% 17/10/2023	1,055	0.04	Corporate bonds - Baa3 rating			
31,242,000	Indonesia Government International Bond 6.625% 17/02/2037	34,054	1.28	11,656,000	Development Bank of Kazakhstan JSC 4.125% 10/12/2022	10,782	0.41
2,300,000	Indonesia Government International Bond 6.875% 09/03/2017	2,605	0.10	22,800,000	KazMunayGas National Co JSC 5.75% 30/04/2043	20,748	0.78
41,450,000	Indonesia Government International Bond 6.875% 17/01/2018	47,046	1.77	13,700,000	KazMunayGas National Co JSC 6.375% 09/04/2021	15,241	0.58
384,000	Indonesia Government International Bond 7.75% 17/01/2038	467	0.02	21,900,000	KazMunayGas National Co JSC 9.125% 02/07/2018	26,828	1.01
1,848,000	Indonesia Government International Bond 8.5% 12/10/2035	2,398	0.09	Total Kazakhstan		81,348	3.07
Total Indonesia		138,676	5.23	Latvia			
Iraq				Government bonds - Baa2 rating			
Government bonds - NR rating				7,884,000	Republic of Latvia 2.75% 12/01/2020	7,453	0.28
26,127,000	Republic of Iraq 5.8% 15/01/2028	22,665	0.86	15,273,000	Republic of Latvia 5.25% 22/02/2017	16,614	0.63
Total Iraq		22,665	0.86	Total Latvia		24,067	0.91
Ireland				Lebanon			
Corporate bonds - Baa1 rating				Government bonds - B3 rating			
2,300,000	Russian Railways via RZD Capital Plc 5.7% 05/04/2022	2,409	0.09	6,400,000	Lebanon Government International Bond 6% 27/01/2023	6,112	0.23
7,426,000	Russian Railways via RZD Capital Plc 5.739% 03/04/2017	7,992	0.30	18,173,000	Lebanon Government International Bond 6.1% 04/10/2022	17,673	0.67
Corporate bonds - Baa2 rating				13,590,000	Lebanon Government International Bond 6.375% 09/03/2020	13,726	0.52
2,000,000	Vnesheconombank Via VEB Finance Plc 6.025% 05/07/2022	2,123	0.08	8,750,000	Lebanon Government International Bond 6.75% 29/11/2027	8,650	0.33
2,000,000	Vnesheconombank Via VEB Finance Plc 6.8% 22/11/2025	2,180	0.08	17,228,000	Lebanon Government International Bond 8.25% 12/04/2021	19,123	0.72

iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Lebanon (cont)				Mexico (cont)			
Government bonds - B3 rating (cont)				Government bonds - Baa1 rating			
15,083,000	Lebanon Government International Bond 9% 20/03/2017	16,855	0.63	13,820,000	Mexico Government International Bond 3.625% 15/03/2022	13,958	0.53
	Total Lebanon	82,139	3.10	3,000,000	Mexico Government International Bond 4% 02/10/2023	3,037	0.11
Lithuania				1,342,000	Mexico Government International Bond 4.75% 08/03/2044	1,248	0.05
Government bonds - Baa1 rating				1,074,000	Mexico Government International Bond 5.125% 15/01/2020	1,207	0.05
7,747,000	Lithuania Government International Bond 6.125% 09/03/2021	8,839	0.33	21,282,000	Mexico Government International Bond 5.625% 15/01/2017	23,868	0.90
9,720,000	Lithuania Government International Bond 6.625% 01/02/2022	11,501	0.44	4,500,000	Mexico Government International Bond 5.75% 12/10/2110	4,320	0.16
33,401,000	Lithuania Government International Bond 7.375% 11/02/2020	40,496	1.53	1,456,000	Mexico Government International Bond 5.95% 19/03/2019	1,694	0.06
	Total Lithuania	60,836	2.30	17,080,000	Mexico Government International Bond 6.05% 11/01/2040	19,172	0.72
Luxembourg				20,090,000	Mexico Government International Bond 6.75% 27/09/2034	24,409	0.92
Corporate bonds - Baa3 rating				348,000	Mexico Government International Bond 7.5% 08/04/2033	458	0.02
3,500,000	Russian Agricultural Bank OJSC Via RSHB Capital SA 5.298% 27/12/2017	3,631	0.14		Total Mexico	143,186	5.40
5,208,000	Russian Agricultural Bank OJSC Via RSHB Capital SA 6.299% 15/05/2017	5,612	0.21	Mongolia			
	Total Luxembourg	9,243	0.35	Government bonds - B1 rating			
Malaysia				9,402,000	Mongolia Government International Bond 5.125% 05/12/2022	8,309	0.31
Corporate bonds - A1 rating					Total Mongolia	8,309	0.31
37,956,000	Petronas Capital Ltd 5.25% 12/08/2019	42,624	1.61	Morocco			
7,512,000	Petronas Capital Ltd 7.875% 22/05/2022	9,684	0.36	Government bonds - Baa3 rating			
Corporate bonds - A3 rating				16,430,000	Morocco Government International Bond 4.25% 11/12/2022	15,465	0.58
5,000,000	Penerbangan Malaysia Bhd 5.625% 15/03/2016	5,469	0.21		Total Morocco	15,465	0.58
	Total Malaysia	57,777	2.18	Netherlands			
Mexico				Corporate bonds - Baa3 rating			
Corporate bonds - Baa1 rating				10,999,000	Kazakhstan Temir Zholy Finance BV 6.95% 10/07/2042	11,521	0.44
2,600,000	Comision Federal de Electricidad 4.875% 26/05/2021	2,704	0.10	8,800,000	Majapahit Holding BV 7.75% 20/01/2020	10,076	0.38
3,200,000	Petroleos Mexicanos 3.5% 30/01/2023	2,960	0.11	Government bonds - Ba3 rating			
1,320,000	Petroleos Mexicanos 5.5% 21/01/2021	1,443	0.06	9,757,000	Republic of Angola Via Northern Lights III BV 7% 16/08/2019	10,623	0.40
13,255,000	Petroleos Mexicanos 6.5% 02/06/2041	14,017	0.53		Total Netherlands	32,220	1.22
23,469,000	Petroleos Mexicanos 8% 03/05/2019	28,691	1.08				

iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
Panama			Poland (cont)		
Government bonds - Baa2 rating			Government bonds - A2 rating (cont)		
10,150,000 Panama Government International Bond 5.2% 30/01/2020	11,216	0.42	17,274,000 Poland Government International Bond 5% 23/03/2022	18,726	0.71
19,490,000 Panama Government International Bond 6.7% 26/01/2036	22,998	0.87	24,848,000 Poland Government International Bond 5.125% 21/04/2021	27,155	1.02
Total Panama	34,214	1.29	26,510,000 Poland Government International Bond 6.375% 15/07/2019	31,106	1.17
Peru			Total Poland	97,874	3.69
Government bonds - Baa2 rating			Romania		
8,834,000 Peruvian Government International Bond 5.625% 18/11/2050	9,298	0.35	Government bonds - Baa3 rating		
43,827,000 Peruvian Government International Bond 6.55% 14/03/2037	52,154	1.97	22,738,000 Romanian Government International Bond 6.75% 07/02/2022	26,262	0.99
20,723,000 Peruvian Government International Bond 7.125% 30/03/2019	25,209	0.95	14,618,000 Romanian Government International Bond 4.375% 22/08/2023	14,289	0.54
6,800,000 Peruvian Government International Bond 7.35% 21/07/2025	8,721	0.33	Total Romania	40,551	1.53
Total Peru	95,382	3.60	Russian Federation		
Philippines			Government bonds - Baa1 rating		
Corporate bonds - Baa3 rating			6,800,000 Russian Foreign Bond - Eurobond 3.25% 04/04/2017	7,123	0.27
8,859,000 Power Sector Assets & Liabilities Management Corp 7.25% 27/05/2019	10,697	0.40	11,200,000 Russian Foreign Bond - Eurobond 4.5% 04/04/2022	11,634	0.44
6,230,000 Power Sector Assets & Liabilities Management Corp 7.39% 02/12/2024	7,788	0.30	13,400,000 Russian Foreign Bond - Eurobond 5% 29/04/2020	14,589	0.55
Government bonds - Baa3 rating			11,200,000 Russian Foreign Bond - Eurobond 5.625% 04/04/2042	11,648	0.44
12,665,000 Philippine Government International Bond 4% 15/01/2021	13,472	0.51	5,000,000 Russian Foreign Bond - Eurobond 5.875% 16/09/2043	5,319	0.20
16,780,000 Philippine Government International Bond 5% 13/01/2037	18,164	0.69	64,237,000 Russian Foreign Bond - Eurobond 7.5% 31/03/2030	54,656	2.06
18,233,000 Philippine Government International Bond 6.375% 23/10/2034	22,108	0.83	11,358,000 Russian Foreign Bond - Eurobond 11% 24/07/2018	15,532	0.59
30,087,000 Philippine Government International Bond 7.75% 14/01/2031	40,467	1.53	8,501,000 Russian Foreign Bond - Eurobond 12.75% 24/06/2028	14,792	0.56
15,469,000 Philippine Government International Bond 8.375% 17/06/2019	19,936	0.75	Total Russian Federation	135,293	5.11
1,000,000 Philippine Government International Bond 9.5% 02/02/2030	1,530	0.06	Serbia		
13,950,000 Philippine Government International Bond 10.625% 16/03/2025	22,041	0.83	Government bonds - B1 rating		
Total Philippines	156,203	5.90	15,102,000 Republic of Serbia 4.875% 25/02/2020	14,196	0.54
Poland			18,910,000 Republic of Serbia 7.25% 28/09/2021	19,666	0.74
Government bonds - A2 rating			Total Serbia	33,862	1.28
22,610,000 Poland Government International Bond 3% 17/03/2023	20,887	0.79	Slovakia		
			Government bonds - A2 rating		
			14,560,000 Slovakia Government International Bond 4.375% 21/05/2022	15,216	0.57
			Total Slovakia	15,216	0.57

iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
South Africa				Turkey (cont)			
Corporate bonds - A3 rating				Government bonds - Baa3 rating (cont)			
9,260,000	Transnet SOC Ltd 4% 26/07/2022	8,311	0.31	24,118,000	Turkey Government International Bond 7.5% 14/07/2017	27,585	1.04
Corporate bonds - Baa3 rating				860,000	Turkey Government International Bond 8% 14/02/2034	1,064	0.04
15,280,000	Eskom Holdings SOC Ltd 5.75% 26/01/2021	15,471	0.58	Total Turkey			
9,400,000	Eskom Holdings SOC Ltd 6.75% 06/08/2023	9,706	0.37			163,955	6.19
Government bonds - Baa1 rating				Ukraine			
5,547,000	South Africa Government International Bond 4.665% 17/01/2024	5,464	0.21	Government bonds - Caa1/*- rating			
26,343,000	South Africa Government International Bond 5.5% 09/03/2020	28,483	1.08	2,000,000	Ukraine Government International Bond 6.25% 17/06/2016	1,817	0.07
16,776,000	South Africa Government International Bond 5.875% 30/05/2022	18,370	0.69	29,443,000	Ukraine Government International Bond 6.58% 21/11/2016	26,646	1.01
10,000,000	South Africa Government International Bond 5.875% 16/09/2025	10,625	0.40	8,000,000	Ukraine Government International Bond 7.5% 17/04/2023	7,050	0.27
5,252,000	South Africa Government International Bond 6.875% 27/05/2019	6,059	0.23	20,371,000	Ukraine Government International Bond 7.75% 23/09/2020	18,614	0.70
Total South Africa		102,489	3.87	16,688,000	Ukraine Government International Bond 7.8% 28/11/2022	14,811	0.56
Sri Lanka				3,500,000	Ukraine Government International Bond 7.95% 23/02/2021	3,198	0.12
Government bonds - B1 rating				14,581,000	Ukraine Government International Bond 9.25% 24/07/2017	14,107	0.53
11,891,000	Sri Lanka Government International Bond 5.875% 25/07/2022	11,549	0.44	Total Ukraine			
15,234,000	Sri Lanka Government International Bond 6.25% 04/10/2020	15,463	0.58			86,243	3.26
3,480,000	Sri Lanka Government International Bond 6.25% 27/07/2021	3,506	0.13	United States			
Total Sri Lanka		30,518	1.15	Corporate bonds - Baa1 rating			
Turkey				15,336,000	Pemex Project Funding Master Trust 6.625% 15/06/2035	16,486	0.62
Government bonds - Baa3 rating				400,000	Pemex Project Funding Master Trust 5.75% 01/03/2018	447	0.02
3,000,000	Turkey Government International Bond 3.25% 23/03/2023	2,632	0.10	Total United States			
4,500,000	Turkey Government International Bond 4.875% 16/04/2043	3,887	0.15			16,933	0.64
23,718,000	Turkey Government International Bond 6% 14/01/2041	23,748	0.90	Uruguay			
6,306,000	Turkey Government International Bond 6.25% 26/09/2022	6,929	0.26	Government bonds - Baa3 rating			
20,759,000	Turkey Government International Bond 6.75% 03/04/2018	23,354	0.88	3,000,000	Uruguay Government International Bond 4.5% 14/08/2024	3,090	0.12
40,960,000	Turkey Government International Bond 6.875% 17/03/2036	45,056	1.70	29,154,270	Uruguay Government International Bond 7.625% 21/03/2036	37,609	1.42
25,100,000	Turkey Government International Bond 7% 05/06/2020	28,865	1.09	3,508,000	Uruguay Government International Bond 7.875% 15/01/2033	4,595	0.17
726,000	Turkey Government International Bond 7.25% 05/03/2038	835	0.03	Total Uruguay			
						45,294	1.71
				Venezuela			
				Corporate bonds - B1 rating			
				2,880,000	Petroleos de Venezuela SA 12.75% 17/02/2022	2,844	0.11

iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
Venezuela (cont)			Other net assets	28,523	1.08
Corporate bonds - B2 rating			Net asset value attributable to redeemable participating shareholders at the end of the year	2,648,905	100.00
20,755,800 Petroleos de Venezuela SA 5.375% 12/04/2027	12,661	0.48	† Substantially all cash positions are held with State Street Bank and Trust Company.		
1,000,000 Petroleos de Venezuela SA 5.5% 12/04/2037	585	0.02	All credit ratings are shown as at 31 October 2013.		
32,902,300 Petroleos de Venezuela SA 8.5% 02/11/2017	29,448	1.11			
750,000 Petroleos de Venezuela SA 9% 17/11/2021	613	0.02			
4,220,000 Petroleos de Venezuela SA 9.75% 17/05/2035	3,207	0.12			
Government bonds - B2 rating					
7,808,000 Venezuela Government International Bond 5.75% 26/02/2016	6,949	0.26			
10,600,000 Venezuela Government International Bond 7% 31/03/2038	7,022	0.27			
9,123,000 Venezuela Government International Bond 7.75% 13/10/2019	7,435	0.28			
10,619,000 Venezuela Government International Bond 8.25% 13/10/2024	8,044	0.30			
3,200,000 Venezuela Government International Bond 9% 07/05/2023	2,584	0.10			
10,707,000 Venezuela Government International Bond 9.25% 15/09/2027	8,780	0.33			
500,000 Venezuela Government International Bond 9.375% 13/01/2034	394	0.01			
8,823,000 Venezuela Government International Bond 11.75% 21/10/2026	8,095	0.31			
21,333,800 Venezuela Government International Bond 11.95% 05/08/2031	19,574	0.74			
4,469,700 Venezuela Government International Bond 12.75% 23/08/2022	4,481	0.17			
Total Venezuela	122,716	4.63			
Vietnam					
Government bonds - B2 rating					
11,023,000 Vietnam Government International Bond 6.75% 29/01/2020	12,098	0.46			
Total Vietnam	12,098	0.46			
Total bonds	2,609,998	98.53			
Total value of investments	2,609,998	98.53			
Cash†	10,384	0.39			

iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF

Schedule of material purchases and sales

For the year ended 31 October 2013

The 20 largest sales		The 20 largest purchases	
Holding Investments	Proceeds \$'000	Holding Investments	Cost \$'000
73,841,000 Philippine Government International Bond 7.75% 14/01/2031	102,985	38,408,000 Philippine Government International Bond 7.75% 14/01/2031	54,400
55,652,000 Turkey Government International Bond 7.25% 15/03/2015	61,823	37,924,000 Brazilian Government International Bond 6% 17/01/2017	44,185
59,785,000 Russian Foreign Bond - Eurobond 7.5% 31/03/2030	55,250	34,909,000 Turkey Government International Bond 6.75% 03/04/2018	41,974
42,019,000 Turkey Government International Bond 6.875% 17/03/2036	49,437	30,918,000 Turkey Government International Bond 7.5% 14/07/2017	37,056
36,014,000 KazMunayGas National Co JSC 9.125% 02/07/2018	45,833	23,010,000 Brazilian Government International Bond 7.125% 20/01/2037	31,171
32,388,000 Brazilian Government International Bond 7.875% 07/03/2015	36,711	21,229,000 Peruvian Government International Bond 6.55% 14/03/2037	27,904
25,595,000 Brazilian Government International Bond 7.125% 20/01/2037	33,190	18,179,000 Turkey Government International Bond 6.875% 17/03/2036	24,015
24,783,000 Mexico Government International Bond 6.75% 27/09/2034	30,851	23,718,000 Turkey Government International Bond 6% 14/01/2041	23,744
25,622,000 Indonesia Government International Bond 6.625% 17/02/2037	29,938	20,197,000 Indonesia Government International Bond 6.875% 17/01/2018	23,661
23,536,000 Lithuania Government International Bond 7.375% 11/02/2020	29,429	20,060,000 Turkey Government International Bond 7% 05/06/2020	23,547
24,827,000 Indonesia Government International Bond 6.875% 17/01/2018	28,988	13,950,000 Philippine Government International Bond 10.625% 16/03/2025	23,194
26,000,000 Corp Nacional del Cobre de Chile 3.75% 04/11/2020	26,434	20,942,000 Hungary Government International Bond 6.375% 29/03/2021	22,799
20,962,000 Peruvian Government International Bond 6.55% 14/03/2037	26,365	18,233,000 Philippine Government International Bond 6.375% 23/10/2034	22,706
22,371,000 Poland Government International Bond 5.125% 21/04/2021	24,890	23,500,000 KazMunayGas National Co JSC 5.75% 30/04/2043	22,563
19,379,000 Colombia Government International Bond 7.375% 18/03/2019	24,750	23,402,000 Russian Foreign Bond - Eurobond 7.5% 31/03/2030	22,172
19,844,000 Power Sector Assets & Liabilities Management Corp 7.25% 27/05/2019	24,534	22,610,000 Poland Government International Bond 3% 17/03/2023	20,948
21,268,000 South Africa Government International Bond 5.875% 30/05/2022	24,314	21,426,000 Hungary Government International Bond 4.125% 19/02/2018	20,889
20,100,000 Majapahit Holding BV 7.75% 20/01/2020	24,297	18,628,000 Lebanon Government International Bond 8.25% 12/04/2021	20,700
20,738,000 Hungary Government International Bond 7.625% 29/03/2041	23,223	20,330,000 Morocco Government International Bond 4.25% 11/12/2022	20,016
18,118,000 Petroleos Mexicanos 8% 03/05/2019	22,957	17,274,000 Poland Government International Bond 5% 23/03/2022	19,953

The UCITS notices issued by the Central Bank of Ireland require a Schedule of Portfolio changes during the year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the year is available, upon request, at no cost from the Administrator.

iShares Listed Private Equity UCITS ETF

Income statement

For the year ended 31 October 2013

	Notes	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Operating income	2	15,341	10,866
Net gains on financial assets/liabilities fair value through profit or loss	3	73,734	20,161
Total gains		89,075	31,027
Operating expenses	4	(2,238)	(1,398)
Net operating profit		86,837	29,629
Finance costs:			
CFD Interest paid		(444)	(278)
Distributions to redeemable participating shareholders	6	(9,739)	(7,637)
Interest expense	7	(1)	(1)
Total finance costs		(10,184)	(7,916)
Net profit for the financial year before tax		76,653	21,713
Non-reclaimable withholding tax		(2,522)	(1,637)
Net profit for the financial year after tax		74,131	20,076
Adjustment to align to the valuation methodology as set out in the prospectus	8	(103)	131
Increase in net assets attributable to redeemable participating shareholders from operations		74,028	20,207

There are no recognised gains or losses arising in the year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

Statement of changes in net assets attributable to redeemable participating shareholders

For the year ended 31 October 2013

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the year	207,962	177,935
Increase in net assets attributable to redeemable participating shareholders from operations	74,028	20,207
Share transactions:		
Proceeds from issue of redeemable participating shares	99,912	50,404
Payments on redemption of redeemable participating shares	(8,937)	(40,584)
Increase in net assets resulting from share transactions	90,975	9,820
Net assets attributable to redeemable participating shareholders at the end of the year	372,965	207,962

The accompanying notes form an integral part of these financial statements.

iShares Listed Private Equity UCITS ETF

Balance sheet

As at 31 October 2013

	Notes	31 October 2013 \$'000	31 October 2012 \$'000
CURRENT ASSETS			
Cash and cash equivalents		52,010	31,085
Cash collateral receivable		-	233
Receivables	12	6,931	4,188
Financial assets at fair value through profit or loss	13	328,970	176,604
Total current assets		387,911	212,110
CURRENT LIABILITIES			
Bank overdraft		-	(7)
Cash collateral payable		(8,362)	-
Payables	14	(488)	(140)
Distributions payable to redeemable participating shareholders	6	(6,059)	(4,032)
Financial liabilities at fair value through profit or loss	13	(236)	(271)
Total current liabilities		(15,145)	(4,450)
Net assets attributable to redeemable participating shareholders		372,766	207,660
Adjustment to align to the valuation methodology as set out in the prospectus	8	199	302
Net asset value attributable to redeemable participating shareholders at the end of the year		372,965	207,962

The accompanying notes form an integral part of these financial statements. Details of the NAV per share are set out in note 11.

iShares Listed Private Equity UCITS ETF

Notes to the financial statements

For the year ended 31 October 2013

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 54 to 58. The financial instruments and risks are set out on pages 59 to 98. The notes relating to tax, soft commissions and exchange rates are set out in the notes on pages 101 to 109.

2. OPERATING INCOME

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Deposit interest income	-	5
Dividend income	15,306	10,861
Securities lending income	35	-
	15,341	10,866

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net gains on investments in securities held at fair value through profit or loss	44,710	16,312
Net gains on CFDs	29,046	3,859
Net losses on other investments	(22)	(10)
	73,734	20,161

4. OPERATING EXPENSES

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Management fees	(2,238)	(1,398)
	(2,238)	(1,398)

5. MANAGEMENT FEES

Fees earned by the Manager during the year and balances outstanding as at 31 October 2013 and 31 October 2012 are disclosed in note 4 and note 14 respectively.

Please refer to page 101 for each Fund's management fee rate.

The Manager is responsible for discharging, from this fee, all fees of the Investment Manager, the Administrator and the Custodian and any distributing agent appointed by the distributor through whom the shares will be marketed, together with all reasonable out of pocket expenses of such service providers, (including sub-custodial fees and expenses, (which will be at normal commercial rates) and transaction related charges of the Administrator and Custodian). The Manager will also be responsible for discharging from its fee for each share class an attributable proportion of the organisational and operating expenses, including audit and Directors fees, of the Company. The fee will be accrued daily based on the daily net asset value of the share classes and will be paid monthly in arrears. Where the actual fees and costs incurred exceed the amount paid to the Manager, the excess will be discharged by the Manager from its own assets.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of Shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the year were as follows:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
April 2012	-	3,645
October 2012	-	4,032
April 2013	4,545	-
October 2013	6,059	-
	10,604	7,677
Equalisation income	(931)	(598)
Equalisation expense	66	558
	9,739	7,637

iShares Listed Private Equity UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

7. INTEREST EXPENSE

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Bank interest	(1)	(1)
	(1)	(1)

8. ADJUSTMENT TO ALIGN TO THE VALUATION METHODOLOGY AS SET OUT IN THE PROSPECTUS

The adjustment between the financial statements net asset value and the valuation methodology set out in the prospectus is shown below:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Balance brought forward	302	171
Adjustment to align to the valuation methodology as set out in the prospectus	(103)	131
Total adjustment for the year	(103)	131
Balance carried forward	199	302

Further details are set out in the accounting policies note m) on page 58.

9. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the years ended 31 October 2013 and 31 October 2012. Please refer to note 10 on page 103 for further details.

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Transactions costs	147	98

10. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 October 2013 No. of Shares	31 October 2012 No. of Shares
Number of redeemable participating shares:		
Balance at the beginning of year	15,200,000	14,500,000
Issued during the year	6,400,000	3,900,000
Redeemed during the year	(600,000)	(3,200,000)
Balance at the end of year	21,000,000	15,200,000

11. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	No. of Shares
Shares in issue	
As at 31 October 2013	21,000,000
As at 31 October 2012	15,200,000
As at 31 October 2011	14,500,000

	\$'000
Net asset value	
As at 31 October 2013	372,965
As at 31 October 2012	207,962
As at 31 October 2011	177,935

	\$'000
Net asset value per share	
As at 31 October 2013	\$17.76
As at 31 October 2012	\$13.68
As at 31 October 2011	\$12.27

12. RECEIVABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Dividend income receivable	685	131
Securities lending income receivable	13	-
Tax reclaim receivable	174	25
Distributions payable held with Registrar*	6,059	4,032
	6,931	4,188

* Further details are set out in note 12 on page 104.

iShares Listed Private Equity UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

13. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013 \$'000	31 October 2012 \$'000
Financial assets:		
Investment in equities	290,876	159,750
Investment in UCITS collective investment schemes	34,055	16,255
Unrealised gains on CFDs	4,039	599
	328,970	176,604
Financial liabilities:		
Unrealised losses on CFDs	(236)	(271)
	(236)	(271)

14. PAYABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Interest payable	(31)	-
Management fees payable	(457)	(128)
Other payables	-	(12)
	(488)	(140)

15. COLLATERAL RECEIVED

The total value of cash collateral received by the Fund, as at 31 October 2013, was \$8,361,967 (31 October 2012: nil). Cash collateral received by the Fund may be reinvested into the assets of the Fund. The Fund is the legal owner of inbound collateral and can sell the assets and withhold the cash in the case of default.

16. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the years ended 31 October 2013 and 31 October 2012 other than those disclosed in note 17 on page 105.

17. RELATED PARTIES

The related parties are set out on pages 106 to 108.

18. EFFICIENT PORTFOLIO MANAGEMENT

The Company may, subject to the conditions and within the limits from time to time laid down by the Central Bank of Ireland and the prospectus, engage in securities lending and employ techniques and instruments relating to transferable securities for efficient portfolio management purposes.

During the year the Company engaged in securities lending. The Company receives either cash collateral or securities as collateral, as determined within the schedule, for a value in excess of the market value of the securities loaned. As at the 31 October 2013 the collateral consists of securities admitted to or dealt on a regulated market.

The collateral is registered and held in the name of BlackRock Advisors (UK) Limited on behalf of the Funds in any or all of the following collateral agents and central securities depositories: JP Morgan Chase, Bank of New York Mellon Corporation, Euroclear or CREST, depending on the type of collateral the counterparty needs to give as per the schedule in order to cover the required value of exposure. Further details can be seen on page 81.

The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary.

The securities lending agent appointed pursuant to the stock lending agreement is BlackRock Advisors (UK) Limited. Securities lending income is split between the Fund and the securities lending agent in a ratio of 60:40 in favour of the Fund, with all operational costs borne out of the securities lending agents share.

	31 October 2013 \$'000	31 October 2012 \$'000
Income earned during year	35	-
Value of securities on loan at year end	34,513	-
Value of collateral held by the Company at year end	40,275	-

Please see note 19 for more information on financial derivative instruments.

19. FINANCIAL DERIVATIVE INSTRUMENTS

The Fund may buy and sell financial derivative instruments. See further details in the Fund's Schedule of Investments and note 3 to the financial statements.

20. SIGNIFICANT EVENTS DURING THE YEAR

Please refer to note 22 on pages 108 and 109.

21. SUBSEQUENT EVENTS

Please refer to note 23 on page 109.

iShares Listed Private Equity UCITS ETF

Schedule of investments

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market			
	Equities		
	Belgium		
	Specialty finance		
25,310	Gimv NV Com NPV	1,281	0.34
	Total Belgium	1,281	0.34
	Bermuda		
	Equity investment instruments		
614,373	Oakley Capital Investments Ltd Com GBP 0.01	1,722	0.46
	Total Bermuda	1,722	0.46
	Canada		
	Real estate investment & services		
736,766	Brookfield Asset Management Inc Com NPV	29,143	7.81
	Specialty finance		
80,994	Alaris Royalty Corp Com NPV	2,752	0.74
218,194	Onex Corp Com NPV	11,521	3.09
	Total Canada	43,416	11.64
	Cayman Islands		
	Equity investment instruments		
1,127,287	VinaCapital Vietnam Opportunity Fund Ltd Com USD 0.01	2,508	0.67
	Total Cayman Islands	2,508	0.67
	France		
	Diversified financial services		
137,489	Eurazeo SA Com NPV	10,417	2.80
	Specialty finance		
112,745	Wendel SA Com EUR 4.00	15,751	4.22
	Total France	26,168	7.02
	Germany		
	Specialty finance		
102,918	Aurelius AG Com NPV	3,506	0.94
	Total Germany	3,506	0.94
	Greece		
	Specialty finance		
2,711,649	Marfin Investment Group Holdings SA Com EUR 0.30	1,733	0.46
	Total Greece	1,733	0.46

Holding	Investment	Fair value \$'000	% of net asset value
	Japan		
	Diversified financial services		
214,478	Jafco Co Ltd Com NPV	10,702	2.87
	Total Japan	10,702	2.87
	Jersey		
	Equity investment instruments		
1,347,285	3i Infrastructure Plc Com NPV	2,944	0.79
	Total Jersey	2,944	0.79
	Singapore		
	Diversified financial services		
5,305,978	Asiasons Capital Ltd Com NPV	697	0.19
	Total Singapore	697	0.19
	Sweden		
	Specialty finance		
919,133	Ratos AB Com NPV	7,969	2.14
	Total Sweden	7,969	2.14
	Switzerland		
	Diversified financial services		
52,426	Partners Group Holding AG Com CHF 0.01	13,599	3.65
	Total Switzerland	13,599	3.65
	United Kingdom		
	Diversified financial services		
1,734,943	Intermediate Capital Group Plc Com GBP 0.20	13,365	3.58
	Equity investment instruments		
40,562	Electra Private Equity Plc Com GBP 0.25	1,483	0.40
	Specialty finance		
3,153,770	3i Group Plc Com GBP 0.738636	18,899	5.07
738,711	SVG Capital Plc Com GBP 1.00	4,736	1.27
	Total United Kingdom	38,483	10.32
	United States		
	Diversified financial services		
1,217,109	Apollo Investment Corp Com USD 0.001	10,382	2.78
1,485,720	Ares Capital Corp Com USD 0.001	25,792	6.92
357,833	BlackRock Kelso Capital Corp Com USD 0.001*	3,357	0.90
56,678	Capital Southwest Corp Com USD 0.25	1,853	0.50
653,967	Fifth Street Finance Corp Com USD 0.01	6,671	1.79
63,532	Garrison Capital Inc Com USD 0.001	932	0.25

iShares Listed Private Equity UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

	Fair value \$'000	% of net asset value		Fair value \$'000	% of net asset value	
Holding Investment			Holding Investment			
United States (cont)			Financial derivative instruments			
Diversified financial services (cont)			Contracts for difference			
106,904 Gladstone Capital Corp Com USD 0.001	942	0.25	No. of contracts	Underlying exposure \$'000	Unrealised gain/loss \$'000	% of net asset value
185,328 Golub Capital BDC Inc Com USD 0.001	3,262	0.87	17,370 AP Alternative Assets**	449	5	0.00
169,038 ICG Group Inc Com USD 0.001	2,755	0.74	12,114 AP Alternative Assets***/++	348	-	0.00
153,358 KCAP Financial Inc Com USD 0.01	1,294	0.35	96,860 Apollo Global Management**	3,125	387	0.10
192,397 Main Street Capital Corp Com USD 0.01	5,849	1.57	63,074 Apollo Global Management***	2,035	105	0.03
385,710 MCG Capital Corp Com USD 0.01	1,817	0.49	777,062 Blackstone Group LP**	20,421	1,080	0.29
179,939 Medley Capital Corp Com USD.001	2,508	0.67	408,677 Blackstone Group LP***	10,740	(192)	(0.05)
121,754 MVC Capital Inc Com USD 0.01	1,685	0.45	64,407 Carlyle Group LP**	1,988	331	0.09
190,072 New Mountain Finance Corp Com USD 0.01	2,695	0.72	58,467 Carlyle Group LP***	1,804	64	0.02
360,132 PennantPark Investment Corp Com USD 0.001	4,052	1.09	57,185 Compass Diversified Holdings**	1,097	78	0.02
1,236,119 Prospect Capital Corp Com USD 0.001	14,005	3.76	40,865 Compass Diversified Holdings***	784	45	0.01
113,603 Safeguard Scientifics Inc Com USD 0.10	1,982	0.53	657,393 Fortress Investment Group LLC**	5,423	204	0.05
204,897 Solar Capital Ltd Com USD 0.01	4,700	1.26	366,194 Fortress Investment Group LLC***	3,021	(44)	(0.01)
56,144 Solar Senior Capital Ltd Com USD 0.01	1,024	0.27	889,585 KKR & Co LP**	19,526	1,219	0.33
121,257 TCP Capital Corp Com USD 0.001	2,021	0.54	453,072 KKR & Co LP***	9,945	521	0.14
168,927 THL Credit Inc Com USD 0.0001	2,745	0.74	Total unrealised gains on contracts for difference		4,039	1.08
285,039 TICC Capital Corp Com USD 0.01	2,850	0.76	Total unrealised losses on contracts for difference		(236)	(0.06)
149,471 Triangle Capital Corp Com USD 0.001	4,450	1.19	Net unrealised gains on contracts for difference		3,803	1.02
Equity investment instruments			Total value of investments		328,734	88.14
46,329 Firsthand Technology Value Fund Inc USD 0.001	1,080	0.29	Cash†		43,648	11.71
Specialty finance			Other net assets		384	0.10
1,079,683 American Capital Ltd Com USD 0.01	15,116	4.05	Net assets attributable to redeemable participating shareholders		372,766	99.95
74,129 Fidus Investment Corp Com USD 0.001	1,505	0.41	Adjustment to align to the valuation methodology as set out in the prospectus		199	0.05
143,383 Gladstone Investment Corp Com USD 0.001	1,012	0.27	Net asset value attributable to redeemable participating shareholders at the end of the year		372,965	100.00
104,629 GSV Capital Corp Com USD 0.01	1,599	0.43				
334,056 Hercules Technology Growth Capital Inc Com USD 0.001	5,158	1.38				
79,657 PennantPark Floating Rate Capital Ltd Com USD 0.001	1,055	0.28				
Total United States	136,148	36.50				
Total equities	290,876	77.99				
UCITS collective investment schemes						
Ireland						
34,055,388 Institutional Cash Series plc - Institutional US Dollar Liquidity Fund*	34,055	9.13				
Total Ireland	34,055	9.13				
Total UCITS collective investment schemes	34,055	9.13				

† Cash holdings of \$52,010,178 are held with State Street Bank and Trust Company. \$6,300,000 is held by the Fund as collateral from Credit Suisse Securities (Europe) Limited and \$2,061,967 is held by the Fund as collateral

† Cash holdings of \$52,010,178 are held with State Street Bank and Trust Company. \$6,300,000 is held by the Fund as collateral from Credit Suisse Securities (Europe) Limited and \$2,061,967 is held by the Fund as collateral from UBS AG in relation to the CFD over-the-counter financial derivative instruments.

* Investment in related party.

** The Counterparty for CFDs is Credit Suisse Securities (Europe) Limited.

*** The Counterparty for CFDs is UBS AG.

++ Investments which are less than \$500 are rounded to zero.

iShares Listed Private Equity UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

Analysis of total current assets gross of all liabilities (unaudited)	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	290,876	74.99
UCITS collective investment schemes	34,055	8.78
Over-the-counter financial derivative instruments	4,039	1.04
Other assets	58,941	15.19
Total current assets	387,911	100.00

iShares Listed Private Equity UCITS ETF

Schedule of material purchases and sales

For the year ended 31 October 2013

The 20 largest sales		The 20 largest purchases	
Holding Investments	Proceeds \$'000	Holding Investments	Cost \$'000
921,539 American Capital Ltd Com USD 0.01	12,866	17,800,000 Institutional Cash Series plc - Institutional US Dollar Liquidity Fund*	17,800
358,379 ICA Gruppen AB Com NPV	11,351	844,258 Ares Capital Corp Com USD 0.001	15,003
982,995 GSV Capital Corp Com USD 0.01	7,984	337,818 Brookfield Asset Management Inc Com NPV	12,509
4,691,000 Asiasons Capital Ltd Com NPV	4,203	799,066 Ratos AB Com NPV	7,941
32,295 Wendel SA Com EUR 4.00	3,845	281,379 ICA Gruppen AB Com NPV	7,638
104,526 Main Street Capital Corp Com USD 0.01	3,534	552,629 American Capital Ltd Com USD 0.01	7,345
310,531 Ratos AB Com NPV	3,023	598,332 Prospect Capital Corp Com USD 0.001	6,653
458,868 3i Group Plc Com GBP 0.738636	2,173	1,297,550 3i Group Plc Com GBP 0.738636	6,451
45,600 Jafco Co Ltd Com NPV	1,993	134,274 Onex Corp Com NPV	6,224
33,719 Eurazeo SA Com NPV	1,896	25,217 Partners Group Holding AG Com CHF 0.01	6,080
7,383 Partners Group Holding AG Com CHF 0.01	1,818	874,084 Intermediate Capital Group Plc Com GBP 0.20	5,729
690,617 IP Group Plc Com GBP 0.02	1,475	41,138 Wendel SA Com EUR 4.00	4,452
49,288 Triangle Capital Corp Com USD 0.001	1,414	69,551 Eurazeo SA Com NPV	4,190
136,777 Apollo Investment Corp Com USD 0.001	1,182	397,168 Apollo Investment Corp Com USD 0.001	3,359
24,965 Brookfield Asset Management Inc Com NPV	947	103,596 Aurelius AG Com NPV	3,308
155,853 SVG Capital Plc Com GBP 1.00	944	493,384 SVG Capital Plc Com GBP 1.00	3,010
18,357 Onex Corp Com NPV	915	191,283 New Mountain Finance Corp Com USD 0.01	2,838
34,573 Solar Capital Ltd Com USD 0.01	775	77,400 Jafco Co Ltd Com NPV	2,678
42,441 Ares Capital Corp Com USD 0.001	755	84,534 Main Street Capital Corp Com USD 0.01	2,587
324,005 Better Capital PCC Ltd Com NPV	731	181,086 Medley Capital Corp Com USD 0.001	2,445

* Investment in related party.

The UCITS notices issued by the Central Bank of Ireland require a Schedule of Portfolio changes during the year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the year is available, upon request, at no cost from the Administrator.

iShares MSCI AC Far East ex-Japan SmallCap UCITS ETF

Income statement

For the year ended 31 October 2013

	Notes	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Operating income	2	2,061	1,499
Net gains on financial assets/liabilities at fair value through profit or loss	3	8,162	983
Total gains		10,223	2,482
Operating expenses	4	(494)	(354)
Net operating profit		9,729	2,128
Finance costs:			
Distributions to redeemable participating shareholders	6	(1,322)	(1,007)
Interest expense	7	(8)	(3)
Total finance costs		(1,330)	(1,010)
Net profit for the financial year before tax		8,399	1,118
Non-reclaimable withholding tax		(180)	(149)
Net profit for the financial year after tax		8,219	969
Adjustment to align to the valuation methodology as set out in the prospectus	8	103	(35)
Increase in net assets attributable to redeemable participating shareholders from operations		8,322	934

There are no recognised gains or losses arising in the year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

Statement of changes in net assets attributable to redeemable participating shareholders

For the year ended 31 October 2013

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the year	48,639	49,748
Increase in net assets attributable to redeemable participating shareholders from operations	8,322	934
Share transactions:		
Proceeds from issue of redeemable participating shares	22,596	5,201
Payments on redemption of redeemable participating shares	(2,648)	(7,244)
Increase/(decrease) in net assets resulting from share transactions	19,948	(2,043)
Net assets attributable to redeemable participating shareholders at the end of the year	76,909	48,639

The accompanying notes form an integral part of these financial statements.

iShares MSCI AC Far East ex-Japan SmallCap UCITS ETF

Balance sheet

As at 31 October 2013

	Notes	31 October 2013 \$'000	31 October 2012 \$'000
CURRENT ASSETS			
Cash and cash equivalents		137	760
Receivables	12	1,686	880
Financial assets at fair value through profit or loss	13	76,201	48,445
Total current assets		78,024	50,085
CURRENT LIABILITIES			
Bank overdraft		(4)	(693)
Payables	14	(94)	(31)
Distributions payable to redeemable participating shareholders	6	(1,252)	(854)
Total current liabilities		(1,350)	(1,578)
Net assets attributable to redeemable participating shareholders		76,674	48,507
Adjustment to align to the valuation methodology as set out in the prospectus	8	235	132
Net asset value attributable to redeemable participating shareholders at the end of the year		76,909	48,639

The accompanying notes form an integral part of these financial statements. Details of the NAV per share are set out in note 11.

iShares MSCI AC Far East ex-Japan SmallCap UCITS ETF

Notes to the financial statements

For the year ended 31 October 2013

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 54 to 58. The financial instruments and risks are set out on pages 59 to 98. The notes relating to tax, soft commissions and exchange rates are set out in the notes on pages 101 to 109.

2. OPERATING INCOME

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Deposit interest income	-	1
Dividend income	1,853	1,480
Securities lending income	208	18
	2,061	1,499

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net gains on investments in securities held at fair value through profit or loss	8,159	1,001
Net gains/(losses) on other investments	3	(18)
	8,162	983

4. OPERATING EXPENSES

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Management fees	(494)	(354)
	(494)	(354)

5. MANAGEMENT FEES

Fees earned by the Manager during the year and balances outstanding as at 31 October 2013 and 31 October 2012 are disclosed in note 4 and note 14 respectively.

Please refer to page 101 for each Fund's management fee rate.

The Manager is responsible for discharging, from this fee, all fees of the Investment Manager, the Administrator and the Custodian and any distributing agent appointed by the distributor through whom the shares will be marketed, together with all reasonable out of pocket expenses of such service providers, (including sub-custodial fees and expenses, (which will be at normal commercial rates) and transaction related charges of the Administrator and Custodian). The Manager will also be responsible for discharging from its fee for each share class an attributable proportion of the organisational and operating expenses, including audit and Directors fees, of the Company. The fee will be accrued daily based on the daily net asset value of the share classes and will be paid monthly in arrears. Where the actual fees and costs incurred exceed the amount paid to the Manager, the excess will be discharged by the Manager from its own assets.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of Shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the year were as follows:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
April 2012	-	161
October 2012	-	854
April 2013	168	-
October 2013	1,252	-
	1,420	1,015
Equalisation income	(114)	(14)
Equalisation expense	16	6
	1,322	1,007

iShares MSCI AC Far East ex-Japan SmallCap UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

7. INTEREST EXPENSE

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Bank interest	(8)	(3)
	(8)	(3)

8. ADJUSTMENT TO ALIGN TO THE VALUATION METHODOLOGY AS SET OUT IN THE PROSPECTUS

The adjustment between the financial statements net asset value and the valuation methodology set out in the prospectus is shown below:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Balance brought forward	132	167
Adjustment to align to the valuation methodology as set out in the prospectus	103	(35)
Total adjustment for the year	103	(35)
Balance carried forward	235	132

Further details are set out in the accounting policies note m) on page 58.

9. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the years ended 31 October 2013 and 31 October 2012. Please refer to note 10 on page 103 for further details.

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Transactions costs	84	44

10. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 October 2013 No. of Shares	31 October 2012 No. of Shares
Number of redeemable participating shares:		
Balance at the beginning of year	1,900,000	2,000,000
Issued during the year	800,000	200,000
Redeemed during the year	(100,000)	(300,000)
Balance at the end of year	2,600,000	1,900,000

11. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	No. of Shares
Shares in issue	
As at 31 October 2013	2,600,000
As at 31 October 2012	1,900,000
As at 31 October 2011	2,000,000

	\$'000
Net asset value	
As at 31 October 2013	76,909
As at 31 October 2012	48,639
As at 31 October 2011	49,748

	\$'000
Net asset value per share	
As at 31 October 2013	\$29.58
As at 31 October 2012	\$25.60
As at 31 October 2011	\$24.87

12. RECEIVABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Sale of securities awaiting settlement	261	1
Dividend income receivable	151	21
Securities lending income receivable	22	4
Distributions payable held with Registrar*	1,252	854
	1,686	880

* Further details are set out in note 12 on page 104.

iShares MSCI AC Far East ex-Japan SmallCap UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013 \$'000	31 October 2012 \$'000
Financial assets:		
Investment in equities	76,184	48,422
Investment in rights	-	23
Investment in warrants	17	-
	76,201	48,445

14. PAYABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Management fees payable	(94)	(31)
	(94)	(31)

15. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the years ended 31 October 2013 and 31 October 2012 other than those disclosed in note 17 on page 105.

16. RELATED PARTIES

The related parties are set out on pages 106 to 108.

17. EFFICIENT PORTFOLIO MANAGEMENT

The Company may, subject to the conditions and within the limits from time to time laid down by the Central Bank of Ireland and the prospectus, engage in securities lending and employ techniques and instruments relating to transferable securities for efficient portfolio management purposes.

During the year the Company engaged in securities lending. The Company receives either cash collateral or securities as collateral, as determined within the schedule, for a value in excess of the market value of the securities loaned. As at the 31 October 2013 the collateral consists of securities admitted to or dealt on a regulated market.

The collateral is registered and held in the name of BlackRock Advisors (UK) Limited on behalf of the Funds in any or all of the following collateral agents and central securities depositories: JP Morgan Chase, Bank of New York Mellon Corporation, Euroclear or CREST, depending on the type of collateral the counterparty needs to give as per the schedule in order to cover the required value of exposure. Further details can be seen on page 81.

The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary.

The securities lending agent appointed pursuant to the stock lending agreement is BlackRock Advisors (UK) Limited. Securities lending income is split between the Fund and the securities lending agent in a ratio of 60:40 in favour of the Fund, with all operational costs borne out of the securities lending agents share.

	31 October 2013 \$'000	31 October 2012 \$'000
Income earned during year	208	18
Value of securities on loan at year end	14,030	1,290
Value of collateral held by the Company at year end	15,637	1,443

Please see note 18 for more information on financial derivative instruments.

18. FINANCIAL DERIVATIVE INSTRUMENTS

The Fund may buy and sell financial derivative instruments. See further details in the Fund's Schedule of Investments and note 3 to the financial statements.

19. SIGNIFICANT EVENTS DURING THE YEAR

Please refer to note 22 on pages 108 and 109.

20. SUBSEQUENT EVENTS

Please refer to note 23 on page 109.

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Schedule of investments

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market		
Equities		
Bermuda		
Agriculture		
158,000 Asian Citrus Holdings Ltd Com HKD 0.01	60	0.08
Apparel retailers		
345,050 Esprit Holdings Ltd Com HKD 0.10	636	0.83
286,000 Giordano International Ltd Com HKD 0.05	267	0.35
116,000 Ports Design Ltd Com HKD 0.0025	86	0.11
316,000 Trinity Ltd Com HKD 0.10	118	0.15
Building & construction materials		
60,000 China Singyes Solar Technologies Holdings Ltd Com USD 0.01	65	0.09
Chemicals		
254,000 Huabao International Holdings Ltd Com HKD 0.10	111	0.14
Clothing & accessories		
60,000 Luk Fook Holdings International Ltd Com HKD 0.10	214	0.28
222,000 Texwinca Holdings Ltd Com HKD 0.05	227	0.29
Distribution & wholesale		
161,000 Digital China Holdings Ltd Com HKD 0.10	212	0.28
Diversified financial services		
77,000 ARA Asset Management Ltd Com NPV	113	0.15
Electrical components & equipment		
240,000 Johnson Electric Holdings Ltd Com HKD 0.0125	172	0.22
Energy - alternate sources		
1,680,000 China Power New Energy Development Co Ltd Com HKD 0.10	84	0.11
Engineering & construction		
20,000 SOCAM Development Ltd Com HKD 1.00	24	0.03
Entertainment		
1,850,000 REXLot Holdings Ltd Com HKD 0.01	160	0.21
Environmental control		
794,000 Beijing Enterprises Water Group Ltd Com HKD 0.10	351	0.46
376,000 China Water Affairs Group Ltd Com HKD 0.01	141	0.18

Holding Investment	Fair value \$'000	% of net asset value
Bermuda (cont)		
Food		
218,000 China Yurun Food Group Ltd Com HKD 0.10	144	0.19
Gold mining		
4,541,600 G-Resources Group Ltd Com HKD 0.01	136	0.18
135,000 LionGold Corp Ltd Com USD 0.04	22	0.03
Heavy construction		
2,106,550 HKC Holdings Ltd Com HKD 0.01	72	0.09
Holding companies - diversified operations		
503,000 C C Land Holdings Ltd Com HKD 0.10	134	0.17
92,000 Emperor International Holdings Com HKD 0.01	27	0.04
Home furnishings		
368,000 Skyworth Digital Holdings Ltd Com HKD 0.10	178	0.23
Hotels		
56,000 Cafe de Coral Holdings Ltd Com HKD 0.10	191	0.25
73,000 Great Eagle Holdings Ltd Com HKD 0.50	259	0.33
80,000 GuocoLeisure Ltd Com USD 0.20	53	0.07
Industrial suppliers		
1,051,800 Citic Resources Holdings Ltd Com HKD 0.05	146	0.19
Marine transportation		
388,000 Pacific Basin Shipping Ltd Com USD 0.10	277	0.36
Media		
847,800 VODone Ltd Com HKD 0.01	72	0.09
Medical equipment		
233,000 Biosensors International Group Ltd Com USD 0.00006667	177	0.23
Mining		
587,000 Mongolia Energy Corp Ltd Com HKD 0.02	20	0.03
2,360,000 North Mining Shares Co Ltd Com HKD 0.016	104	0.13
Mobile telecommunications		
130,000 SmarTone Telecommunications Holdings Ltd Com HKD 0.10	171	0.22
Oil & gas		
424,000 Brightoil Petroleum Holdings Ltd Com HKD 0.025	72	0.09

iShares MSCI AC Far East ex-Japan SmallCap UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value
Bermuda (cont)		
Oil & gas (cont)		
1,160,000 China Oil and Gas Group Ltd Com HKD 0.01	186	0.24
4,335,000 Sino Oil And Gas Holdings Ltd Com HKD 0.01	118	0.15
106,000 Sinopec Kantons Holdings Ltd Com HKD 0.10	96	0.13
Real estate investment & services		
470,000 CSI Properties Ltd Com HKD 0.008	16	0.02
460,000 Guangdong Land Holdings Ltd Com HKD 0.10	122	0.16
122,000 Hopson Development Holdings Ltd Com HKD 0.10	149	0.20
363,000 K Wah International Holdings Ltd Com HKD 0.10	199	0.26
3,140,000 Kai Yuan Holdings Ltd Com HKD 0.10	77	0.10
212,000 Midland Holdings Ltd Com HKD 0.10	86	0.11
1,846,000 Sinolink Worldwide Holdings Ltd Com HKD 0.10	179	0.23
8,000 Soundwill Holdings Ltd Com HKD 0.10	14	0.02
2,562,000 SRE Group Ltd Com HKD 0.10	91	0.12
Retail		
50,000 Chow Sang Sang Holdings International Ltd Com HKD 0.25	163	0.21
52,000 Man Wah Holdings Ltd Com HKD 0.40	89	0.12
124,000 Newocean Energy Holdings Ltd Com HKD 0.10	75	0.10
848,000 Sparkle Roll Group Ltd Com HKD 0.002	57	0.07
Semiconductors		
1,864,000 Hanergy Solar Group Ltd Com HKD 0.0025	315	0.41
Software		
702,000 Citic 21CN Co Ltd Com HKD 0.01	43	0.06
Telecommunications equipment		
27,000 VTech Holdings Ltd Com USD 0.05	385	0.50
Textile		
42,000 Peace Mark Holdings Ltd Com HKD 0.10*	-	0.00
Transportation		
320,000 Cosco International Holdings Ltd Com HKD 0.10	138	0.18

Holding Investment	Fair value \$'000	% of net asset value
Bermuda (cont)		
Transportation services		
2,837,500 Shenzhen International Holdings Ltd Com HKD 0.10	344	0.45
333,980 Yuexiu Transport Infrastructure Ltd Com HKD 0.10	174	0.22
Total Bermuda	8,412	10.94
British Virgin Islands		
Coal		
416,000 Winsway Coking Coal Holdings Ltd Com NPV	31	0.04
Total British Virgin Islands	31	0.04
Cayman Islands		
Apparel retailers		
319,000 China Dongxiang Group Co Com HKD 0.01	49	0.06
38,000 Texhong Textile Group Ltd Com HKD 0.10	67	0.09
Auto parts		
108,000 Minth Group Ltd Com HKD 0.10	226	0.29
286,000 Xinyi Glass Holdings Ltd Com HKD 0.10	284	0.37
Automobiles		
101,500 China Yongda Automobiles Services Holdings Ltd Com HKD 0.01	96	0.12
Beverages		
251,500 China Huiyuan Juice Group Ltd Com USD 0.00001	168	0.22
145,000 Tibet 5100 Water Resources Holdings Ltd Com HKD 0.01	56	0.07
Biotechnology		
236,000 CK Life Sciences International Holdings Inc Com HKD 0.10	22	0.03
594,800 Global Bio-Chem Technology Group Co Ltd Com HKD 0.10	45	0.06
Chemicals		
267,000 Dongyue Group Com HKD 0.10	126	0.16
Clothing & accessories		
128,000 China Lilang Ltd Com HKD 0.10	83	0.11
167,500 Li Ning Co Ltd Com HKD 0.10	153	0.20
85,000 Pacific Textiles Holdings Ltd Com HKD 0.001	116	0.15
Commercial services		
204,000 AMVIG Holdings Ltd Com HKD 0.01	95	0.12

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Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
Cayman Islands (cont)			Cayman Islands (cont)		
Commercial services (cont)			Food (cont)		
496,000 Anxin-China Holdings Ltd Com HKD 0.10	159	0.21	1,800 FU Ji Food and Catering Services Holdings Ltd Com HKD 0.01*	1	0.00
64,000 Pico Far East Holdings Ltd Com HKD 0.05	20	0.03	196,000 Shenguan Holdings Group Ltd Com HKD 0.01	87	0.11
Commercial vehicles & trucks			Footwear		
224,000 Lonking Holdings Ltd Com HKD 0.10	45	0.06	91,500 Stella International Holdings Ltd Com HKD 0.10	224	0.29
Commodity chemicals			Furnishings		
820,000 China Lumena New Materials Corp Com USD 0.00001	175	0.23	1,404,000 Chigo Holding Ltd Com HKD 0.01	31	0.04
Computers			Gas		
250,000 Ju Teng International Holdings Ltd Com HKD 0.10	182	0.24	152,000 Towngas China Co Ltd Com HKD 0.10	150	0.19
Cosmetics & personal care			Gold mining		
47,000 Magic Holdings International Ltd Com HKD 0.10	37	0.05	572,000 China Precious Metal Resources Holdings Co Ltd Com HKD 0.125	91	0.12
68,000 Prince Frog International Holdings Ltd Com HKD 0.01	41	0.05	Healthcare products		
Diversified financial services			232,700 China Medical System Holdings Ltd Com USD 0.005	208	0.27
132,000 Value Partners Group Ltd Com HKD 0.10	80	0.10	Household products		
Electrical components & equipment			58,000 Goodbaby International Holdings Ltd Com HKD 0.01	28	0.04
283,000 China High Speed Transmission Equipment Group Co Ltd Com USD 0.01	152	0.20	Internet		
1,880,000 Inspur International Ltd Com HKD 0.002	78	0.10	57,000 SUNeVision Holdings Ltd Com HKD 0.10	18	0.02
370,000 NVC Lighting Holding Ltd Com USD 0.0000001	90	0.12	Iron & steel		
Electronics			244,000 Xingda International Holdings Ltd Com HKD 0.10	148	0.19
196,000 Truly International Holdings Com HKD 0.02	124	0.16	Machinery – diversified		
208,000 Wasion Group Holdings Ltd Com HKD 0.01	130	0.17	140,000 Haitian International Holdings Ltd Com HKD 0.10	337	0.44
Engineering & construction			125,000 Honghua Group Ltd Com HKD 0.10	38	0.05
2,000,000 China Resources and Transportation Group Ltd Com HKD 0.01	115	0.15	Media		
154,500 Hopewell Highway Infrastructure Ltd Com HKD 0.10	76	0.10	208,000 Phoenix Satellite Television Holdings Ltd Com HKD 0.10	73	0.09
Environmental control			Medical equipment		
87,000 China Metal Recycling Holdings Ltd Com HKD 0.0001*	-	0.00	728,000 Golden Meditech Holdings Ltd Com HKD 0.10	87	0.11
Food			Mining		
158,000 China Modern Dairy Holdings Ltd Com HKD 0.10	73	0.10	410,000 China Rare Earth Holdings Ltd Com HKD 0.10	63	0.08
			1,776,000 CST Mining Group Ltd Com HKD 0.10	20	0.03
			135,500 Real Gold Mining Ltd Com HKD 1.00*	-	0.00

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Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
Cayman Islands (cont)			Cayman Islands (cont)		
Miscellaneous manufacturers			Retail (cont)		
18,000 Airtac International Group Com TWD 10.00	131	0.17	120,000 China ZhengTong Auto Services Holdings Ltd Com HKD 0.10	83	0.11
65,000 Sunny Optical Technology Group Co Ltd Com HKD 0.10	63	0.08	8,000 Gourmet Master Co Ltd Com TWD 10.00	53	0.07
Oil & gas			250,000 Hengdeli Holdings Ltd Com HKD 0.005	59	0.08
146,200 CIMC Enric Holdings Ltd Com HKD 0.01	206	0.27	2,550 Kolao Holdings Com USD 0.25	75	0.10
Oil & gas services			159,000 New World Department Store China Ltd Com HKD 0.10	92	0.12
146,000 Anton Oilfield Services Group Com HKD 0.10	92	0.12	158,000 SA SA International Holdings Ltd Com HKD 0.10	172	0.22
89,000 Hilong Holding Ltd Com HKD 0.10	59	0.08	36,000 Tsui Wah Holdings Ltd Com HKD 0.01	25	0.03
Pharmaceuticals			Semiconductors		
55,000 China Shineway Pharmaceutical Group Ltd Com HKD 0.10	85	0.11	2,893,000 Semiconductor Manufacturing International Corp Com USD 0.0004	213	0.28
527,600 Lijun International Pharmaceutical Holding Co Ltd Com HKD 0.02	142	0.19	Shipping		
228,000 Real Nutriceutical Group Ltd Com HKD 0.01	59	0.08	659,500 China Rongsheng Heavy Industries Group Holdings Ltd Com HKD 0.10	78	0.10
265,000 United Laboratories International Holdings Ltd Com HKD 0.01	111	0.14	Software		
Real estate investment & services			293,000 China ITS Holdings Co Ltd Com HKD 0.0002	77	0.10
553,000 China Properties Group Ltd Com HKD 0.10	142	0.19	472,400 Kingdee International Software Group Co Ltd Com HKD 0.025	152	0.20
454,000 Glorious Property Holdings Ltd Com HKD 0.01	72	0.09	98,000 Kingsoft Corp Ltd Com USD 0.0005	243	0.31
44,200 Greenland Hong Kong Holdings Ltd Com HKD 0.50	31	0.04	29,500 NetDragon Websoft Inc Com USD 0.01	68	0.09
251,200 HKR International Ltd Com HKD 0.25	123	0.16	441,885 Pacific Online Ltd Com HKD 0.01	205	0.27
502,000 Kaisa Group Holdings Ltd Com HKD 0.10	152	0.20	Specialty chemicals		
192,000 KWG Property Holding Ltd Com HKD 0.10	125	0.16	259,600 Fufeng Group Ltd Com HKD 0.10	109	0.14
2,538,000 Renhe Commercial Holdings Co Ltd Com HKD 0.01	141	0.18	Telecommunications		
328,000 Sunac China Holdings Ltd Com HKD 0.10	227	0.30	432,000 China Wireless Technologies Ltd Com HKD 0.01	161	0.21
Restaurants & bars			270,392 Comba Telecom Systems Holdings Ltd Com HKD 0.10	89	0.12
181,000 Ajisen China Holdings Ltd Com HKD 0.10	190	0.25	319,000 FIH Mobile Ltd Com USD 0.04	179	0.23
Retail			242,000 Hutchison Telecommunications Hong Kong Holdings Ltd Com HKD 0.25	106	0.14
203,000 361 Degrees International Ltd Com HKD 0.10	58	0.07	173,000 TCL Communication Technology Holdings Ltd Com HKD 1.00	157	0.20
100,000 Bonjour Holdings Ltd Com HKD 0.01	22	0.03	Transportation		
			96,000 SITC International Holdings Co Ltd Com HKD 0.10	41	0.05

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Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Cayman Islands (cont)				Hong Kong (cont)			
Transportation services				Real estate investment & services (cont)			
1,588,000	Tianjin Port Development Holdings Ltd Com HKD 0.10	272	0.35	825,000	Lai Sun Development Com HKD 0.01	24	0.03
Total Cayman Islands				742,100	Shenzhen Investment Ltd Com HKD 0.05	294	0.38
9,707 12.62				353,750	Shun Tak Holdings Ltd Com HKD 0.25	204	0.27
Hong Kong				Real estate investment trusts			
Banks				381,000	Champion REIT NPV	169	0.22
127,160	Dah Sing Banking Group Ltd Com HKD 1.00	239	0.31	90,000	Prosperity REIT NPV	27	0.04
40,650	Dah Sing Financial Holdings Ltd Com HKD 2.00	250	0.33	80,000	Regal Real Estate Investment Trust NPV	24	0.03
30,500	Wing Hang Bank Ltd Com HKD 1.00	432	0.56	83,000	RREEF China Commercial Trust Reits NPV*	-	0.00
Broadcasting & entertainment				86,000	Sunlight Real Estate Investment Trust NPV	34	0.04
50,800	Television Broadcasts Ltd Com HKD 0.05	297	0.39	182,000	Yuexiu Real Estate Investment Trust NPV	91	0.12
Containers & packaging				Retail			
270,000	Singamas Container Holdings Ltd Com HKD 0.10	62	0.08	580,000	Emperor Watch & Jewellery Ltd Com HKD 0.01	46	0.06
Diversified industrials				Telecommunications			
264,000	Tianjin Development Hldgs Ltd Com HKD 0.10	175	0.23	236,000	BYD Electronic International Co Ltd Com HKD 0.10	110	0.14
Electricity				108,000	CITIC Telecom International Holdings Ltd Com HKD 0.10	34	0.05
718,000	China Power International Development Ltd Com HKD 1.00	279	0.36	Transportation			
Environmental control				234,000	Sinotrans Shipping Ltd Com HKD 0.10	77	0.10
1,150,000	Interchina Holdings Co Com HKD 0.10	80	0.10	Travel & tourism			
Hand & machine tools				424,000	China Travel International Inv HK Com HKD 0.10	82	0.11
275,000	Techtronic Industries Co Com HKD 0.10	691	0.90	Total Hong Kong			
Holding companies - diversified operations				4,605 5.99			
139,000	Melco International Development Ltd Com HKD 0.50	434	0.56	Indonesia			
Industrial metals & mining				Agriculture			
1,802,000	Shougang Concord International Enterprises Co Ltd Com HKD 0.20	89	0.12	877,900	Bisi International PT Com IDR 100.00	47	0.06
Pharmaceuticals				708,500	Japfa Comfeed Indonesia Tbk PT Com IDR 200.00	88	0.12
308,000	CSPC Pharmaceutical Group Ltd Com HKD 0.10	192	0.25	127,500	Malindo Feedmill Tbk PT Com IDR 20.00	38	0.05
92,000	Winteam Pharmaceutical Group Ltd Com HKD 0.10	41	0.05	510,500	Perusahaan Perkebunan London Sumatra Indonesia Tbk PT Com IDR 100.00	72	0.09
Real estate investment & services							
304,000	China South City Holdings Ltd Com HKD 0.01	94	0.12				
28,000	Kowloon Development Co Ltd Com HKD 0.10	34	0.04				

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Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value
	Indonesia (cont)		
	Airlines		
2,050,500	Garuda Indonesia Persero Tbk PT Com IDR 500.00	89	0.11
	Auto parts		
373,000	Gajah Tunggal Tbk PT Com IDR 500.00	76	0.10
	Banks		
403,000	Bank Pembangunan Daerah Jawa Barat Dan Banten Tbk PT Com IDR 250.00	32	0.04
703,500	Bank Tabungan Negara Persero Tbk PT Com IDR 500.00	60	0.08
	Building materials and fixtures		
640,000	Arwana Citramulia Tbk PT Com IDR 12.50	49	0.06
255,000	Holcim Indonesia Tbk PT Com IDR 500.00	58	0.08
	Coal		
44,500	Golden Eagle Energy Tbk PT Com IDR 125.00	23	0.03
	Commercial services		
293,000	Citra Marga Nusaphala Persada Tbk PT Com IDR 500.00	83	0.11
	Construction & materials		
322,000	Pembangunan Perumahan Persero Tbk PT Com IDR 100.00	37	0.05
	Distribution & wholesale		
245,500	AKR Corporindo Tbk PT Com IDR 100.00	106	0.14
	Engineering & construction		
149,500	Adhi Karya Persero Tbk PT Com IDR 100.00	26	0.03
2,685,500	Alam Sutera Realty Tbk PT Com IDR 100.00	143	0.19
187,000	Wijaya Karya Persero Tbk PT Com IDR 100.00	31	0.04
	Food		
243,000	Tiga Pilar Sejahtera Food Tbk Com IDR NPV	28	0.04
	Insurance		
2,115,000	Panin Financial Tbk PT Com IDR 125.00	37	0.05
	Marine transportation		
2,714,000	Berlian Laju Tanker Tbk PT Com IDR 62.50*	-	0.00
	Media		
4,209,000	MNC Investama Tbk PT Com IDR 100.00	131	0.17

Holding	Investment	Fair value \$'000	% of net asset value
	Indonesia (cont)		
	Media (cont)		
343,500	MNC Sky Vision Tbk PT Com IDR 100.00	69	0.09
	Mining		
556,000	Aneka Tambang Persero Tbk PT Com IDR 100.00	79	0.10
1,484,500	Bumi Resources Minerals Tbk PT Com IDR 625.00	31	0.04
1,397,100	Delta Dunia Makmur Tbk PT Com IDR 50.00	11	0.02
335,000	Timah Persero Tbk PT Com IDR 50.00	48	0.06
	Oil & gas		
5,612,000	Benakat Petroleum Energy Tbk PT Com IDR 100.00	59	0.08
6,075,500	Energi Mega Persada Tbk PT Com IDR 100.00	43	0.05
614,000	Medco Energi Internasional Tbk PT Com IDR 100.00	132	0.17
1,462,000	Sugih Energy Tbk PT Com IDR 100.00	59	0.08
	Pharmaceuticals		
187,000	Tempo Scan Pacific Tbk PT Com IDR 50.00	63	0.08
	Pipelines		
924,000	Hanson International Tbk PT Com IDR 500.00	43	0.05
	Real estate investment & services		
11,086,500	Bakrieland Development Tbk PT Com IDR 500.00	49	0.06
1,767,000	Ciputra Development Tbk PT Com IDR 250.00	162	0.21
1,994,500	Ciputra Property Tbk PT Com IDR 250.00	138	0.18
132,000	Ciputra Surya Tbk PT Com IDR 250.00	27	0.03
834,000	Intiland Development Tbk PT Com IDR 250.00	27	0.04
1,891,473	Kawasan Industri Jababeka Tbk PT Com IDR 1000.00	40	0.05
59,000	Lippo Cikarang Tbk PT Com IDR 500.00	34	0.04
504,000	Modernland Realty Tbk PT Com IDR 500.00	36	0.05
2,041,500	Pakuwon Jati Tbk PT Com IDR 25.00	56	0.07
3,554,000	Sentul City Tbk PT Com NPV	66	0.09
1,560,500	Summarecon Agung Tbk PT Com IDR 100.00	144	0.19

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Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Indonesia (cont)				Malaysia (cont)			
Real estate investment & services (cont)				Broadcasting & entertainment			
1,060,500	Surya Semesta Internusa Tbk PT Com IDR 125.00	75	0.10	329,100	Media Prima Bhd Com MYR 1.00	274	0.36
Retail				Diversified financial services			
1,285,000	Ace Hardware Indonesia Tbk PT Com IDR 10.00	70	0.09	8,300	Aeon Credit Service M Bhd Com MYR 0.50	42	0.05
1,063,000	Agis Tbk PT Com IDR 200.00	42	0.05	31,200	Malaysia Building Society Com MYR 1.00	28	0.04
244,000	Mitra Adiperkasa Tbk PT Com IDR 500.00	116	0.15	79,500	OSK Holdings Bhd Com MYR 1.00	41	0.05
531,500	Ramayana Lestari Sentosa Tbk PT Com IDR 50.00	57	0.08	796,200	TA Enterprise Bhd Com MYR 1.00	182	0.24
Telecommunications				Diversified industrials			
4,772,500	Bakrie Telecom Tbk PT Com IDR 100.00	21	0.03	194,300	Berjaya Corp Bhd Com MYR 1.00	33	0.04
Transportation				143,400	DRB-Hicom Bhd Com MYR 1.00	115	0.15
859,000	Trada Maritime Tbk PT Com IDR 100.00	116	0.15	141,830	Magnum Bhd Com MYR 1.00	147	0.19
Total Indonesia				1,183,400	Mulpha International Bhd Com MYR 0.50	158	0.21
				Electronic equipment			
				405,100	Uchi Technologies Bhd Com MYR 0.20	186	0.24
Jersey				Engineering & construction			
Building & construction materials				654,450	Malaysian Resources Corp Bhd Com MYR 1.00	292	0.38
592,000	West China Cement Ltd Com GBP 0.00002	89	0.11	282,985	WCT Holdings Bhd Com MYR 0.50	217	0.28
Total Jersey				Food			
				2,700	Dutch Lady Milk Industries Bhd Com MYR 1.00	40	0.05
Malaysia				Health care services			
Agriculture				139,100	KPJ Healthcare Bhd Com MYR 0.50	269	0.35
53,900	HAP Seng Consolidated Bhd Com MYR 1.00	42	0.05	Healthcare products			
46,200	IJM Plantations Bhd Com MYR 0.50	47	0.06	23,900	Kossan Rubber Industries Com MYR 0.50	48	0.06
54,900	QL Resources Bhd Com MYR 0.25	69	0.09	Heavy construction			
10,800	Sarawak Oil Palms Bhd Com MYR 1.00	19	0.03	92,000	Tebrau Teguh Bhd Com MYR 0.50	39	0.05
Airlines				Investment services			
424,900	Malaysian Airline System Bhd Com MYR 0.10	46	0.06	52,600	Bursa Malaysia Bhd Com MYR 0.50	134	0.17
Automobiles				Metal fabricate/hardware			
44,400	Tan Chong Motor Holdings Bhd Com MYR 0.50	88	0.12	267,150	KNM Group Bhd Com MYR 1.00	34	0.05
Banks				307,439	Wah Seong Corp Bhd Com MYR 0.50	165	0.21
24,600	Affin Holdings Bhd Com MYR 1.00	33	0.05	Miscellaneous manufacturers			
26,400	BIMB Holdings Bhd Com MYR 1.00	40	0.05	18,200	Hartalega Holdings Bhd Com MYR 0.50	42	0.06
Beverages				67,600	Supermax Corp Bhd Com MYR 0.50	56	0.07
23,200	Carlsberg Brewery Malaysia Bhd Com MYR 0.50	94	0.12	61,200	Top Glove Corp Bhd Com MYR 0.50	111	0.14
				Oil & gas			
				31,700	Gas Malaysia Bhd Com MYR 0.50	41	0.05

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Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
Malaysia (cont)			People's Republic of China (cont)		
Oil & gas services			Heavy construction		
535,828 Dialog Group Bhd Com MYR 0.10	457	0.60	206,000 Baoye Group Co Ltd Com CNY 1.00	149	0.19
92,700 Perisai Petroleum Teknologi Bhd Com MYR 0.10	41	0.05	Hotels		
Plantations			616,000 Shanghai Jin Jiang International Hotels Group Co Ltd Com CNY 1.00	149	0.19
264,320 TH Plantations Bhd Com MYR 0.50	146	0.19	Media		
Real estate investment & services			255,000 Xinhua Winshare Publishing and Media Co Ltd Com CNY 1.00	149	0.19
144,300 Eastern & Oriental Bhd Com MYR 1.00	92	0.12	Nonferrous metals		
122,800 IGB Corp Bhd Com MYR 0.50	103	0.13	468,000 Hunan Nonferrous Metal Corp Ltd Com CNY 1.00	130	0.17
34,800 IJM Land Bhd Com MYR 1.00	31	0.04	Pharmaceuticals		
85,840 Mah Sing Group Bhd Com MYR 0.50	61	0.08	27,000 Tong Ren Tang Technologies Co Ltd Com CNY 1.00	82	0.11
127,733 Sunway Bhd Com MYR 1.00	113	0.15	Real estate investment & services		
73,400 UOA Development Bhd Com MYR 0.05	51	0.07	422,500 Beijing Capital Land Ltd Com CNY 1.00	152	0.20
Real estate investment trusts			Software		
72,600 CapitaMalls Malaysia Trust Reits NPV	35	0.05	390,000 Travelsky Technology Ltd Com CNY 1.00	332	0.43
61,800 Pavilion Real Estate Investment Trust NPV	26	0.03	Textile		
240,100 Sunway Real Estate Investment Trust NPV	101	0.13	156,500 Weiqiao Textile Co Com CNY 1.00	95	0.12
Retail			Transportation		
35,700 Oriental Holdings Bhd Com MYR 1.00	100	0.13	504,000 Sinotrans Ltd Com CNY 1.00	123	0.16
Telecommunications			728,000 Xiamen International Port Co Ltd Com CNY 1.00	99	0.13
26,000 Time dotCom Bhd Com MYR 0.50	32	0.04	Total People's Republic of China	1,900	2.47
Transportation			Philippines		
22,000 POS Malaysia Bhd Com MYR 0.50	38	0.05	Entertainment		
Total Malaysia	4,599	5.98	354,460 Philweb Corp Com PHP 1.00	81	0.11
People's Republic of China			Mining		
Commercial services			499,300 Nickel Asia Corp Com PHP 0.50	188	0.24
262,000 Anhui Expressway Co Ltd Com CNY 1.00	146	0.19	Real estate investment & services		
Electrical components & equipment			1,151,333 Belle Corp Com PHP 1.00	139	0.18
170,000 Harbin Electric Co Ltd Com CNY 1.00	107	0.14	7,314,000 Filinvest Land Inc Com PHP 1.00	271	0.35
Electricity			3,413,500 Global-Estate Resorts Inc Com PHP 1.00	107	0.14
288,000 China Datang Corp Renewable Power Co Ltd Com CNY 1.00	58	0.08	Total Philippines	786	1.02
Energy - alternate sources			Republic of South Korea		
374,000 China Suntien Green Energy Corp Ltd Com CNY 1.00	129	0.17	Airlines		
			33,860 Asiana Airlines Inc Com KRW 5000.00	161	0.21

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Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
	Republic of South Korea (cont)				Republic of South Korea (cont)		
	Apparel retailers				Diversified financial services		
1,316	Fila Korea Ltd Com KRW 5000.00	89	0.12	12,360	Daishin Securities Co Ltd Com KRW 5000.00	103	0.13
	Auto parts			24,142	Hanwha Investment & Securities Co Ltd Com KRW 5000.00	82	0.11
2,097	Mando Corp Com KRW 5000.00	282	0.37	24,425	JB Financial Group Co Ltd Com KRW 5000.00	167	0.22
5,690	Nexen Tire Corp Com KRW 500.00	85	0.11	2,884	KIWOOM Securities Co Ltd Com KRW 5000.00	151	0.20
	Automobiles			65,800	SK Securities Co Ltd Com KRW 500.00	50	0.06
1	Daewoo Motor Sales Com Com KRW 5000.00*	-	0.00		Electrical components & equipment		
	Beverages			25,490	Daeduck Electronics Co Com KRW 500.00	225	0.29
234	Lotte Chilsung Beverage Co Ltd Com KRW 5000.00	347	0.45	13,920	Taihan Electric Wire Co Ltd Com KRW 2500.00	27	0.04
	Biotechnology				Electronic equipment		
2,546	Bioneer Corp Com KRW 500.00	31	0.04	2,847	Duksan Hi-Metal Co Ltd Com KRW 200.00	56	0.07
1,532	Medipost Co Ltd Com KRW 500.00	112	0.14	2,435	Interflex Co Ltd Com KRW 500.00	73	0.10
734	Medy-Tox Inc Com KRW 500.00	121	0.16	3,754	Melfas Inc Com KRW 500.00	38	0.05
1,212	Seegene Inc Com KRW 500.00	66	0.09		Electronics		
	Broadcasting & entertainment			2,020	Hansol Technics Co Ltd Com KRW 5000.00	36	0.05
2,060	CJ CGV Co Ltd Com KRW 500.00	97	0.13		Engineering & construction		
	Broadline retailers			2,246	KEPCO Plant Service & Engineering Co Ltd Com KRW 200.00	114	0.15
1,088	CJ O Shopping Co Ltd Com KRW 5000.00	363	0.47	1,597	Kumho Industrial Co Ltd Com KRW 5000.00	16	0.02
	Building materials and fixtures				Entertainment		
2,870	Hanil Cement Co Ltd Com KRW 5000.00	226	0.29	11,180	Paradise Co Ltd Com KRW 500.00	287	0.37
5,606	TK Corp Com KRW 500.00	114	0.15	2,294	SM Entertainment Co Com KRW 500.00	87	0.12
	Chemicals				Environmental control		
4,370	Capro Corp Com KRW 500.00	32	0.04	4,121	GemVax & Kael Co Ltd Com KRW 500.00	75	0.10
3,740	Huchems Fine Chemical Corp Com KRW 1000.00	84	0.11		Food		
4,134	Kolon Industries Inc Com KRW 5000.00	231	0.30	2,995	Binggrae Co Ltd Com KRW 5000.00	251	0.33
64	Taekwang Industrial Co Ltd Com KRW 5000.00	79	0.10	3,180	Daesang Corp Com KRW 1000.00	104	0.14
	Clothing & accessories			7,330	Hyundai Greenfood Co Ltd Com KRW 500.00	117	0.15
6,480	LG Fashion Corp Com KRW 5000.00	199	0.26	126	Lotte Food Co Ltd Com KRW 5000.00	78	0.10
7,430	Youngone Corp Com KRW 500.00	251	0.33	1,186	NongShim Co Ltd Com KRW 5000.00	286	0.37
	Commodity chemicals			202	Ottogi Corp Com KRW 5000.00	65	0.08
1,862	LG Hausys Ltd Com KRW 5000.00	225	0.29				
4,787	Samsung Fine Chemicals Co Ltd Com KRW 5000.00	217	0.28				
	Consumer electronics						
15,610	3S Korea Co Ltd Com KRW 500.00	84	0.11				
	Distribution & wholesale						
7,580	LG International Corp Com KRW 5000.00	213	0.28				

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Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Republic of South Korea (cont)				Republic of South Korea (cont)			
Food products				Internet			
673	Dae Han Flour Mills Co Ltd Com KRW 5000.00	91	0.12	919	Ahnlab Inc Com KRW 500.00	47	0.06
12,766	Dongsuh Co Inc Com KRW 500.00	334	0.43	869	Com2uSCorp Com KRW 500.00	18	0.02
Gas distribution				3,574	Daum Communications Corp Com KRW 500.00	298	0.39
1,338	Samchully Co Ltd Com KRW 5000.00	165	0.21	14,020	SK Broadband Co Ltd Com KRW 5000.00	60	0.08
Health care services				902	WeMade Entertainment Co Ltd Com KRW 500.00	40	0.05
7,550	Chabio & Diostech Co Ltd Com KRW 500.00	73	0.09	Leisure time			
1,650	Cosmax Inc Com KRW 500.00	81	0.11	3,912	Hana Tour Service Inc Com KRW 500.00	253	0.33
2,290	Korea Kolmar Co Ltd Com KRW 500.00	49	0.06	Machinery – diversified			
Heavy construction				5,210	SFA Engineering Corp Com KRW 500.00	222	0.29
11,491	Hanjin Heavy Industries & Construction Co Ltd Com KRW 5000.00	133	0.17	Media			
8,100	Hanjin Heavy Industries & Construction Holdings Co Ltd Com KRW 5000.00	70	0.09	6,172	CJ E&M Corp Com KRW 5000.00	213	0.28
17,630	Taeyoung Engineering & Construction Co Ltd Com KRW 500.00	95	0.13	2,290	KT Skylife Co Ltd Com KRW 2500.00	61	0.08
Holding companies – diversified operations				7,440	Woongjin Thinkbig Co Ltd Com KRW 500.00	42	0.05
3,880	Hankook Tire Worldwide Co Ltd Com KRW 500.00	96	0.12	Medical equipment			
Hotels				6,132	Osstem Implant Co Ltd Com KRW 500.00	157	0.20
7,290	Grand Korea Leisure Co Ltd Com KRW 500.00	266	0.35	Miscellaneous manufacturers			
5,553	Hotel Shilla Co Ltd Com KRW 5000.00	358	0.46	2,058	ICD Co Ltd Com KRW 500.00	22	0.03
Household products				1,660	OCI Materials Co Ltd Com KRW 500.00	52	0.07
3,200	Lock & Lock Co Ltd Com KRW 500.00	83	0.11	5,960	SKC Co Ltd Com KRW 5000.00	181	0.23
Industrial machinery				Nonferrous metals			
6,332	Sung Kwang Bend Co Ltd Com KRW 500.00	173	0.22	5,800	Poongsan Corp Com KRW 5000.00	161	0.21
Industrial metals & mining				Paper			
6,170	Dongkuk Steel Mill Co Ltd Com KRW 5000.00	86	0.11	12,360	Hansol Paper Co Com KRW 5000.00	143	0.19
Insurance				Personal products			
20,983	Korean Reinsurance Co Com KRW 500.00	235	0.31	1,647	Able C&C Co Ltd Com KRW 500.00	48	0.06
9,000	LIG Insurance Co Ltd Com KRW 500.00	222	0.29	Pharmaceuticals			
23,601	Meritz Fire & Marine Insurance Co Ltd Com KRW 500.00	325	0.42	1,352	Chong Kun Dang Pharm Corp Com KRW 2500.00	102	0.13
				2,378	CTC BIO Inc Com KRW 500.00	48	0.06
				2,931	Daewoong Pharmaceutical Co Ltd Com KRW 2500.00	231	0.30
				913	Dong-A Socio Holdings Co Ltd Com KRW 5000.00	130	0.17
				1,547	Dong-A St (Science&Tech) Co Ltd Com KRW 5000.00	181	0.24

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Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value
Republic of South Korea (cont)		
Pharmaceuticals (cont)		
1,466 Green Cross Corp Com KRW 5000.00	180	0.24
1,702 Hanmi Pharm Co Ltd Com KRW 2500.00	207	0.27
4,705 Ilyang Pharmaceutical Co Ltd Com KRW 2500.00	125	0.16
18,307 Komipharm International Co Ltd Com KRW 100.00	124	0.16
4,387 LG Life Sciences Ltd Com KRW 5000.00	194	0.25
16,740 RNL BIO Co Ltd Com KRW 500.00	5	0.01
2,021 ViroMed Co Ltd Com KRW 500.00	80	0.10
Retail		
361 GS Home Shopping Inc Com KRW 5000.00	83	0.11
999 Hyundai Home Shopping Network Corp Com KRW 5000.00	158	0.20
Semiconductors		
10,936 Jusung Engineering Co Ltd Com KRW 500.00	58	0.08
4,100 NEPES Corp Com KRW 500.00	39	0.05
5,495 Seoul Semiconductor Co Ltd Com KRW 500.00	229	0.30
20,851 Wonik IPS Co Ltd Com KRW 500.00	173	0.22
Shipping		
5,460 Hanjin Shipping Co Ltd Com KRW 5000.00	40	0.05
3,400 STX Offshore & Shipbuilding Co Ltd Com KRW 2500.00	10	0.02
Software		
12,350 Daou Technology Inc Com KRW 500.00	169	0.22
543 Gamevil Inc Com KRW 500.00	26	0.03
3,413 Infraware Inc Com KRW 500.00	39	0.05
Specialized consumer services		
1,056 MegaStudy Co Ltd Com KRW 500.00	74	0.10
Specialty chemicals		
2,873 Kolon Corp Com KRW 5000.00	54	0.07
6,890 Namhae Chemical Corp Com KRW 1000.00	47	0.06
4,470 SK Chemicals Co Ltd Com KRW 5000.00	218	0.28
Technology hardware & equipment		
16,237 Posco ICT Co Ltd Com KRW 500.00	125	0.16

Holding Investment	Fair value \$'000	% of net asset value
Republic of South Korea (cont)		
Telecommunications		
9,194 Partron Co Ltd Com KRW 500.00	149	0.19
Telecommunications equipment		
10,182 Lumens Co Ltd Com KRW 500.00	91	0.12
Transportation services		
3,380 Hanjin Transportation Co Ltd Com KRW 5000.00	59	0.08
Tyres		
7,823 Kumho Tire Co Inc Com KRW 5000.00	91	0.12
Total Republic of South Korea	14,689	19.10
Singapore		
Agriculture		
91,000 First Resources Ltd Com NPV	143	0.19
150,000 Indofood Agri Resources Ltd Com NPV	110	0.14
Commercial vehicles & trucks		
43,000 Tat Hong Holdings Ltd Com NPV	32	0.04
Computer hardware		
74,000 CSE Global Ltd Com NPV	56	0.07
Delivery services		
241,000 Singapore Post Ltd Com NPV	254	0.33
Diversified financial services		
76,000 Asiasons Capital Ltd Com NPV	10	0.01
Electronic equipment		
44,000 Venture Corp Ltd Com NPV	276	0.36
Engineering & construction		
68,000 United Engineers Ltd Com NPV	101	0.13
Environmental control		
162,500 Hyflux Ltd Com NPV	152	0.20
Food products		
44,000 Super Group Ltd Com NPV	149	0.19
Health care services		
42,000 Raffles Medical Group Ltd Com NPV	108	0.14
Heavy construction		
145,000 Ying Li International Real Estate Ltd Com NPV	48	0.06
Hotels		
46,000 OUE Ltd Com NPV	90	0.12
Household products		
37,000 OSIM International Ltd Com NPV	63	0.08
Industrial metals & mining		
162,000 Midas Holdings Ltd Com NPV	65	0.09

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Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value
Singapore (cont)		
Marine transportation		
167,000 Cosco Corp Singapore Ltd Com NPV	106	0.14
155,000 Neptune Orient Lines Ltd Com NPV	132	0.17
Oil equipment & services		
72,000 Swiber Holdings Ltd Com NPV	36	0.05
Real estate investment & services		
114,000 Ascendas India Trust Unit NPV	59	0.08
216,000 Blumont Group Ltd Com NPV	20	0.03
34,000 Ho Bee Land Ltd Com NPV	56	0.07
38,000 Wheelock Properties Singapore Ltd Com NPV	52	0.07
64,250 Wing Tai Holdings Ltd Com NPV	115	0.15
182,000 Yanlord Land Group Ltd Com NPV	180	0.23
182,000 Yoma Strategic Holdings Ltd Com NPV	112	0.14
Real estate investment trusts		
70,000 AIMS AMP Capital Industrial REIT NPV	89	0.12
129,000 Ascendas Hospitality Trust Reits NPV	78	0.10
115,000 Ascott Residence Trust Reits NPV	120	0.16
114,000 Cache Logistics Trust Reits NPV	109	0.14
192,000 Cambridge Industrial Trust Reits NPV	108	0.14
81,000 CapitaRetail China Trust Reits NPV	91	0.12
164,000 CDL Hospitality Trusts Reits NPV	220	0.28
134,000 Far East Hospitality Trust Reits NPV	97	0.13
82,000 First Real Estate Investment Trust NPV	73	0.09
82,000 Frasers Centrepoint Trust Reits NPV	122	0.16
82,000 Frasers Commercial Trust Reits NPV	85	0.11
184,000 Keppel REIT NPV	179	0.23
238,000 Lippo Malls Indonesia Retail Trust Reits NPV	85	0.11
207,000 Mapletree Commercial Trust Reits NPV	208	0.27
207,000 Mapletree Industrial Trust Reits NPV	230	0.30
240,000 Mapletree Logistics Trust Reits NPV	210	0.27
59,000 Parkway Life Real Estate Investment Trust NPV	115	0.15
86,000 Sabana Shari'ah Compliant Industrial Real Estate Investment Trust NPV	75	0.10
242,000 Starhill Global REIT NPV	158	0.21

Holding Investment	Fair value \$'000	% of net asset value
Singapore (cont)		
Real estate investment trusts (cont)		
420,000 Suntec Real Estate Investment Trust NPV	577	0.75
Shipping		
156,000 Vard Holdings Ltd Com NPV	111	0.14
Specialized consumer services		
291,399 Raffles Education Corp Ltd Com NPV	69	0.09
Telecommunications		
339,000 Innopac Holdings Ltd Com NPV	9	0.01
61,000 M1 Ltd Com NPV	167	0.22
Transportation		
112,000 Ezion Holdings Ltd Com NPV	201	0.26
185,600 Ezra Holdings Ltd Com NPV	201	0.26
149,000 SATS Ltd Com NPV	407	0.53
17,760 Triyards Holdings Ltd Com NPV	10	0.02
Travel & tourism		
127,000 SMRT Corp Ltd Com NPV	132	0.17
Total Singapore	6,861	8.92
Taiwan		
Agriculture		
65,000 Great Wall Enterprise Co Ltd Com TWD 10.00	58	0.08
Apparel retailers		
46,640 Feng TAY Enterprise Co Ltd Com TWD 10.00	121	0.16
23,000 Makalot Industrial Co Ltd Com TWD 10.00	139	0.18
Auto parts & equipment		
17,000 Depo Auto Parts Ind Co Ltd Com TWD 10.00	59	0.08
81,364 Kenda Rubber Industrial Co Ltd Com TWD 10.00	160	0.21
57,300 Tong Yang Industry Co Ltd Com TWD 10.00	89	0.11
Automobiles		
110,575 Sanyang Industry Co Ltd Com TWD 10.00	194	0.25
Banks		
517,536 Far Eastern International Bank Com TWD 10.00	215	0.28
139,000 King's Town Bank Com TWD 10.00	123	0.16
737,659 Ta Chong Bank Ltd Com TWD 10.00	259	0.34
553,962 Taichung Commercial Bank Com TWD 10.00	205	0.27

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Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
	Taiwan (cont)				Taiwan (cont)		
	Banks (cont)				Commodity chemicals (cont)		
196,681	Union Bank Of Taiwan Com TWD 10.00	72	0.09	165,832	China Synthetic Rubber Corp Com TWD 10.00	160	0.21
	Beverages				Computer hardware		
17,000	Grape King Bio Ltd Com TWD 10.00	82	0.11	270,317	AmTRAN Technology Co Ltd Com TWD 10.00	173	0.22
57,000	Hey Song Corp Com TWD 10.00	65	0.08	405,000	CMC Magnetics Corp Com TWD 10.00	68	0.09
	Biotechnology			24,135	Firich Enterprises Co Ltd Com TWD 10.00	99	0.13
15,683	Apex Biotechnology Corp Com TWD 10.00	42	0.06	78,000	Gigabyte Technology Co Ltd Com TWD 10.00	87	0.11
16,696	Medigen Biotechnology Corp Com TWD 10.00	118	0.15	409,000	HannStar Display Corp Com TWD 10.00	137	0.18
7,021	Taiwan Liposome Co Ltd Com TWD 10.00	100	0.13	7,000	King Slide Works Co Ltd Com TWD 10.00	62	0.08
	Building materials and fixtures			82,000	Mitac Holdings Corp Com TWD 10.00	75	0.10
319,358	Chia Hsin Cement Corp Com TWD 10.00	163	0.21	262,000	Qisda Corp Com TWD 10.00	61	0.08
284,600	Universal Cement Corp Com TWD 10.00	262	0.34	325,000	Tatung Co Ltd Com TWD 10.00	90	0.12
	Chemicals				Computers		
24,000	China Steel Chemical Corp Com TWD 10.00	144	0.19	261,000	HannsTouch Solution Inc Com TWD 10.00	85	0.11
57,000	Eternal Chemical Co Ltd Com TWD 10.00	52	0.07	1,064,000	Ritek Corp Com TWD 10.00	172	0.22
65,000	Formosan Rubber Group Inc Com TWD 10.00	62	0.08		Consumer durables & apparels		
134,000	Grand Pacific Petrochemical Com TWD 10.00	103	0.13	78,000	Taiwan Kolin Co Ltd Com TWD 10.00*	-	0.00
96,000	Oriental Union Chemical Corp Com TWD 10.00	102	0.13		Containers & packaging		
76,000	Taiwan Styrene Monomer Com TWD 10.00	58	0.07	20,000	Taiwan Hon Chuan Enterprise Co Ltd Com TWD 10.00	42	0.05
266,896	UPC Technology Corp Com TWD 10.00	129	0.17		Distribution & wholesale		
123,000	USI Corp Com TWD 10.00	90	0.12	235,680	Taiwan TEA Corp Com TWD 10.00	194	0.25
	Clothing & accessories				Diversified financial services		
515,942	Shinkong Synthetic Fibers Corp Com TWD 10.00	177	0.23	157,000	China Bills Finance Corp Com TWD 10.00	62	0.08
130,000	Shinkong Textile Co Ltd Com TWD 10.00	174	0.23	602,822	Concord Securities Corp Com TWD 10.00	158	0.21
157,145	Tainan Spinning Co Ltd Com TWD 10.00	119	0.15	508,000	Masterlink Securities Corp Com TWD 10.00	168	0.22
	Commercial services			294,649	President Securities Corp Com TWD 10.00	166	0.21
36,000	Taiwan Secom Co Ltd Com TWD 10.00	87	0.11	152,080	Waterland Financial Holdings Co Ltd Com TWD 10.00	52	0.07
	Commodity chemicals				Electrical components & equipment		
532,000	China Man-Made Fibers Corp Com TWD 10.00	227	0.29	60,000	AcBel Polytech Inc Com TWD 10.00	61	0.08
				149,000	Compeq Manufacturing Co Ltd Com TWD 10.00	75	0.10

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As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value
Taiwan (cont)		
Electrical components & equipment (cont)		
26,000 Dynapack International Technology Corp Com TWD 10.00	74	0.09
157,277 FSP Technology Inc Com TWD 10.00	146	0.19
178,923 Holy Stone Enterprise Co Ltd Com TWD 10.00	176	0.23
295,600 Ichia Technologies Inc Com TWD 10.00	155	0.20
34,835 ITEQ Corp Com TWD 10.00	39	0.05
129,472 TXC Corp Com TWD 10.00	160	0.21
462,738 Unitech Printed Circuit Board Corp Com TWD 10.00	199	0.26
324,790 Walsin Technology Corp Com TWD 10.00	87	0.11
Electronics		
55,000 Chin-Poon Industrial Co Ltd Com TWD 10.00	92	0.12
49,772 Chroma ATE Inc Com TWD 10.00	106	0.14
72,000 Coretronic Corp Com TWD 10.00	63	0.08
76,000 E Ink Holdings Inc Com TWD 10.00	43	0.06
45,327 FLEXium Interconnect Inc Com TWD 10.00	141	0.18
26,000 G Tech Optoelectronics Corp Com TWD 10.00	45	0.06
25,000 Merry Electronics Co Ltd Com TWD 10.00	86	0.11
112,000 Micro-Star International Co Ltd Com TWD 10.00	75	0.10
25,000 MIN AIK Technology Co Ltd Com TWD 10.00	126	0.16
53,375 Silitech Technology Corp Com TWD 10.00	69	0.09
35,000 Taiwan Surface Mounting Technology Co Ltd Com TWD 10.00	50	0.07
207,000 Wintek Corp Com TWD 10.00	77	0.10
231,000 Yageo Corp Com TWD 10.00	78	0.10
Energy - alternate sources		
109,679 Gintech Energy Corp Com TWD 10.00	118	0.15
75,701 Neo Solar Power Corp Com TWD 10.00	81	0.11
Engineering & construction		
556,000 BES Engineering Corp Com TWD 10.00	170	0.22
Food		
50,000 Wei Chuan Foods Corp Com TWD 10.00	95	0.12

Holding Investment	Fair value \$'000	% of net asset value
Taiwan (cont)		
Food (cont)		
7,000 Wowprime Corp Com TWD 10.00	116	0.15
Hand & machine tools		
52,000 Shihlin Electric & Engineering Corp Com TWD 10.00	66	0.09
Healthcare products		
7,000 St Shine Optical Co Ltd Com TWD 10.00	206	0.27
Heavy construction		
342,000 Continental Holdings Corp Com TWD 10.00	125	0.16
392,393 Goldsun Development & Construction Co Ltd Com TWD 10.00	162	0.21
Hotels		
106,000 Ambassador Hotel Com TWD 10.00	106	0.14
Industrial machinery		
37,023 China Metal Products Com TWD 10.00	55	0.07
21,000 L&K Engineering Co Ltd Com TWD 10.00	22	0.03
340,597 TA Chen Stainless Pipe Com TWD 10.00	163	0.21
Industrial metals & mining		
124,000 Tung Ho Steel Enterprise Corp Com TWD 10.00	111	0.14
205,234 YC INOX Co Ltd Com TWD 10.00	144	0.19
550,374 Yieh Phui Enterprise Co Ltd Com TWD 10.00	174	0.23
Internet		
9,000 PChome Online Inc Com TWD 10.00	52	0.07
Investment services		
136,000 Capital Securities Corp Com TWD 10.00	46	0.06
441,816 Jih Sun Financial Holdings Co Ltd Com TWD 10.00	127	0.17
Iron & steel		
417,510 Chung Hung Steel Corp Com TWD 10.00	119	0.15
241,826 Gloria Material Technology Corp Com TWD 10.00	166	0.22
Machinery – diversified		
313,000 Chung Hsin Electric & Machinery Manufacturing Corp Com TWD 10.00	244	0.32
58,000 Yungtay Engineering Co Ltd Com TWD 10.00	170	0.22

iShares MSCI AC Far East ex-Japan SmallCap UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value
	Taiwan (cont)		
	Marine transportation		
166,009	Shih Wei Navigation Co Ltd Com TWD 10.00	119	0.15
	Metal fabricate/hardware		
46,549	Shin Zu Shing Co Ltd Com TWD 10.00	102	0.13
	Mining		
302,750	Ton Yi Industrial Corp Com TWD 10.00	335	0.44
	Miscellaneous manufacturers		
155,727	Altek Corp Com TWD 10.00	118	0.15
6,535	Genius Electronic Optical Co Ltd Com TWD 10.00	27	0.03
134,228	Solar Applied Materials Technology Co Com TWD 10.00	114	0.15
	Office & business equipment		
149,769	Ability Enterprise Co Ltd Com TWD 10.00	113	0.15
182,000	Kinpo Electronics Com TWD 10.00	81	0.10
	Paper		
142,000	Cheng Loong Corp Com TWD 10.00	67	0.08
375,680	Chung Hwa Pulp Corp Com TWD 10.00	121	0.16
503,411	YFY Inc Com TWD 10.00	267	0.35
	Pharmaceuticals		
57,000	Microbio Co Ltd Com TWD 10.00	67	0.09
27,000	Oneness Biotech Co Ltd Com TWD 10.00	46	0.06
28,136	TTY Biopharm Co Ltd Com TWD 10.00	110	0.14
	Real estate investment & services		
123,000	Cathay Real Estate Development Co Ltd Com TWD 10.00	86	0.11
23,000	Chong Hong Construction Co Com TWD 10.00	75	0.10
79,270	Huaku Development Co Ltd Com TWD 10.00	222	0.29
155,814	Hung Poo Real Estate Development Corp Com TWD 10.00	162	0.21
73,200	Hung Sheng Construction Ltd Com TWD 10.00	63	0.08
53,000	Kingdom Construction Co Com TWD 10.00	65	0.08
139,800	Prince Housing & Development Corp Com TWD 10.00	90	0.12
87,590	Radium Life Tech Co Ltd Com TWD 10.00	77	0.10

Holding	Investment	Fair value \$'000	% of net asset value
	Taiwan (cont)		
	Semiconductors		
31,000	A-DATA Technology Co Ltd Com TWD 10.00	91	0.12
111,361	ALI Corp Com TWD 10.00	121	0.16
96,000	Chipbond Technology Corp Com TWD 10.00	194	0.25
109,200	Elan Microelectronics Corp Com TWD 10.00	165	0.21
130,330	Elite Semiconductor Memory Technology Inc Com TWD 10.00	172	0.22
41,000	Everlight Electronics Co Ltd Com TWD 10.00	78	0.10
140,773	Faraday Technology Corp Com TWD 10.00	161	0.21
46,460	Global Mixed Mode Technology Inc Com TWD 10.00	123	0.16
46,253	Greatek Electronics Inc Com TWD 10.00	40	0.05
96,988	Green Energy Technology Inc Com TWD 10.00	86	0.11
92,263	ITE Technology Inc Com TWD 10.00	78	0.10
185,086	King Yuan Electronics Co Ltd Com TWD 10.00	129	0.17
578,000	Macronix International Com TWD 10.00	135	0.18
51,000	Motech Industries Inc Com TWD 10.00	95	0.12
310,000	OptoTech Corp Com TWD 10.00	128	0.17
24,000	Richtek Technology Corp Com TWD 10.00	108	0.14
58,000	Sigurd Microelectronics Corp Com TWD 10.00	56	0.07
321,402	Silicon Integrated Systems Corp Com TWD 10.00	100	0.13
76,000	Sino-American Silicon Products Inc Com TWD 10.00	106	0.14
99,298	Sonix Technology Co Ltd Com TWD 10.00	135	0.18
309,249	Sunplus Technology Co Ltd Com TWD 10.00	113	0.15
22,000	Tong Hsing Electronic Industries Ltd Com TWD 10.00	116	0.15
157,450	Visual Photonics Epitaxy Co Ltd Com TWD 10.00	159	0.21
167,533	Wafer Works Corp Com TWD 10.00	91	0.12
72,000	Win Semiconductors Corp Com TWD 10.00	63	0.08
327,000	Winbond Electronics Corp Com TWD 10.00	83	0.11

iShares MSCI AC Far East ex-Japan SmallCap UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Taiwan (cont)				Thailand (cont)			
Software				Electronics			
47,377	Cyberlink Corp Com TWD 10.00	138	0.18	82,800	Delta Electronics Thailand PCL Receipt THB 1.00	126	0.17
25,157	International Games System Co Ltd Com TWD 10.00	49	0.06	392,200	Hana Microelectronics PCL Receipt THB 1.00	286	0.37
49,295	Soft-World International Corp Com TWD 10.00	111	0.15	Engineering & construction			
Telecommunications				209,005	Italian-Thai Development PCL Receipt THB 1.00	40	0.05
50,000	Compal Communications Inc Com TWD 10.00	86	0.11	229,786	Sino-Thai Engineering & Construction PCL Receipt THB 1.00	171	0.22
103,000	D-Link Corp Com TWD 10.00	62	0.08	Health care services			
38,048	Wistron NeWeb Corp Com TWD 10.00	92	0.12	59,200	Bumrungrad Hospital PCL Receipt THB 1.00	165	0.22
Telecommunications equipment				Heavy construction			
129,757	CyberTan Technology Inc Com TWD 10.00	148	0.19	428,208	Quality Houses PCL Receipt THB 1.00	42	0.05
130,418	Gemtek Technology Corp Com TWD 10.00	127	0.17	40,400	WHA Corp PCL Receipt THB 1.00	50	0.07
104,000	Zinwell Corp Com TWD 10.00	112	0.15	Hotels			
Textile				122,700	Central Plaza Hotel PCL Receipt THB 1.00	154	0.20
43,000	Taiwan Paiho Ltd Com TWD 10.00	60	0.08	Mining			
Transportation services				131,000	Univentures PCL Receipt THB 1.00	32	0.04
81,000	Evergreen International Storage & Transport Corp Com TWD 10.00	55	0.07	Real estate investment & services			
Trucking				233,700	Amata Corp PCL Receipt THB 1.00	128	0.17
151,000	Kerry TJ Logistics Co Ltd Com TWD 10.00	212	0.28	2,372,500	Bangkok Land PCL Receipt THB 1.00	130	0.17
Total Taiwan		17,927	23.31	1,507,800	Hemaraj Land and Development PCL Receipt THB 0.40	169	0.22
Thailand				265,900	LPN Development PCL Receipt THB 1.00	187	0.24
Airlines				68,100	Pruksa Real Estate PCL Receipt THB 1.00	49	0.06
108,700	Thai Airways International PCL Receipt THB 10.00	71	0.09	380,300	Sansiri PCL Receipt THB 1.07	27	0.04
Banks				100,000	Thai Factory Development PCL Receipt THB 1.00	29	0.04
31,200	Kiatnakin Bank PCL Receipt THB 10.00	42	0.05	Retail			
292,100	Thanachart Capital PCL Receipt THB 10.00	321	0.42	59,500	Siam Global House PCL Receipt THB 1.00	36	0.05
Chemicals				Telecommunications			
125,500	Sri Trang Agro-Industry PCL Receipt THB 1.00	54	0.07	1,029,300	Jasmine International PCL Receipt THB 0.50	278	0.36
Computer hardware				55,100	Samart Corp PCL Receipt THB 1.00	36	0.05
1,505,400	CalComp Electronics Thailand PCL Receipt THB 1.00	149	0.19	114,600	Thaicom PCL Receipt THB 5.00	146	0.19
Diversified financial services				Transportation			
65,000	Tisco Financial Group PCL Receipt THB 10.00	90	0.12	322,600	Precious Shipping PCL Receipt THB 1.00	199	0.26

iShares MSCI AC Far East ex-Japan SmallCap UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value	Analysis of total current assets gross of all liabilities (unaudited)	Fair value \$'000	% of total current assets
Thailand (cont)			Transferable securities admitted to an official stock exchange listing or traded on a regulated market	76,201	97.66
Transportation (cont)			Other assets	1,823	2.34
223,910 Thoresen Thai Agencies PCL Receipt THB 1.00	127	0.16	Total current assets	78,024	100.00
Water					
231,700 Thai Tap Water Supply PCL Receipt THB 1.00	77	0.10			
Total Thailand	3,411	4.44			
Total equities	76,184	99.06			
Rights					
Singapore					
4,860 CapitaRetail China Trust - Rights 13 November 2013*	-	0.00			
Total Singapore	-	0.00			
Total rights	-	0.00			
Warrants					
Malaysia					
218,150 Malaysian Resources Corp Bhd - Warrants 16 September 2018	17	0.02			
Total Malaysia	17	0.02			
Total warrants	17	0.02			
Total value of investments	76,201	99.08			
Cash†	133	0.17			
Other net assets	340	0.44			
Net assets attributable to redeemable participating shareholders	76,674	99.69			
Adjustment to align to the valuation methodology as set out in the prospectus	235	0.31			
Net asset value attributable to redeemable participating shareholders at the end of the year	76,909	100.00			

† Substantially all cash positions are held with State Street Bank and Trust Company.

* Investments which are less than \$500 are rounded to zero.

iShares MSCI AC Far East ex-Japan SmallCap UCITS ETF

Schedule of material purchases and sales

For the year ended 31 October 2013

The 20 largest sales

Holding Investments	Proceeds \$'000
156,000 AAC Technologies Holdings Inc Com USD 0.01	884
3,572,875 Lippo Karawaci Tbk PT Com IDR 100.00	670
382,000 CapitaCommercial Trust Reits NPV	507
15,720 Halla Visteon Climate Control Corp Com KRW 500.00	461
163,000 Bumrungrad Hospital PCL Com THB 1.00	443
596,000 Sino Biopharmaceutical Com HKD 0.025	417
167,000 M1 Ltd Com NPV	405
499,000 China Everbright International Ltd Com HKD 0.10	403
8,760 CJ CGV Co Ltd Com KRW 500.00	380
1,599,500 Jasmine International PCL Com THB 0.50	374
17,680 Cheil Worldwide Inc Com KRW 200.00	344
81,190 Merida Industry Co Ltd Com TWD 10.00	330
149,300 KLCC Property Holdings Bhd Com MYR 1.00	327
303,100 Thanachart Capital PCL Com THB 10.00	309
348,000 First Real Estate Investment Trust NPV	307
174,000 Melco International Development Ltd Com HKD 0.50	304
98,000 Cafe de Coral Holdings Ltd Com HKD 0.10	304
20,000 VTech Holdings Ltd Com USD 0.05	292
407,000 Hana Microelectronics PCL Com THB 1.00	289
138,000 Kingsoft Corp Ltd Com USD 0.0005	286

The 20 largest purchases

Holding Investments	Cost \$'000
292,100 Thanachart Capital PCL Receipt THB 10.00	295
1,246,200 Jasmine International PCL Receipt THB 0.50	294
30,500 Wing Hang Bank Ltd Com HKD 1.00	286
392,200 Hana Microelectronics PCL Receipt THB 1.00	280
152,000 Hopson Development Holdings Ltd Com HKD 0.10	246
397,400 Precious Shipping PCL Receipt THB 1.00	242
2,150 Mando Corp Com KRW 5000.00	209
96,000 Techtronic Industries Co Com HKD 0.10	207
240,000 Mapletree Logistics Trust Reits NPV	206
100,000 Chipbond Technology Corp Com TWD 10.00	204
211,000 Mapletree Commercial Trust Reits NPV	202
1,916,000 Hanergy Solar Group Ltd Com HKD 0.0025	192
184,000 Keppel REIT NPV	189
409,000 HannStar Display Corp Com TWD 10.00	177
128,000 Suntec Real Estate Investment Trust NPV	173
1,564,700 Hemaraj Land and Development PCL Receipt THB 0.40	173
381,000 Champion REIT NPV	173
220,600 Dialog Group Bhd Com MYR 0.10	172
14,000 VTech Holdings Ltd Com USD 0.05	168
266,800 LPN Development PCL Receipt THB 1.00	162

The UCITS notices issued by the Central Bank of Ireland require a Schedule of Portfolio changes during the year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the year is available, upon request, at no cost from the Administrator.

iShares MSCI EM Latin America UCITS ETF (Inc)

Income statement

For the year ended 31 October 2013

	Notes	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Operating income	2	10,336	12,517
Net losses on financial assets/liabilities at fair value through profit or loss	3	(17,008)	(29,388)
Total losses		(6,672)	(16,871)
Operating expenses	4	(2,273)	(2,726)
Net operating loss		(8,945)	(19,597)
Finance costs:			
Distributions to redeemable participating shareholders	6	(6,533)	(8,090)
Interest expense	7	(8)	(6)
Total finance costs		(6,541)	(8,096)
Net loss for the financial year before tax		(15,486)	(27,693)
Non-reclaimable withholding tax		(782)	(853)
Net loss for the financial year after tax		(16,268)	(28,546)
Adjustment to align to the valuation methodology as set out in the prospectus	8	(175)	344
Decrease in net assets attributable to redeemable participating shareholders from operations		(16,443)	(28,202)

There are no recognised gains or losses arising in the year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

Statement of changes in net assets attributable to redeemable participating shareholders

For the year ended 31 October 2013

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the year	378,704	296,557
Decrease in net assets attributable to redeemable participating shareholders from operations	(16,443)	(28,202)
Share transactions:		
Proceeds from issue of redeemable participating shares	60,981	153,581
Payments on redemption of redeemable participating shares	(145,364)	(43,232)
(Decrease)/increase in net assets resulting from share transactions	(84,383)	110,349
Net assets attributable to redeemable participating shareholders at the end of the year	277,878	378,704

The accompanying notes form an integral part of these financial statements.

iShares MSCI EM Latin America UCITS ETF (Inc)

Balance sheet

As at 31 October 2013

	Notes	31 October 2013 \$'000	31 October 2012 \$'000
CURRENT ASSETS			
Cash and cash equivalents		1,571	1,202
Margin cash account		108	-
Receivables	12	2,799	5,680
Financial assets at fair value through profit or loss	13	275,628	376,537
Total current assets		280,106	383,419
CURRENT LIABILITIES			
Bank overdraft		(1)	-
Payables	14	(304)	(244)
Distributions payable to redeemable participating shareholders	6	(2,408)	(5,157)
Financial liabilities at fair value through profit or loss	13	(26)	-
Total current liabilities		(2,739)	(5,401)
Net assets attributable to redeemable participating shareholders		277,367	378,018
Adjustment to align to the valuation methodology as set out in the prospectus	8	511	686
Net asset value attributable to redeemable participating shareholders at the end of the year		277,878	378,704

The accompanying notes form an integral part of these financial statements. Details of the NAV per share are set out in note 11.

iShares MSCI EM Latin America UCITS ETF (Inc)

Notes to the financial statements

For the year ended 31 October 2013

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 54 to 58. The financial instruments and risks are set out on pages 59 to 98. The notes relating to tax, soft commissions and exchange rates are set out in the notes on pages 101 to 109.

2. OPERATING INCOME

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Deposit interest income	-	4
Dividend income	10,336	12,388
Securities lending income	-	125
	10,336	12,517

3. NET LOSSES ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net losses on investments in securities held at fair value through profit or loss	(16,702)	(28,798)
Net losses on futures contracts	(27)	-
Net losses on other investments	(279)	(590)
	(17,008)	(29,388)

4. OPERATING EXPENSES

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Management fees	(2,273)	(2,726)
	(2,273)	(2,726)

5. MANAGEMENT FEES

Fees earned by the Manager during the year and balances outstanding as at 31 October 2013 and 31 October 2012 are disclosed in note 4 and note 14 respectively.

Please refer to page 101 for each Fund's management fee rate.

The Manager is responsible for discharging, from this fee, all fees of the Investment Manager, the Administrator and the Custodian and any distributing agent appointed by the distributor through whom the shares will be marketed, together with all reasonable out of pocket expenses of such service providers, (including sub-custodial fees and expenses, (which will be at normal commercial rates) and transaction related charges of the Administrator and Custodian). The Manager will also be responsible for discharging from its fee for each share class an attributable proportion of the organisational and operating expenses, including audit and Directors fees, of the Company. The fee will be accrued daily based on the daily net asset value of the share classes and will be paid monthly in arrears. Where the actual fees and costs incurred exceed the amount paid to the Manager, the excess will be discharged by the Manager from its own assets.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of Shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the year were as follows:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
April 2012	-	3,645
October 2012	-	5,157
April 2013	3,611	-
October 2013	2,408	-
	6,019	8,802
Equalisation income	(512)	(1,100)
Equalisation expense	1,026	388
	6,533	8,090

7. INTEREST EXPENSE

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Bank interest	(8)	(6)
	(8)	(6)

iShares MSCI EM Latin America UCITS ETF (Inc)

Notes to the financial statements (continued)

For the year ended 31 October 2013

8. ADJUSTMENT TO ALIGN TO THE VALUATION METHODOLOGY AS SET OUT IN THE PROSPECTUS

The adjustment between the financial statements net asset value and the valuation methodology set out in the prospectus is shown below:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Balance brought forward	686	342
Adjustment to align to the valuation methodology as set out in the prospectus	(175)	344
Total adjustment for the year	(175)	344
Balance carried forward	511	686

Further details are set out in the accounting policies note m) on page 58.

9. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the years ended 31 October 2013 and 31 October 2012. Please refer to note 10 on page 103 for further details.

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Transactions costs	186	123

10. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 October 2013 No. of Shares	31 October 2012 No. of Shares
Number of redeemable participating shares:		
Balance at the beginning of year	15,800,000	11,600,000
Issued during the year	2,700,000	6,000,000
Redeemed during the year	(6,200,000)	(1,800,000)
Balance at the end of year	12,300,000	15,800,000

11. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	No. of Shares
Shares in issue	
As at 31 October 2013	12,300,000
As at 31 October 2012	15,800,000
As at 31 October 2011	11,600,000

	\$'000
Net asset value	
As at 31 October 2013	277,878
As at 31 October 2012	378,704
As at 31 October 2011	296,557

Net asset value per share	
As at 31 October 2013	\$22.59
As at 31 October 2012	\$23.97
As at 31 October 2011	\$25.57

12. RECEIVABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Sale of securities awaiting settlement	35	34
Deposit interest receivable	-	1
Dividend income receivable	356	488
Distributions payable held with Registrar*	2,408	5,157
	2,799	5,680

* Further details are set out in note 12 on page 104.

13. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013 \$'000	31 October 2012 \$'000
Financial assets:		
Investment in equities	275,628	376,537
	275,628	376,537

Financial liabilities:		
Unrealised losses on futures contracts	(26)	-
	(26)	-

iShares MSCI EM Latin America UCITS ETF (Inc)

Notes to the financial statements (continued)

For the year ended 31 October 2013

14. PAYABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Management fees payable	(304)	(244)
	(304)	(244)

15. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the years ended 31 October 2013 and 31 October 2012 other than those disclosed in note 17 on page 105.

16. RELATED PARTIES

The related parties are set out on pages 106 to 108.

17. EFFICIENT PORTFOLIO MANAGEMENT

The Company may, subject to the conditions and within the limits from time to time laid down by the Central Bank of Ireland and the prospectus, engage in securities lending and employ techniques and instruments relating to transferable securities for efficient portfolio management purposes.

During the year the Company engaged in securities lending. The Company receives either cash collateral or securities as collateral, as determined within the schedule, for a value in excess of the market value of the securities loaned. As at the 31 October 2013 the collateral consists of securities admitted to or dealt on a regulated market.

The collateral is registered and held in the name of BlackRock Advisors (UK) Limited on behalf of the Funds in any or all of the following collateral agents and central securities depositories: JP Morgan Chase, Bank of New York Mellon Corporation, Euroclear or CREST, depending on the type of collateral the counterparty needs to give as per the schedule in order to cover the required value of exposure. Further details can be seen on page 81.

The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary.

The securities lending agent appointed pursuant to the stock lending agreement is BlackRock Advisors (UK) Limited. Securities lending income is split between the Fund and the securities lending agent in a ratio of 60:40 in favour of the Fund, with all operational costs borne out of the securities lending agents share.

	31 October 2013 \$'000	31 October 2012 \$'000
Income earned during year	-	125
Value of securities on loan at year end	-	-
Value of collateral held by the Company at year end	-	-

Please see note 18 for more information on financial derivative instruments.

18. FINANCIAL DERIVATIVE INSTRUMENTS

The Fund may buy and sell financial derivative instruments. See further details in the Fund's Schedule of Investments and note 3 to the financial statements.

19. SIGNIFICANT EVENTS DURING THE YEAR

Please refer to note 22 on pages 108 and 109.

20. SUBSEQUENT EVENTS

Please refer to note 23 on page 109.

iShares MSCI EM Latin America UCITS ETF (Inc)

Schedule of investments

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market		
Equities		
Bermuda		
Banks		
24,119 Credicorp Ltd Com USD 5.00	3,292	1.19
Total Bermuda	3,292	1.19
Brazil		
Aerospace		
210,700 Embraer SA Com NPV	1,554	0.56
Apparel retailers		
45,200 Lojas Renner SA Com NPV	1,371	0.49
Auto parts & equipment		
158,500 Marcopolo SA Pref NPV	407	0.15
Banks		
224,200 Banco Bradesco SA Com NPV	3,621	1.30
749,331 Banco Bradesco SA Pref NPV	10,876	3.91
203,200 Banco do Brasil SA Com NPV	2,697	0.97
63,800 Banco do Estado do Rio Grande do Sul SA Pref NPV	460	0.17
337,400 Banco Santander Brasil SA Unit NPV	2,328	0.84
892,570 Itau Unibanco Holding SA Pref NPV	13,882	5.00
Beverages		
49,900 Cia de Bebidas das Americas Com NPV	1,868	0.67
245,000 Cia de Bebidas das Americas Pref NPV	9,206	3.31
Broadline retailers		
46,300 Lojas Americanas SA Com NPV	291	0.11
145,148 Lojas Americanas SA Pref NPV	1,088	0.39
Building materials and fixtures		
97,160 Duratex SA Com NPV	610	0.22
Chemicals		
54,300 Braskem SA Pref NPV	484	0.17
115,500 Ultrapar Participacoes SA Com NPV	3,101	1.12
Commercial services		
139,300 Anhanguera Educacional Participacoes SA Com NPV	836	0.30
24,492 Arteris SA Com NPV	219	0.08
313,300 CCR SA Com NPV	2,608	0.94
125,549 Cielo SA Com NPV	3,837	1.38
60,000 EcoRodovias Infraestrutura e Logistica SA Com NPV	410	0.15

Holding Investment	Fair value \$'000	% of net asset value
Brazil (cont)		
Commercial services (cont)		
94,800 Estacio Participacoes SA Com NPV	735	0.27
66,100 Kroton Educacional SA Com NPV	983	0.35
49,005 Localiza Rent a Car SA Com NPV	803	0.29
16,500 Multiplus SA Com NPV	206	0.07
71,500 Qualicorp SA Com NPV	670	0.24
Diversified financial services		
669,038 BM&FBovespa SA Com NPV	3,813	1.37
69,627 CETIP SA - Mercados Organizados Com NPV	775	0.28
Electricity		
36,100 AES Tiete SA Pref NPV	355	0.13
97,000 Centrais Eletricas Brasileiras SA Com NPV	309	0.11
81,300 Centrais Eletricas Brasileiras SA Pref NPV	432	0.16
193,604 Cia Energetica de Minas Gerais Pref BRL 5.00	1,734	0.62
60,100 Cia Energetica de Sao Paulo Pref NPV	630	0.23
34,700 Cia Paranaense de Energia Pref NPV	485	0.17
85,700 CPFL Energia SA Com NPV	737	0.27
85,000 EDP - Energias do Brasil SA Com NPV	484	0.17
74,900 Eneva SA Com NPV	151	0.05
58,600 Tractebel Energia SA Com NPV	1,004	0.36
33,800 Transmissora Alianca de Energia Eletrica SA Unit NPV	331	0.12
Engineering & construction		
27,900 Multiplan Empreendimentos Imobiliarios SA Com NPV	660	0.24
Food		
233,100 BRF SA Com NPV	5,496	1.98
44,706 Cia Brasileira de Distribuicao Grupo Pao de Acucar Pref NPV	2,233	0.80
44,361 Cosan SA Industria e Comercio Com NPV	890	0.32
261,500 JBS SA Com NPV	946	0.34
12,100 M Dias Branco SA Com NPV	569	0.21
Forest products & paper		
88,380 Fibria Celulose SA Com NPV	1,153	0.42
171,300 Klabin SA Pref NPV	917	0.33
103,700 Suzano Papel e Celulose SA Pref NPV	423	0.15

iShares MSCI EM Latin America UCITS ETF (Inc)

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
Brazil (cont)			Brazil (cont)		
Industrial metals & mining			Textile		
259,400 Cia Siderurgica Nacional SA Com NPV	1,421	0.51	49,700 Cia Hering Com NPV	727	0.26
306,300 Gerdau SA Pref NPV	2,433	0.88	Tobacco		
98,000 Metalurgica Gerdau SA Pref NPV	1,001	0.36	136,000 Souza Cruz SA Com NPV	1,480	0.53
135,700 Usinas Siderurgicas de Minas Gerais SA Pref NPV	724	0.26	Transportation		
462,900 Vale SA Com NPV	7,404	2.66	159,300 All America Latina Logistica SA Com NPV	574	0.21
675,900 Vale SA Pref NPV	9,980	3.59	Water		
Insurance			121,900 Cia de Saneamento Basico do Estado de Sao Paulo Com NPV	1,302	0.47
213,000 BB Seguridade Participacoes SA Com NPV	2,342	0.84	21,800 Cia de Saneamento de Minas Gerais-COPASA Com NPV	353	0.13
39,800 Porto Seguro SA Com NPV	503	0.18	Total Brazil	161,423	58.09
47,800 Sul America SA Unit NPV	352	0.13			
Insurance			Chile		
95,200 Odontoprev SA Com NPV	394	0.14	Airlines		
Integrated oil & gas			94,626 Latam Airlines Group SA Com NPV	1,564	0.56
1,059,800 Petroleo Brasileiro SA Com NPV	9,333	3.36	Banks		
1,495,000 Petroleo Brasileiro SA Pref NPV	13,717	4.93	6,630,104 Banco de Chile Com NPV	1,011	0.36
Machinery – diversified			11,445 Banco de Credito e Inversiones Com NPV	669	0.24
76,800 WEG SA Com NPV	1,003	0.36	23,466,382 Banco Santander Chile Com NPV	1,441	0.52
Personal products			47,573,792 Corpbanca SA Com NPV	522	0.19
61,400 Natura Cosmeticos SA Com NPV	1,237	0.44	Beverages		
Pharmaceuticals			92,613 Embotelladora Andina SA Pref NPV	514	0.19
123,700 Hypermarcas SA Com NPV	1,088	0.39	159,465 Vina Concha y Toro SA Com NPV	289	0.10
Real estate investment & services			Brewers		
146,700 BR Malls Participacoes SA Com NPV	1,432	0.52	52,551 Cia Cervecerias Unidas SA Com NPV	700	0.25
72,600 BR Properties SA Com NPV	620	0.22	Electricity		
103,000 Cyrela Brazil Realty SA Empreendimentos e Participacoes Com NPV	776	0.28	861,329 AES Gener SA Com NPV	513	0.19
120,800 MRV Engenharia e Participacoes SA Com NPV	525	0.19	2,807,620 Colbun SA Com NPV	692	0.25
Retail			187,376 E.CL SA Com NPV	288	0.10
76,100 Raia Drogasil SA Com NPV	561	0.20	1,167,230 Empresa Nacional de Electricidad SA Com NPV	1,776	0.64
Software			6,986,636 Enersis SA Com NPV	2,328	0.84
44,200 Totvs SA Com NPV	745	0.27	Food		
Specialty finance			399,450 Cencosud SA Com NPV	1,623	0.58
81,700 Bradespar SA Pref NPV	975	0.35	Forest products & paper		
1,016,897 Itausa - Investimentos Itau SA Pref NPV	4,409	1.59	422,499 Empresas CMPC SA Com NPV	1,254	0.45
Telecommunications			Holding companies – diversified operations		
256,320 Oi SA Pref NPV	434	0.16	161,867 Empresas COPEC SA Com NPV	2,359	0.85
106,707 Telefonica Brasil SA Pref NPV	2,369	0.85	Iron & steel		
300,388 Tim Participacoes SA Com NPV	1,531	0.55	26,111 CAP SA Com NPV	540	0.19

iShares MSCI EM Latin America UCITS ETF (Inc)

Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
	Chile (cont)				Mexico (cont)		
	Retail				Banks (cont)		
258,171	SACI Falabella Com NPV	2,562	0.92	868,900	Grupo Financiero Banorte SAB de CV Com NPV	5,581	2.01
	Specialty chemicals			829,900	Grupo Financiero Inbursa SAB de CV Com MXN 0.8274216	2,146	0.77
34,263	Sociedad Quimica y Minera de Chile SA Pref NPV	964	0.35	650,837	Grupo Financiero Santander Mexico SAB de CV Com MXN 3.780783	1,836	0.66
	Telecommunications				Broadline retailers		
41,323	ENTEL Chile SA Com NPV	635	0.23	1,890,600	Wal-Mart de Mexico SAB de CV Com NPV	4,933	1.78
	Water				Building materials and fixtures		
826,993	Aguas Andinas SA Com NPV	549	0.20	4,015,993	Cemex SAB de CV Unit NPV	4,276	1.54
	Total Chile	22,793	8.20		Chemicals		
	Colombia			373,135	Mexichem SAB de CV Com NPV	1,559	0.56
	Banks				Commercial services		
33,985	Banco Davivienda SA Pref COP 140.00	446	0.16	243,100	OHL Mexico SAB de CV Com NPV	626	0.23
72,543	Bancolombia SA Com COP 500.00	1,002	0.36		Diversified industrials		
119,596	Bancolombia SA Pref COP 500.00	1,677	0.61	1,005,900	Alfa SAB de CV Com NPV	2,758	0.99
27,107	Corp Financiera Colombiana SA Com COP 10.00	565	0.20	203,000	Grupo Carso SAB de CV Com NPV	1,090	0.39
	Building materials and fixtures				Engineering & construction		
143,416	Cementos Argos SA Com COP 6.00	753	0.27	110,400	Grupo Aeroportuario del Pacifico SAB de CV Com NPV	575	0.20
101,528	Grupo Argos SA Com COP 62.50	1,179	0.42	74,000	Grupo Aeroportuario del Sureste SAB de CV Com NPV	883	0.32
41,676	Grupo Argos SA Pref COP 62.50	484	0.18		Food		
	Diversified financial services			585,000	Grupo Bimbo SAB de CV Com NPV	1,976	0.71
530,097	Grupo Aval Acciones y Valores Pref COP 1.00	369	0.13		Household products		
81,982	Grupo de Inversiones Suramericana SA Com COP 187.50	1,609	0.58	552,400	Kimberly-Clark de Mexico SAB de CV Com NPV	1,683	0.61
34,045	Grupo de Inversiones Suramericana SA Pref COP 187.50	677	0.25		Machinery — diversified		
	Electricity			61,900	Industrias CH SAB de CV Com NPV	305	0.11
137,930	Interconexion Electrica SA ESP Com COP 32.80	683	0.24		Media		
290,970	Isagen SA ESP Com COP 25.00	465	0.17	915,600	Grupo Televisa SAB Unit NPV	5,590	2.01
	Oil & gas				Mining		
1,724,136	Ecopetrol SA Com COP 250.00	4,096	1.47	1,357,602	Grupo Mexico SAB de CV Com NPV	4,306	1.55
	Retail			49,490	Industrias Penoles SAB de CV Com NPV	1,442	0.52
71,662	Almacenes Exito SA Com COP 10.00	1,202	0.43	225,800	Minera Frisco SAB de CV Com NPV	582	0.21
	Total Colombia	15,207	5.47		Mobile telecommunications		
	Mexico			13,050,460	America Movil SAB de CV Com NPV	14,016	5.04
	Banks				Pharmaceuticals		
381,500	Compartamos SAB de CV Com MXN 1.00	741	0.27	281,400	Genomma Lab Internacional SAB de CV Com NPV	752	0.27
					Real estate investment trusts		
				474,800	Fibra Uno Administracion SA de CV Reits NPV	1,472	0.53

iShares MSCI EM Latin America UCITS ETF (Inc)

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value		Fair value \$'000	% of net asset value
Mexico (cont)			Total value of investments	275,602	99.18
Retail			Cash[†]	1,678	0.60
143,200 Controladora Comercial Mexicana SAB de CV Unit NPV	586	0.21	Other net assets	87	0.04
66,000 El Puerto de Liverpool SAB de CV Com NPV	713	0.26	Net assets attributable to redeemable participating shareholders	277,367	99.82
119,800 Grupo Comercial Chedraui SA de CV Com NPV	375	0.13	Adjustment to align to the valuation methodology as set out in the prospectus	511	0.18
Soft drinks			Net asset value attributable to redeemable participating shareholders at the end of the year	277,878	100.00
114,100 Arca Continental SAB de CV Com NPV	678	0.25			
150,100 Coca-Cola Femsa SAB de CV Com NPV	1,836	0.66			
692,100 Fomento Economico Mexicano SAB de CV Unit NPV	6,480	2.33			
Total Mexico	69,796	25.12			
Peru					
Mining					
67,717 Cia de Minas Buenaventura SAA ADR NPV	981	0.35			
Total Peru	981	0.35			
Spain					
Building materials and fixtures					
59,353 Cemex Latam Holdings SA Com COP 1.00	455	0.16			
Total Spain	455	0.16			
United States					
Mining					
60,170 Southern Copper Corp Com USD 0.01	1,681	0.61			
Total United States	1,681	0.61			
Total equities	275,628	99.19			

Financial derivative instruments

Futures contracts

No. of contracts	Underlying exposure \$'000	Unrealised loss \$'000	% of net asset value
31 MSCI Emerging Markets E Mini Futures December 2013	1,614	(26)	(0.01)
Total unrealised losses on futures contracts		(26)	(0.01)

[†] Cash holdings of \$1,570,433 are held with State Street Bank and Trust Company. \$107,690 is held as security for futures contracts with Barclays Plc.

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

Analysis of total current assets gross of all liabilities (unaudited)	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	275,628	98.40
Other assets	4,478	1.60
Total current assets	280,106	100.00

iShares MSCI EM Latin America UCITS ETF (Inc)

Schedule of material purchases and sales

For the year ended 31 October 2013

The 20 largest sales

Holding Investments	Proceeds \$'000
10,753,000 America Movil SAB de CV Com NPV	11,534
169,637 Bancolombia SA ADR NPV	9,863
593,000 Itau Unibanco Holding SA Pref NPV	9,271
219,200 Cia de Bebidas das Americas Pref NPV	8,829
554,200 Banco Bradesco SA Pref NPV	8,822
173,044 Ecopetrol SA ADR NPV	8,124
787,600 Petroleo Brasileiro SA Pref NPV	6,871
393,286 Enersis SA ADR NPV	6,442
601,400 Fomento Economico Mexicano SAB de CV Unit NPV	6,336
388,300 Vale SA Pref NPV	6,089
125,344 Empresa Nacional de Electricidad SA ADR NPV	5,423
288,700 Vale SA Com NPV	4,772
1,592,700 Wal-Mart de Mexico SAB de CV Com NPV	4,572
156,557 Cia Cervecerias Unidas SA ADR NPV	4,436
487,100 Petroleo Brasileiro SA Com NPV	4,109
45,211 Banco de Chile ADR NPV	3,911
697,800 Grupo Televisa SAB Unit NPV	3,645
100,936 Sociedad Quimica y Minera de Chile SA ADR USD 1.00	3,603
145,529 Banco Santander Chile ADR NPV	3,472
104,458 Southern Copper Corp Com USD 0.01	3,428

The 20 largest purchases

Holding Investments	Cost \$'000
285,300 Banco Bradesco SA Com NPV	4,724
1,752,531 Ecopetrol SA Com COP 250.00	3,987
377,500 Petroleo Brasileiro SA Pref NPV	3,236
2,853,000 America Movil SAB de CV Com NPV	3,004
459,100 Grupo Financiero Banorte SAB de CV Com NPV	3,001
189,000 Itau Unibanco Holding SA Pref NPV	2,811
262,349 SACI Falabella Com NPV	2,604
64,100 Cia de Bebidas das Americas Pref NPV	2,551
320,600 Petroleo Brasileiro SA Com NPV	2,478
271,200 BB Seguridade Participacoes SA Com NPV	2,432
160,700 Banco Bradesco SA Pref NPV	2,359
151,300 Vale SA Pref NPV	2,280
785,037 Grupo Financiero Santander Mexico SAB de CV Com MXN 3.780783	2,264
7,099,696 Enersis SA Com NPV	2,242
164,486 Empresas COPEC SA Com NPV	2,218
54,900 Cia de Bebidas das Americas Com NPV	2,006
42,444 Ecopetrol SA ADR NPV	1,980
540,200 Fibra Uno Administracion SA de CV Reits NPV	1,730
121,566 Bancolombia SA Pref COP 500.00	1,700
12,027 Credicorp Ltd Com USD 5.00	1,677

The UCITS notices issued by the Central Bank of Ireland require a Schedule of Portfolio changes during the year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the year is available, upon request, at no cost from the Administrator.

iShares MSCI Emerging Markets Islamic UCITS ETF

Income statement

For the year ended 31 October 2013

	Notes	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Operating income	2	911	1,288
Net losses on financial assets/liabilities at fair value through profit or loss	3	(576)	(1,290)
Total gains/(losses)		335	(2)
Operating expenses	4	(244)	(373)
Net operating profit/(loss)		91	(375)
Finance costs:			
Distributions to redeemable participating shareholders	6	(505)	(771)
Interest expense	7	(2)	(3)
Total finance costs		(507)	(774)
Net loss for the financial year before tax		(416)	(1,149)
Non-reclaimable withholding tax		(114)	(144)
Net loss for the financial year after tax		(530)	(1,293)
Adjustment to align to the valuation methodology as set out in the prospectus	8	13	(37)
Decrease in net assets attributable to redeemable participating shareholders from operations		(517)	(1,330)

There are no recognised gains or losses arising in the year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

Statement of changes in net assets attributable to redeemable participating shareholders

For the year ended 31 October 2013

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the year	29,448	58,013
Decrease in net assets attributable to redeemable participating shareholders from operations	(517)	(1,330)
Share transactions:		
Proceeds from issue of redeemable participating shares	10,953	4,096
Payments on redemption of redeemable participating shares	(10,788)	(31,331)
Increase/(decrease) in net assets resulting from share transactions	165	(27,235)
Net assets attributable to redeemable participating shareholders at the end of the year	29,096	29,448

The accompanying notes form an integral part of these financial statements.

iShares MSCI Emerging Markets Islamic UCITS ETF

Balance sheet

As at 31 October 2013

	Notes	31 October 2013 \$'000	31 October 2012 \$'000
CURRENT ASSETS			
Cash and cash equivalents		1,872	90
Receivables	12	433	513
Financial assets at fair value through profit or loss	13	28,876	29,300
Total current assets		31,181	29,903
CURRENT LIABILITIES			
Bank overdraft		-	(3)
Payables	14	(1,760)	(22)
Distributions payable to redeemable participating shareholders	6	(395)	(487)
Total current liabilities		(2,155)	(512)
Net assets attributable to redeemable participating shareholders		29,026	29,391
Adjustment to align to the valuation methodology as set out in the prospectus	8	70	57
Net asset value attributable to redeemable participating shareholders at the end of the year		29,096	29,448

The accompanying notes form an integral part of these financial statements. Details of the NAV per share are set out in note 11.

iShares MSCI Emerging Markets Islamic UCITS ETF

Notes to the financial statements

For the year ended 31 October 2013

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 54 to 58. The financial instruments and risks are set out on pages 59 to 98. The notes relating to tax, soft commissions and exchange rates are set out in the notes on pages 101 to 109.

2. OPERATING INCOME

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Deposit interest income	-	1
Dividend income	911	1,287
	911	1,288

3. NET LOSSES ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net losses on investments in securities held at fair value through profit or loss	(551)	(1,279)
Net losses on other investments	(25)	(11)
	(576)	(1,290)

4. OPERATING EXPENSES

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Management fees	(244)	(373)
	(244)	(373)

5. MANAGEMENT FEES

Fees earned by the Manager during the year and balances outstanding as at 31 October 2013 and 31 October 2012 are disclosed in note 4 and note 14 respectively.

Please refer to page 101 for each Fund's management fee rate.

The Manager is responsible for discharging, from this fee, all fees of the Investment Manager, the Administrator and the Custodian and any distributing agent appointed by the distributor through whom the shares will be marketed, together with all reasonable out of pocket expenses of such service providers, (including sub-custodial fees and expenses, (which will be at normal commercial rates) and transaction related charges of the Administrator and Custodian). The Manager will also be responsible for discharging from its fee for each share class an attributable proportion of the organisational and operating expenses, including audit and Directors fees, of the Company. The fee will be accrued daily based on the daily net asset value of the share classes and will be paid monthly in arrears. Where the actual fees and costs incurred exceed the amount paid to the Manager, the excess will be discharged by the Manager from its own assets.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of Shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the year were as follows:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
April 2012	-	128
October 2012	-	487
April 2013	71	-
October 2013	395	-
	466	615
Equalisation income	(16)	(7)
Equalisation expense	55	163
	505	771

7. INTEREST EXPENSE

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Bank interest	(2)	(3)
	(2)	(3)

iShares MSCI Emerging Markets Islamic UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

8. ADJUSTMENT TO ALIGN TO THE VALUATION METHODOLOGY AS SET OUT IN THE PROSPECTUS

The adjustment between the financial statements net asset value and the valuation methodology set out in the prospectus is shown below:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Balance brought forward	57	94
Adjustment to align to the valuation methodology as set out in the prospectus	13	(37)
Total adjustment for the year	13	(37)
Balance carried forward	70	57

Further details are set out in the accounting policies note m) on page 58.

9. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the years ended 31 October 2013 and 31 October 2012. Please refer to note 10 on page 103 for further details.

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Transactions costs	46	62

10. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 October 2013 No. of Shares	31 October 2012 No. of Shares
Number of redeemable participating shares:		
Balance at the beginning of year	1,600,000	3,000,000
Issued during the year	600,000	200,000
Redeemed during the year	(600,000)	(1,600,000)
Balance at the end of year	1,600,000	1,600,000

11. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	No. of Shares
Shares in issue	
As at 31 October 2013	1,600,000
As at 31 October 2012	1,600,000
As at 31 October 2011	3,000,000

	\$'000
Net asset value	
As at 31 October 2013	29,096
As at 31 October 2012	29,448
As at 31 October 2011	58,013

Net asset value per share	
As at 31 October 2013	\$18.19
As at 31 October 2012	\$18.40
As at 31 October 2011	\$19.34

12. RECEIVABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Sale of securities awaiting settlement	3	3
Dividend income receivable	34	19
Tax reclaim receivable	1	4
Distributions payable held with Registrar*	395	487
	433	513

* Further details are set out in note 12 on page 104.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013 \$'000	31 October 2012 \$'000
Financial assets:		
Investment in equities	28,876	29,300
	28,876	29,300

iShares MSCI Emerging Markets Islamic UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

14. PAYABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Purchase of securities awaiting settlement	(1,706)	-
Management fees payable	(36)	(22)
Other payables	(18)	-
	(1,760)	(22)

15. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the years ended 31 October 2013 and 31 October 2012 other than those disclosed in note 17 on page 105.

16. RELATED PARTIES

The related parties are set out on pages 106 to 108.

17. FINANCIAL DERIVATIVE INSTRUMENTS

The Fund may buy and sell financial derivative instruments. See further details in the Fund's Schedule of Investments and note 3 to the financial statements.

18. SIGNIFICANT EVENTS DURING THE YEAR

Please refer to note 22 on pages 108 and 109.

19. SUBSEQUENT EVENTS

Please refer to note 23 on page 109.

iShares MSCI Emerging Markets Islamic UCITS ETF

Schedule of investments

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market			
	Equities		
	Bermuda		
	Auto manufacturers		
70,000	Brilliance China Automotive Holdings Ltd Com USD 0.01	122	0.42
	Oil & gas		
76,000	Kunlun Energy Co Ltd Com HKD 0.01	124	0.43
	Specialty retailers		
234,800	GOME Electrical Appliances Holding Ltd Com HKD 0.025	36	0.12
	Total Bermuda	282	0.97
	Brazil		
	Building materials and fixtures		
6,350	Duralex SA Com NPV	40	0.14
	Commercial services		
9,100	Anhanguera Educacional Participacoes SA Com NPV	55	0.19
4,300	Kroton Educacional SA Com NPV	64	0.22
	Electricity		
2,400	AES Tiete SA Pref NPV	24	0.08
6,300	Centrais Eletricas Brasileiras SA Com NPV	20	0.07
5,300	Centrais Eletricas Brasileiras SA Pref NPV	28	0.10
16	Cia de Transmissao de Energia Eletrica Paulista Pref NPV*	-	0.00
3,900	Cia Energetica de Sao Paulo Pref NPV	41	0.14
2,300	Cia Paranaense de Energia Pref NPV	32	0.11
5,600	EDP - Energias do Brasil SA Com NPV	32	0.11
3,800	Tractebel Energia SA Com NPV	65	0.22
	Engineering & construction		
1,800	Multiplan Empreendimentos Imobiliarios SA Com NPV	42	0.14
	Food		
800	M Dias Branco SA Com NPV	38	0.13
	Industrial metals & mining		
20,001	Gerdau SA Pref NPV	159	0.55
6,419	Metalurgica Gerdau SA Pref NPV	65	0.23
8,900	Usinas Siderurgicas de Minas Gerais SA Pref NPV	47	0.16
29,500	Vale SA Com NPV	472	1.62
44,200	Vale SA Pref NPV	653	2.24
	Insurance		
6,200	Odontoprev SA Com NPV	26	0.09

Holding	Investment	Fair value \$'000	% of net asset value
	Brazil (cont)		
	Integrated oil & gas		
69,300	Petroleo Brasileiro SA Com NPV	610	2.10
95,800	Petroleo Brasileiro SA Pref NPV	879	3.02
	Real estate investment & services		
9,600	BR Malls Participacoes SA Com NPV	94	0.32
	Retail		
5,000	Raia Drogasil SA Com NPV	37	0.13
	Software		
2,900	Totvs SA Com NPV	49	0.17
	Specialty finance		
5,300	Bradespar SA Pref NPV	63	0.22
	Telecommunications		
19,612	Tim Participacoes SA Com NPV	100	0.34
	Total Brazil	3,735	12.84
	Cayman Islands		
	Apparel retailers		
13,000	Shenzhou International Group Holdings Ltd Com HKD 0.10	44	0.15
	Chemicals		
15,600	Kingboard Chemical Holdings Ltd Com HKD 0.10	41	0.14
	Electronics		
6,000	TPK Holding Co Ltd Com TWD 10.00	42	0.14
6,000	Zhen Ding Technology Holding Ltd Com TWD 10.00	14	0.05
	Food		
31,000	China Mengniu Dairy Co Ltd Com HKD 0.10	136	0.47
46,000	Tingyi Cayman Islands Holding Corp Com USD 0.005	130	0.45
25,000	Uni-President China Holdings Ltd Com HKD 0.01	25	0.08
	Real estate investment & services		
32,900	Agile Property Holdings Ltd Com HKD 0.10	40	0.13
48,000	China Resources Land Ltd Com HKD 0.10	139	0.48
105,714	Country Garden Holdings Co Ltd Com HKD 0.10	72	0.25
150,000	Evergrande Real Estate Group Ltd Com USD 0.01	63	0.22
15,000	Greentown China Holdings Ltd Com HKD 0.10	29	0.10
31,500	Longfor Properties Co Ltd Com HKD 0.10	51	0.18
46,805	Soho China Ltd Com HKD 0.02	41	0.14

iShares MSCI Emerging Markets Islamic UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Cayman Islands (cont)				Hong Kong			
Retail				Coal			
107,900	Belle International Holdings Ltd Com HKD 0.01	152	0.52	74,000	Shougang Fushan Resources Group Ltd Com HKD 0.10	25	0.09
23,500	Intime Retail Group Co Ltd Com HKD 0.00001	28	0.10	Diversified industrials			
Total Cayman Islands		1,047	3.60	27,400	China Merchants Holdings International Co Ltd Com HKD 0.10	97	0.33
Chile				Mobile telecommunications			
Beverages				110,532	China Unicom Hong Kong Ltd Com HKD 0.10	174	0.60
5,893	Embotelladora Andina SA Pref NPV	33	0.11	Oil & gas			
Electricity				405,400	CNOOC Ltd Com HKD 0.02	830	2.85
178,638	Colbun SA Com NPV	44	0.15	Real estate investment & services			
11,922	E.CL SA Com NPV	18	0.06	16,000	China Overseas Grand Oceans Group Ltd Com HKD 0.01	19	0.07
76,424	Empresa Nacional de Electricidad SA Com NPV	116	0.40	96,000	China Overseas Land & Investment Ltd Com HKD 0.10	297	1.02
457,445	Enersis SA Com NPV	153	0.53	68,445	Sino-Ocean Land Holdings Ltd Com HKD 0.80	43	0.15
Forest products & paper				118,000	Yuexiu Property Co Ltd Com HKD 0.10	33	0.11
26,882	Empresas CMPC SA Com NPV	80	0.28	Total Hong Kong		1,518	5.22
Holding companies - diversified operations				Hungary			
10,598	Empresas COPEC SA Com NPV	154	0.53	Oil & gas			
Iron & steel				973	MOL Hungarian Oil and Gas Plc Com HUF 1000.00	67	0.23
1,691	CAP SA Com NPV	35	0.12	Total Hungary		67	0.23
Telecommunications				India			
2,677	ENTEL Chile SA Com NPV	41	0.14	Mining			
Total Chile		674	2.32	10,216	Sesa Sterlite Ltd ADR NPV	132	0.45
Colombia				Oil & gas			
Building materials and fixtures				24,141	Reliance Industries Ltd GDR NPV	721	2.48
9,125	Cementos Argos SA Com COP 6.00	48	0.16	Pharmaceuticals			
6,575	Grupo Argos SA Com COP 62.50	76	0.26	8,711	Dr Reddy's Laboratories Ltd ADR NPV	345	1.19
2,651	Grupo Argos SA Pref COP 62.50	31	0.11	Total India		1,198	4.12
Electricity				Indonesia			
18,513	Isagen SA ESP Com COP 25.00	30	0.10	Agriculture			
Oil & gas				9,000	Astra Agro Lestari Tbk PT Com IDR 500.00	15	0.05
114,938	Ecopetrol SA Com COP 250.00	273	0.94	172,000	Charoen Pokphand Indonesia Tbk PT Com IDR 10.00	59	0.20
Total Colombia		458	1.57	Building materials and fixtures			
Czech Republic				68,800	Semen Indonesia Persero Tbk PT Com IDR 100.00	87	0.30
Electricity				Food			
3,755	CEZ AS Com CZK 100.00	108	0.37	102,000	Indofood Sukses Makmur Tbk PT Com IDR 100.00	60	0.21
Total Czech Republic		108	0.37				
Egypt							
Telecommunications							
7,657	Telecom Egypt Co Com EGP 10.00	15	0.05				
Total Egypt		15	0.05				

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Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Indonesia (cont)				Mexico (cont)			
Household products				Beverages (cont)			
35,500	Unilever Indonesia Tbk PT Com IDR 10.00	94	0.32	9,800	Coca-Cola Femsa SAB de CV Com NPV	120	0.41
Machinery – diversified				Engineering & construction			
39,000	United Tractors Tbk PT Com IDR 250.00	61	0.21	7,200	Grupo Aeroportuario del Pacifico SAB de CV Com NPV	37	0.13
Pharmaceuticals				Machinery – diversified			
531,500	Kalbe Farma Tbk PT Com IDR 10.00	61	0.21	4,000	Industrias CH SAB de CV Com NPV	20	0.07
Real estate investment & services				Mining			
162,500	Bumi Serpong Damai PT Com IDR 100.00	23	0.08	88,715	Grupo Mexico SAB de CV Com NPV	282	0.97
Telecommunications				3,235	Industrias Penoles SAB de CV Com NPV	94	0.32
1,055,000	Telekomunikasi Indonesia Persero Tbk PT Com IDR 50.00	218	0.75	Total Mexico			
Total Indonesia		678	2.33	597 2.05			
Malaysia				Morocco			
Agriculture				Telecommunications			
5,300	Genting Plantations Bhd Com MYR 0.50	18	0.06	2,500	Maroc Telecom Com MAD 6.00	29	0.10
11,222	Kuala Lumpur Kepong Bhd Com MYR 1.00	82	0.28	Total Morocco			
Automobiles				0.10			
12,251	UMW Holdings Bhd Com MYR 0.50	50	0.17	People's Republic of China			
Building materials and fixtures				Aerospace & defence			
8,900	Lafarge Malaysia Bhd Com MYR 1.00	28	0.10	44,000	AviChina Industry & Technology Co Ltd Com CNY 1.00	21	0.07
Diversified industrials				Auto manufacturers			
25,911	IJM Corp Bhd Com MYR 1.00	48	0.17	12,200	Byd Co Ltd Com CNY 1.00	61	0.21
17,700	MMC Corp Bhd Com MYR 0.10	15	0.05	64,000	Dongfeng Motor Group Co Ltd Com CNY 1.00	90	0.31
Electricity				Auto parts & equipment			
65,325	Tenaga Nasional Bhd Com MYR 1.00	194	0.67	10,800	Weichai Power Co Ltd Com CNY 1.00	43	0.15
Health care services				Building & construction materials			
56,800	IHH Healthcare Bhd Com MYR 1.00	74	0.25	28,550	Anhui Conch Cement Co Ltd Com CNY 1.00	99	0.34
Marine transportation				Chemicals			
25,913	MISC Bhd Com MYR 1.00	42	0.14	42,800	China BlueChemical Ltd Com HKD 1.00	27	0.09
Oil & gas services				Coal			
13,800	Petronas Gas Bhd Com MYR 1.00	106	0.37	96,000	China Coal Energy Co Ltd Com CNY 1.00	59	0.20
Real estate investment & services				79,000	China Shenhua Energy Co Ltd Com CNY 1.00	240	0.83
35,300	UEM Sunrise Bhd Com MYR 0.50	26	0.09	24,700	Inner Mongolia Yitai Coal Co Ltd Com CNY 1.00	48	0.16
Telecommunications				Commercial services			
59,500	Axiata Group Bhd Com MYR 1.00	130	0.45	28,200	Jiangsu Expressway Co Ltd Com CNY 1.00	35	0.12
81,400	DiGi.Com Bhd Com MYR 0.01	129	0.44	Fixed line telecommunications			
52,300	Maxis Bhd Com MYR 0.10	119	0.41	322,900	China Telecom Corp Ltd Com CNY 1.00	168	0.58
25,000	Telekom Malaysia Bhd Com MYR 0.70	41	0.14	Healthcare products			
Total Malaysia		1,102	3.79	40,000	Shandong Weigao Group Medical Polymer Co Ltd Com CNY 0.10	38	0.13
Mexico							
Beverages							
7,500	Arca Continental SAB de CV Com NPV	44	0.15				

iShares MSCI Emerging Markets Islamic UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
People's Republic of China (cont)				Poland (cont)			
Integrated oil & gas				Electricity (cont)			
577,410	China Petroleum & Chemical Corp Com CNY 1.00	471	1.62	17,399	PGE SA Com PLN 10.00	102	0.35
480,000	PetroChina Co Ltd Com CNY 1.00	549	1.88	24,463	Tauron Polska Energia SA Com PLN 5.00	39	0.14
Machinery — diversified				Mining			
45,000	CSR Corp Ltd Com CNY 1.00	37	0.13	3,257	KGHM Polska Miedz SA Com PLN 10.00	131	0.45
65,100	Shanghai Electric Group Co Ltd Com CNY 1.00	23	0.08	Oil & gas			
Mining				7,462	Polski Koncern Naftowy Orlen SA Com PLN 1.25	105	0.36
31,900	Jiangxi Copper Co Ltd Com CNY 1.00	61	0.21	41,178	Polskie Gornictwo Naftowe i Gazownictwo SA Com PLN 1.00	76	0.26
20,500	Zhaojin Mining Industry Co Ltd Com CNY 1.00	17	0.06	Total Poland			
140,000	Zijin Mining Group Co Ltd Com CNY 0.10	32	0.11			513	1.76
Real estate investment & services				Republic of South Korea			
30,600	China Vanke Co Ltd Com CNY 1.00	52	0.18	Auto parts & equipment			
Total People's Republic of China				870	Halla Visteon Climate Control Corp Com KRW 500.00	32	0.11
		2,171	7.46	1,585	Hyundai Mobis Com KRW 5000.00	447	1.54
Peru				Automobiles			
Mining				6,130	Kia Motors Corp Com KRW 5000.00	356	1.22
4,427	Cia de Minas Buenaventura SAA ADR NPV	64	0.22	Broadline retailers			
Total Peru				483	E-Mart Co Ltd Com KRW 5000.00	114	0.39
		64	0.22	Chemicals			
Philippines				110	KCC Corp Com KRW 5000.00	44	0.15
Engineering & construction				1,079	LG Chem Ltd Com KRW 5000.00	305	1.05
17,940	DMCI Holdings Inc Com PHP 1.00	21	0.07	177	LG Chem Ltd Pref KRW 5000.00	22	0.08
Food				399	Lotte Chemical Corp Com KRW 5000.00	82	0.28
20,300	Universal Robina Corp Com PHP 1.00	60	0.21	388	OCI Co Ltd Com KRW 5000.00	70	0.24
Mobile telecommunications				Distribution & wholesale			
1,005	Philippine Long Distance Telephone Co Com PHP 5.00	67	0.23	2,907	Samsung C&T Corp Com KRW 5000.00	172	0.59
Retail				Electronic equipment			
9,740	Jollibee Foods Corp Com PHP 1.00	40	0.14	5,410	LG Display Co Ltd Com KRW 5000.00	127	0.44
Water				2,474	LG Electronics Inc Com KRW 5000.00	158	0.54
242,000	Metro Pacific Investments Corp Com PHP 1.00	27	0.09	1,390	Samsung Electro-Mechanics Co Ltd Com KRW 5000.00	107	0.37
Total Philippines				795	Samsung SDI Co Ltd Com KRW 5000.00	133	0.46
		215	0.74	Environmental control			
Poland				1,256	Coway Co Ltd Com KRW 500.00	71	0.24
Chemicals				Food products			
923	Grupa Azoty SA Com PLN 5.00	24	0.08	16	Lotte Confectionery Co Ltd Com KRW 5000.00	27	0.09
Coal				Home furnishings			
956	Jastrzebska Spolka Weglowa SA Com PLN 5.00	21	0.07	2,208	LG Corp Com KRW 5000.00	131	0.45
Electricity				Miscellaneous manufacturers			
3,081	Enea SA Com PLN 1.00	15	0.05	1,097	Cheil Industries Inc Com KRW 5000.00	93	0.32

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Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
Republic of South Korea (cont)			South Africa (cont)		
Mobile telecommunications			Containers & packaging		
225 SK Telecom Co Ltd Com KRW 500.00	48	0.17	13,792 Nampak Ltd Com ZAR 0.05	46	0.16
Oil & gas			Diversified industrials		
1,189 GS Holdings Com KRW 5000.00	66	0.23	5,108 Barloworld Ltd Com ZAR 0.05	46	0.16
1,047 S-Oil Corp Com KRW 2500.00	76	0.26	Food		
1,398 SK Innovation Co Ltd Com KRW 5000.00	196	0.67	6,862 Bidvest Group Ltd Com ZAR 0.05	184	0.63
Personal products			3,788 Tiger Brands Ltd Com ZAR 0.10	111	0.38
75 Amorepacific Corp Com KRW 5000.00	62	0.21	Furnishings		
65 Amorepacific Group Com KRW 5000.00	23	0.08	29,901 Steinhoff International Holdings Ltd Com ZAR 0.005	115	0.40
Pharmaceuticals			Health care services		
182 Yuhan Corp Com KRW 5000.00	32	0.11	21,821 Life Healthcare Group Holdings Ltd Com ZAR 0.000001	89	0.30
Platinum & precious metals			Iron & steel		
198 Korea Zinc Co Ltd Com KRW 5000.00	58	0.20	1,873 Kumba Iron Ore Ltd Com ZAR 0.0001	79	0.27
Total Republic of South Korea	3,052	10.49	Mining		
Russian Federation			2,508 African Rainbow Minerals Ltd Com ZAR 0.05	48	0.17
Chemicals			1,569 Anglo American Platinum Ltd Com ZAR 0.10	64	0.22
30,736 Uralkali OJSC Com RUB 0.50	163	0.56	8,927 AngloGold Ashanti Ltd Com ZAR 0.25	136	0.47
Electricity			812 Assore Ltd Com ZAR 0.005	33	0.11
7,326,896 Federal Grid Co Unified Energy System JSC Com RUB 0.50	23	0.08	17,211 Gold Fields Ltd Com ZAR 0.50	81	0.28
2,586,000 RusHydro JSC Com RUB 1.00	45	0.15	9,113 Harmony Gold Mining Co Ltd Com ZAR 0.50	32	0.11
Mining			12,501 Impala Platinum Holdings Ltd Com ZAR 0.025	152	0.52
5 MMC Norilsk Nickel OJSC ADR NPV*	-	0.00	7,121 Northam Platinum Ltd Com ZAR 0.0001	29	0.10
1,201 MMC Norilsk Nickel OJSC Com RUB 1.00	182	0.63	Mobile telecommunications		
Oil & gas			39,403 MTN Group Ltd Com ZAR 0.0001	785	2.70
272,613 Gazprom OAO Com RUB 5.00	1,276	4.38	8,654 Vodacom Group Ltd Com ZAR 0.01	99	0.34
11,679 Lukoil OAO Com RUB 0.025	765	2.63	Retail		
2,119 NovaTek OAO GDR NPV	297	1.02	5,552 Mr Price Group Ltd Com ZAR 0.00025	87	0.30
32,942 Tatneft OAO Com RUB 1.00	227	0.78	Total South Africa	2,907	9.99
Pipelines			Spain		
37 AK Transneft OAO Pref RUB 1.00	94	0.32	Building materials and fixtures		
Real estate investment & services			3,993 Cemex Latam Holdings SA Com COP 1.00	31	0.11
4,194 LSR Group GDR NPV	17	0.06	Total Spain	31	0.11
Utilities – electric			Taiwan		
48,561,591 Inter RAO JSC Com RUB 0.02809767	14	0.05	Apparel retailers		
Total Russian Federation	3,103	10.66	3,000 Eclat Textile Co Ltd Com TWD 10.00	33	0.11
South Africa			Automobiles		
Chemicals			13,000 China Motor Corp Com TWD 10.00	12	0.04
12,499 Sasol Ltd Com NPV	640	2.20	18,119 Yulon Motor Co Ltd Com TWD 10.00	32	0.11
Coal					
3,331 Exxaro Resources Ltd Com ZAR 0.01	51	0.17			

iShares MSCI Emerging Markets Islamic UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
Taiwan (cont)			Taiwan (cont)		
Chemicals			Semiconductors (cont)		
40,357 China Petrochemical Development Corp Com TWD 10.00	20	0.07	573,000 Taiwan Semiconductor Manufacturing Co Ltd Com TWD 10.00	2,125	7.31
74,844 Formosa Chemicals & Fibre Corp Com TWD 10.00	215	0.74	279,665 United Microelectronics Corp Com TWD 10.00	118	0.41
96,020 Formosa Plastics Corp Com TWD 10.00	259	0.89	Telecommunications		
111,292 Nan Ya Plastics Corp Com TWD 10.00	252	0.86	17,000 HTC Corp Com TWD 10.00	83	0.29
Clothing & accessories			Textile		
10,000 Ruentex Industries Ltd Com TWD 10.00	26	0.09	17,000 Formosa Taffeta Co Ltd Com TWD 10.00	21	0.07
Computer hardware			Total Taiwan	4,341	14.92
7,116 Advantech Co Ltd Com TWD 10.00	46	0.16			
15,681 Asustek Computer Inc Com TWD 10.00	120	0.41	Thailand		
Electrical components & equipment			Chemicals		
42,000 Delta Electronics Inc Com TWD 10.00	217	0.74	232,900 IRPC PCL Receipt THB 1.00	26	0.09
75,000 Walsin Lihwa Corp Com TWD 10.00	23	0.08	38,800 PTT Global Chemical PCL Receipt THB 10.00	97	0.33
Electronics			Health care services		
9,392 Cheng Uei Precision Industry Co Ltd Com TWD 10.00	20	0.07	7,200 Bangkok Dusit Medical Services PCL Receipt THB 1.00	31	0.11
9,320 Tripod Technology Corp Com TWD 10.00	18	0.06	Oil & gas		
31,040 Unimicron Technology Corp Com TWD 10.00	25	0.09	32,321 PTT Exploration & Production PCL Receipt THB 1.00	174	0.60
Fixed line telecommunications			19,974 PTT PCL Receipt THB 10.00	203	0.70
88,067 Chunghwa Telecom Co Ltd Com TWD 10.00	283	0.97	Retail		
Food			65,666 Home Product Center PCL Receipt THB 1.00	24	0.08
7,130 Standard Foods Corp Com TWD 10.00	22	0.08	Telecommunications		
Iron & steel			24,200 Advanced Info Service PCL Receipt THB 1.00	198	0.68
10,000 Feng Hsin Iron & Steel Co Com TWD 10.00	18	0.06	Total Thailand	753	2.59
Leisure time					
7,000 Giant Manufacturing Co Ltd Com TWD 10.00	52	0.18	Turkey		
Machinery – diversified			Food		
41,000 Teco Electric and Machinery Co Ltd Com TWD 10.00	44	0.15	4,944 BIM Birlesik Magazalar AS Com TRY 1.00	103	0.35
Pharmaceuticals			Heavy construction		
5,200 ScinoPharm Taiwan Ltd Com TWD 10.00	17	0.06	9,677 Enka Insaat ve Sanayi AS Com TRY 1.00	28	0.10
Recreational products			Oil & gas		
5,000 Merida Industry Co Ltd Com TWD 10.00	38	0.13	2,913 Tupras Turkiye Petrol Rafinerileri AS Com TRY 1.00	66	0.23
Retail			Real estate investment trusts		
48,000 Pou Chen Corp Com TWD 10.00	58	0.20	14,540 Emlak Konut Gayrimenkul Yatirim Ortakligi AS Reits TRY 0.01	21	0.07
Semiconductors			Total Turkey	218	0.75
19,000 Epistar Corp Com TWD 10.00	33	0.11			
15,000 Powertech Technology Inc Com TWD 10.00	27	0.09	Total equities	28,876	99.25
69,080 Siliconware Precision Industries Co Com TWD 10.00	84	0.29			

iShares MSCI Emerging Markets Islamic UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value
Total value of investments	28,876	99.25
Cash [†]	1,872	6.43
Other net liabilities	(1,722)	(5.92)
Net assets attributable to redeemable participating shareholders	29,026	99.76
Adjustment to align to the valuation methodology as set out in the prospectus	70	0.24
Net asset value attributable to redeemable participating shareholders at the end of the year	29,096	100.00

[†] Substantially all cash positions are held with State Street Bank and Trust Company.

* Investments which are less than \$500 have been rounded to zero.

Analysis of total current assets gross of all liabilities (unaudited)	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	28,876	92.61
Other assets	2,305	7.39
Total current assets	31,181	100.00

iShares MSCI Emerging Markets Islamic UCITS ETF

Schedule of material purchases and sales

For the year ended 31 October 2013

The 20 largest sales

Holding Investments	Proceeds \$'000
472,800 Hon Hai Precision Industry Co Ltd Com TWD 10.00	1,387
68,215 Enersis SA ADR NPV	1,138
230,000 Taiwan Semiconductor Manufacturing Co Ltd Com TWD 10.00	784
74,028 Gazprom OAO ADR NPV	634
12,398 Ecopetrol SA ADR NPV	579
15,529 Reliance Industries Ltd GDR NPV	459
181,000 CNOOC Ltd Com HKD 0.02	350
21,500 Vale SA Pref NPV	346
40,900 Petroleo Brasileiro SA Pref NPV	338
16,383 MTN Group Ltd Com ZAR 0.0001	318
36,697 Rosneft OAO GDR NPV	287
4,158 Lukoil OAO ADR RUB 0.025	272
212,000 PetroChina Co Ltd Com CNY 1.00	267
5,695 Sasol Ltd Com NPV	256
26,246 Ranbaxy Laboratories Ltd GDR NPV	239
12,900 Vale SA Com NPV	227
29,600 Petroleo Brasileiro SA Com NPV	223
5,355 Tatneft OAO ADR NPV	217
7,361 Uralkali OJSC GDR NPV	212
27,302 Wipro Ltd ADR NPV	205

The 20 largest purchases

Holding Investments	Cost \$'000
243,000 Taiwan Semiconductor Manufacturing Co Ltd Com TWD 10.00	839
23,918 Reliance Industries Ltd GDR NPV	699
249,000 Hon Hai Precision Industry Co Ltd Com TWD 10.00	681
151,961 Gazprom OAO Com RUB 5.00	626
31,223 Enersis SA ADR NPV	554
181,000 CNOOC Ltd Com HKD 0.02	367
41,100 Petroleo Brasileiro SA Pref NPV	363
5,787 Ecopetrol SA ADR NPV	329
19,500 Vale SA Pref NPV	310
16,261 MTN Group Ltd Com ZAR 0.0001	304
222,000 PetroChina Co Ltd Com CNY 1.00	280
32,600 Petroleo Brasileiro SA Com NPV	274
5,774 Sasol Ltd Com NPV	265
114,938 Ecopetrol SA Com COP 250.00	260
29,842 Gazprom OAO ADR NPV	260
40,752 Tatneft OAO Com RUB 1.00	259
268,000 China Petroleum & Chemical Corp Com CNY 1.00	255
47,000 Delta Electronics Inc Com TWD 10.00	219
13,400 Vale SA Com NPV	219
3,401 Lukoil OAO Com RUB 0.025	216

The UCITS notices issued by the Central Bank of Ireland require a Schedule of Portfolio changes during the year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the year is available, upon request, at no cost from the Administrator.

iShares MSCI Europe UCITS ETF (Inc)

Income statement

For the year ended 31 October 2013

	Notes	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Operating income	2	62,596	51,456
Net gains on financial assets/liabilities at fair value through profit or loss	3	333,444	126,871
Total gains		396,040	178,327
Operating expenses	4	(6,747)	(4,686)
Net operating profit		389,293	173,641
Finance costs:			
Distributions to redeemable participating shareholders	6	(52,474)	(45,129)
Interest expense	7	(19)	(4)
Total finance costs		(52,493)	(45,133)
Net profit for the financial year before tax		336,800	128,508
Non-reclaimable withholding tax		(2,548)	(995)
Net profit for the financial year after tax		334,252	127,513
Adjustment to align to the valuation methodology as set out in the prospectus	8	688	352
Increase in net assets attributable to redeemable participating shareholders from operations		334,940	127,865

There are no recognised gains or losses arising in the year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

Statement of changes in net assets attributable to redeemable participating shareholders

For the year ended 31 October 2013

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Net assets attributable to redeemable participating shareholders at the beginning of the year	1,741,920	998,980
Increase in net assets attributable to redeemable participating shareholders from operations	334,940	127,865
Share transactions:		
Proceeds from issue of redeemable participating shares	906,836	615,075
Payments on redemption of redeemable participating shares	(330,604)	–
Increase in net assets resulting from share transactions	576,232	615,075
Net assets attributable to redeemable participating shareholders at the end of the year	2,653,092	1,741,920

The accompanying notes form an integral part of these financial statements.

iShares MSCI Europe UCITS ETF (Inc)

Balance sheet

As at 31 October 2013

	Notes	31 October 2013 €'000	31 October 2012 €'000
CURRENT ASSETS			
Cash and cash equivalents		54,219	4,971
Margin cash account		714	766
Receivables	12	75,721	11,179
Financial assets at fair value through profit or loss	13	2,637,901	1,733,075
Total current assets		2,768,555	1,749,991
CURRENT LIABILITIES			
Margin cash account		(166)	(37)
Payables	14	(108,490)	(510)
Distributions payable to redeemable participating shareholders	6	(7,816)	(7,691)
Financial liabilities at fair value through profit or loss	13	-	(154)
Total current liabilities		(116,472)	(8,392)
Net assets attributable to redeemable participating shareholders		2,652,083	1,741,599
Adjustment to align to the valuation methodology as set out in the prospectus	8	1,009	321
Net asset value attributable to redeemable participating shareholders at the end of the year		2,653,092	1,741,920

The accompanying notes form an integral part of these financial statements. Details of the NAV per share are set out in note 11.

iShares MSCI Europe UCITS ETF (Inc)

Notes to the financial statements

For the year ended 31 October 2013

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 54 to 58. The financial instruments and risks are set out on pages 59 to 98. The notes relating to tax, soft commissions and exchange rates are set out in the notes on pages 101 to 109.

2. OPERATING INCOME

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Deposit interest income	24	9
Dividend income	61,018	49,641
Securities lending income	1,554	1,806
	62,596	51,456

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Net gains on investments in securities held at fair value through profit or loss	331,536	126,636
Net gains on futures contracts	2,117	122
Net (losses)/gains on other investments	(209)	113
	333,444	126,871

4. OPERATING EXPENSES

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Management fees	(6,747)	(4,686)
	(6,747)	(4,686)

5. MANAGEMENT FEES

Fees earned by the Manager during the year and balances outstanding as at 31 October 2013 and 31 October 2012 are disclosed in note 4 and note 14 respectively.

Please refer to page 101 for each Fund's management fee rate.

The Manager is responsible for discharging, from this fee, all fees of the Investment Manager, the Administrator and the Custodian and any distributing agent appointed by the distributor through whom the shares will be marketed, together with all reasonable out of pocket expenses of such service providers, (including sub-custodial fees and expenses, (which will be at normal commercial rates) and transaction related charges of the Administrator and Custodian). The Manager will also be responsible for discharging from its fee for each share class an attributable proportion of the organisational and operating expenses, including audit and Directors fees, of the Company. The fee will be accrued daily based on the daily net asset value of the share classes and will be paid monthly in arrears. Where the actual fees and costs incurred exceed the amount paid to the Manager, the excess will be discharged by the Manager from its own assets.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of Shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the year were as follows:

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
January 2012	-	5,329
April 2012	-	10,118
July 2012	-	25,314
October 2012	-	7,691
January 2013	5,717	-
April 2013	12,757	-
July 2013	26,611	-
October 2013	7,816	-
	52,901	48,452
Equalisation income	(2,060)	(3,323)
Equalisation expense	1,633	-
	52,474	45,129

7. INTEREST EXPENSE

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Bank interest	(19)	(4)
	(19)	(4)

iShares MSCI Europe UCITS ETF (Inc)

Notes to the financial statements (continued)

For the year ended 31 October 2013

8. ADJUSTMENT TO ALIGN TO THE VALUATION METHODOLOGY AS SET OUT IN THE PROSPECTUS

The adjustment between the financial statements net asset value and the valuation methodology set out in the prospectus is shown below:

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Balance brought forward	321	(31)
Adjustment to align to the valuation methodology as set out in the prospectus	688	352
Total adjustment for the year	688	352
Balance carried forward	1,009	321

Further details are set out in the accounting policies note m) on page 58.

9. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the years ended 31 October 2013 and 31 October 2012. Please refer to note 10 on page 103 for further details.

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Transactions costs	1,422	1,211

10. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 October 2013 No. of Shares	31 October 2012 No. of Shares
Number of redeemable participating shares:		
Balance at the beginning of year	102,000,000	64,600,000
Issued during the year	46,800,000	37,400,000
Redeemed during the year	(17,600,000)	-
Balance at the end of year	131,200,000	102,000,000

11. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	No. of Shares
Shares in issue	
As at 31 October 2013	131,200,000
As at 31 October 2012	102,000,000
As at 31 October 2011	64,600,000

	€'000
Net asset value	
As at 31 October 2013	2,653,092
As at 31 October 2012	1,741,920
As at 31 October 2011	998,980

Net asset value per share	
As at 31 October 2013	€20.22
As at 31 October 2012	€17.08
As at 31 October 2011	€15.46

12. RECEIVABLES

	31 October 2013 €'000	31 October 2012 €'000
Subscription for shares awaiting settlement	64,435	-
Dividend income receivable	1,361	1,464
Securities lending income receivable	17	72
Tax reclaim receivable	1,625	1,952
Distributions payable held with Registrar*	7,816	7,691
Other receivables	467	-
	75,721	11,179

* Further details are set out in note 12 on page 104.

13. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013 €'000	31 October 2012 €'000
Financial assets:		
Investment in equities	2,636,821	1,732,587
Investment in rights	623	483
Unrealised gains on futures contracts	457	5
	2,637,901	1,733,075
Financial liabilities:		
Unrealised losses on futures contracts	-	(154)
	-	(154)

iShares MSCI Europe UCITS ETF (Inc)

Notes to the financial statements (continued)

For the year ended 31 October 2013

14. PAYABLES

	31 October 2013 €'000	31 October 2012 €'000
Purchase of securities awaiting settlement	(107,250)	-
Management fees payable	(1,240)	(510)
	(108,490)	(510)

15. COMMITMENTS AND CONTINGENT LIABILITIES

As disclosed in note 22 on page 108 and in the Company's previous audited financial statements for the year ended 31 October 2012, iShares MSCI Europe UCITS ETF (Inc) is no longer eligible to be held by investors through a French plan d'épargne en actions ("PEA"). This decision was made due to the combined impact of currency fluctuations and changes in the components of the Fund's underlying benchmark which caused the Fund to risk ceasing to be eligible to be held through a PEA. As a result, shares in the Fund can no longer be held through a PEA, or there could be a risk of immediate closure of the entire PEA.

As at 31 October 2013, iShares MSCI Europe UCITS ETF (Inc) has a contingent liability to investors who held their shares in the Fund through a PEA. No provision has been recognised in the financial statements of the Company or the Fund due to the significant uncertainty that exists at the reporting date regarding the amount and timing of any payment or as to the necessity for the Fund to make any future payments regarding this.

16. RELATED PARTIES

The related parties are set out on pages 106 to 108.

17. EFFICIENT PORTFOLIO MANAGEMENT

The Company may, subject to the conditions and within the limits from time to time laid down by the Central Bank of Ireland and the prospectus, engage in securities lending and employ techniques and instruments relating to transferable securities for efficient portfolio management purposes.

During the year the Company engaged in securities lending. The Company receives either cash collateral or securities as collateral, as determined within the schedule, for a value in excess of the market value of the securities loaned. As at the 31 October 2013 the collateral consists of securities admitted to or dealt on a regulated market.

The collateral is registered and held in the name of BlackRock Advisors (UK) Limited on behalf of the Funds in any or all of the following collateral agents and central securities depositaries: JP Morgan Chase, Bank of New York Mellon Corporation, Euroclear or CREST, depending on the type of collateral the counterparty needs to give as per the schedule in order to cover the required value of exposure. Further details can be seen on page 81.

The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary.

The securities lending agent appointed pursuant to the stock lending agreement is BlackRock Advisors (UK) Limited. Securities lending income is split between the Fund and the securities lending agent in a ratio of 60:40 in favour of the Fund, with all operational costs borne out of the securities lending agents share.

	31 October 2013 €'000	31 October 2012 €'000
Income earned during year	1,554	1,806
Value of securities on loan at year end	79,887	58,473
Value of collateral held by the Company at year end	88,834	65,513

Please see note 18 for more information on financial derivative instruments.

18. FINANCIAL DERIVATIVE INSTRUMENTS

The Fund may buy and sell financial derivative instruments. See further details in the Fund's Schedule of Investments and note 3 to the financial statements.

19. SIGNIFICANT EVENTS DURING THE YEAR

Please refer to note 22 on pages 108 and 109.

20. SUBSEQUENT EVENTS

Please refer to note 23 on page 109.

iShares MSCI Europe UCITS ETF (Inc)

Schedule of investments

As at 31 October 2013

Holding	Investment	Fair value €'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market			
	Equities		
	Austria		
	Banks		
107,259	Erste Group Bank AG Com NPV	2,778	0.11
20,314	Raiffeisen Bank International AG Com NPV	549	0.02
	Electricity		
28,365	Verbund AG Com NPV	490	0.02
	Fixed line telecommunications		
91,678	Telekom Austria AG Com NPV	558	0.02
	Industrial machinery		
30,631	Andritz AG Com NPV	1,382	0.05
	Insurance		
15,882	Vienna Insurance Group AG Wiener Versicherung Gruppe Com NPV	620	0.02
	Integrated oil & gas		
61,727	OMV AG Com NPV	2,179	0.08
	Iron & steel		
46,547	Voestalpine AG Com NPV	1,622	0.06
	Real estate investment & services		
399,155	Immofinanz AG Com NPV	1,292	0.05
	Total Austria	11,470	0.43
	Belgium		
	Banks		
95,609	KBC Groep NV Com NPV	3,838	0.15
	Beverages		
338,385	Anheuser-Busch InBev NV Com NPV	25,920	0.98
	Broadcasting & entertainment		
21,790	Telenet Group Holding NV Com NPV	878	0.03
	Chemicals		
24,788	Solvay SA Com NPV	2,858	0.11
	Food		
31,561	Colruyt SA Com NPV	1,298	0.05
42,382	Delhaize Group SA Com NPV	1,995	0.08
	Holding companies - diversified operations		
33,552	Groupe Bruxelles Lambert SA Com NPV	2,207	0.08
	Insurance		
96,370	Ageas Com NPV	3,021	0.11
	Mining		
47,332	Umicore SA Com NPV	1,662	0.06

Holding	Investment	Fair value €'000	% of net asset value
	Belgium (cont)		
	Pharmaceuticals		
45,781	UCB SA Com NPV	2,217	0.08
	Telecommunications		
63,363	Belgacom SA Com NPV	1,277	0.05
	Total Belgium	47,171	1.78
	Bermuda		
	Oil & gas		
158,186	Seadrill Ltd Com USD 2.00	5,390	0.20
	Total Bermuda	5,390	0.20
	Denmark		
	Banks		
276,236	Danske Bank A/S Com DKK 10.00	4,752	0.18
	Beverages		
44,498	Carlsberg A/S Com DKK 20.00	3,272	0.12
	Chemicals		
95,733	Novozymes A/S Com DKK 2.00	2,757	0.11
	Healthcare products		
46,230	Coloplast A/S Com DKK 1.00	2,218	0.08
10,936	William Demant Holding A/S Com DKK 1.00	796	0.03
	Insurance		
10,305	Tryg A/S Com DKK 25.00	694	0.03
	Marine transportation		
573	AP Moeller - Maersk A/S Class 'B' Com DKK 1000.00	4,083	0.15
178	AP Moeller - Maersk A/S Com DKK 1000.00	1,185	0.05
	Pharmaceuticals		
167,468	Novo Nordisk A/S Com DKK 1.00	20,522	0.77
	Telecommunications		
308,848	TDC A/S Com DKK 1.00	2,046	0.08
	Transportation		
78,423	DSV A/S Com DKK 1.00	1,687	0.06
	Total Denmark	44,012	1.66
	Finland		
	Auto parts & equipment		
46,610	Nokian Renkaat Oyj Com NPV	1,737	0.07
	Banks		
57,537	Pohjola Bank Plc Com NPV	772	0.03
	Electricity		
185,183	Fortum Oyj Com EUR 3.40	3,037	0.11

iShares MSCI Europe UCITS ETF (Inc)

Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value €'000	% of net asset value	Holding	Investment	Fair value €'000	% of net asset value
Finland (cont)				France (cont)			
Food				Building materials and fixtures			
26,298	Kesko Oyj Com NPV	644	0.02	167,775	Cie de St-Gobain Com EUR 4.00	6,497	0.25
Forest products & paper				13,990	Imerys SA Com EUR 2.00	826	0.03
231,305	Stora Enso Oyj Com NPV	1,585	0.06	78,653	Lafarge SA Com EUR 4.00	4,010	0.15
218,513	UPM-Kymmene Oyj Com NPV	2,552	0.10	Chemicals			
Industrial machinery				131,157	Air Liquide SA Com EUR 5.50	13,155	0.50
65,614	Kone Oyj Com NPV	4,262	0.16	26,010	Arkema SA Com EUR 10.00	2,174	0.08
53,094	Metso Oyj Com NPV	1,539	0.06	Commercial services			
73,868	Wartsila Oyj Abp Com NPV	2,412	0.09	91,798	Bureau Veritas SA Com EUR 0.12	2,042	0.08
Insurance				84,545	Edenred Com EUR 2.00	2,114	0.08
176,583	Sampo Com NPV	6,161	0.23	39,274	Sodexo Com EUR 4.00	2,805	0.10
Integrated oil & gas				Computer services			
53,263	Neste Oil Oyj Com NPV	778	0.03	23,094	AtoS Com EUR 1.00	1,452	0.05
Pharmaceuticals				59,709	Cap Gemini SA Com EUR 8.00	2,889	0.11
40,138	Orion Oyj Com EUR 0.65	793	0.03	Defence			
Telecommunications				37,851	Thales SA Com EUR 3.00	1,705	0.06
58,800	Elisa Oyj Com NPV	1,079	0.04	Diversified financial services			
1,577,715	Nokia Oyj Com NPV	8,788	0.33	14,183	Eurazeo SA Com NPV	790	0.03
Total Finland				Electrical components & equipment			
		36,139	1.36	112,640	Legrand SA Com EUR 4.00	4,706	0.18
France				222,150	Schneider Electric SA Com EUR 4.00	13,780	0.52
Advertising				Electricity			
27,731	JCDecaux SA Com NPV	820	0.03	99,986	Electricite de France SA Com EUR 0.50	2,583	0.10
75,236	Publicis Groupe SA Com EUR 0.40	4,614	0.18	558,847	GDF Suez Com EUR 1.00	10,249	0.38
Aerospace				Electronics			
105,412	Safran SA Com EUR 0.20	4,960	0.19	93,785	Rexel SA Com EUR 5.00	1,727	0.07
14,356	Zodiac Aerospace Com NPV	1,691	0.06	Engineering & construction			
Apparel retailers				12,519	Aeroports de Paris Com EUR 3.00	984	0.03
22,707	Christian Dior SA Com EUR 2.00	3,177	0.12	80,946	Bouygues SA Com EUR 1.00	2,330	0.09
106,883	LVMH Moet Hennessy Louis Vuitton SA Com EUR 0.30	15,150	0.57	195,254	Vinci SA Com EUR 2.50	9,224	0.35
Auto manufacturers				Food			
81,028	Renault SA Com EUR 3.81	5,226	0.20	253,957	Carrefour SA Com EUR 2.50	6,851	0.26
Auto parts & equipment				23,489	Casino Guichard Perrachon SA Com EUR 1.53	1,944	0.07
76,849	Cie Generale des Etablissements Michelin Com EUR 2.00	5,919	0.22	240,826	Danone Com EUR 0.25	13,154	0.50
Banks				Healthcare products			
418,452	BNP Paribas SA Com EUR 2.00	22,818	0.86	85,872	Essilor International SA Com EUR 0.18	6,787	0.26
416,532	Credit Agricole SA Com EUR 3.00	3,705	0.14	Hotels			
384,891	Natixis Com EUR 1.60	1,525	0.06	66,160	Accor SA Com EUR 3.00	2,184	0.08
295,743	Societe Generale SA Com EUR 1.25	12,366	0.46	Insurance			
Beverages				755,440	AXA SA Com EUR 2.29	13,885	0.52
89,418	Pernod Ricard SA Com EUR 1.55	7,912	0.30	73,047	CNP Assurances Com EUR 1.00	948	0.04
10,552	Remy Cointreau SA Com EUR 1.60	767	0.03	63,740	SCOR SE Com EUR 7.876972	1,658	0.06

iShares MSCI Europe UCITS ETF (Inc)

Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value €'000	% of net asset value	Holding	Investment	Fair value €'000	% of net asset value
	France (cont)				Germany		
	Integrated oil & gas				Airlines		
901,459	Total SA Com EUR 2.50	40,750	1.54	96,460	Deutsche Lufthansa AG Com NPV	1,375	0.05
	Internet				Apparel retailers		
9,674	Iliad SA Com NPV	1,627	0.06	88,137	Adidas AG Com NPV	7,411	0.28
	Machinery – diversified			13,153	Hugo Boss AG Com NPV	1,265	0.05
89,824	Alstom SA Com EUR 7.00	2,461	0.09		Auto manufacturers		
	Media			139,435	Bayerische Motoren Werke AG Com EUR 1.00	11,650	0.44
46,389	Lagardere SCA Com EUR 6.10	1,238	0.05	22,292	Bayerische Motoren Werke AG Pref EUR 1.00	1,378	0.05
	Metal products			405,175	Daimler AG Com NPV	24,428	0.92
44,102	Vallourec SA Com EUR 2.00	1,933	0.07	64,560	Porsche Automobil Holding SE Pref NPV	4,467	0.17
	Nondurable household products			12,305	Volkswagen AG Com NPV	2,228	0.08
12,008	Societe BIC SA Com EUR 3.82	1,105	0.04	60,898	Volkswagen AG Pref NPV	11,421	0.43
	Oil equipment & services				Auto parts & equipment		
66,011	CGG SA Com EUR 0.40	1,069	0.04	47,184	Continental AG Com NPV	6,375	0.24
42,796	Technip SA Com EUR 0.7625	3,302	0.13		Banks		
	Personal products			403,305	Commerzbank AG Com NPV	3,823	0.14
101,877	L'Oreal SA Com EUR 0.20	12,852	0.48	429,335	Deutsche Bank AG Com NPV	15,293	0.58
	Pharmaceuticals				Building materials and fixtures		
501,613	Sanofi Com EUR 2.00	39,397	1.49	59,086	HeidelbergCement AG Com NPV	3,433	0.13
	Real estate investment trusts				Chemicals		
11,990	Fonciere Des Regions Reits EUR 3.00	756	0.03	386,790	BASF SE Com NPV	29,559	1.12
9,123	Gecina SA Reits EUR 7.50	896	0.03	21,440	Brenntag AG Com NPV	2,663	0.10
14,880	ICADE Reits NPV	1,004	0.04	72,174	K&S AG Com NPV	1,355	0.05
41,487	Klepierre Reits EUR 1.40	1,372	0.05	34,639	Lanxess AG Com NPV	1,796	0.07
40,777	Unibail-Rodamco SE Reits EUR 5.00	7,868	0.30	77,981	Linde AG Com NPV	10,925	0.41
	Retail				Diversified financial services		
31,913	Kering Com EUR 4.00	5,341	0.20	80,481	Deutsche Boerse AG Com NPV	4,459	0.17
	Software				Electrical components & equipment		
26,063	Dassault Systemes SA Com EUR 1.00	2,330	0.09	34,774	OSRAM Licht AG Com NPV	1,324	0.05
	Specialty finance				Electricity		
13,317	Wendel SA Com EUR 4.00	1,368	0.05	758,343	E.ON SE Com NPV	10,211	0.38
	Telecommunications			222,028	RWE AG Com NPV	6,030	0.23
59,526	Eutelsat Communications SA Com EUR 1.00	1,390	0.05		Engineering & construction		
780,831	Orange SA Com EUR 4.00	7,894	0.30	15,219	Fraport AG Frankfurt Airport Services Worldwide Com NPV	867	0.03
502,463	Vivendi SA Com EUR 5.50	9,376	0.35	12,667	Hochtief AG Com NPV	846	0.03
	Transportation				Food		
228,458	Groupe Eurotunnel SA Com EUR 0.40	1,630	0.06	33,958	Suedzucker AG Com NPV	806	0.03
	Water				Food retailers and wholesalers		
116,582	Suez Environnement Co Com EUR 4.00	1,499	0.05	53,870	Metro AG Com NPV	1,860	0.07
141,181	Veolia Environnement SA Com EUR 5.00	1,781	0.07				
	Total France	374,342	14.11				

iShares MSCI Europe UCITS ETF (Inc)

Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value €'000	% of net asset value	Holding	Investment	Fair value €'000	% of net asset value
	Germany (cont)				Greece		
	Health care providers				Entertainment		
90,971	Fresenius Medical Care AG & Co KGaA Com NPV	4,428	0.17	92,397	OPAP SA Com EUR 0.30	846	0.03
52,564	Fresenius SE & Co KGaA Com NPV	5,033	0.19		Telecommunications		
	Holding companies – diversified operations			102,394	Hellenic Telecommunications Organization SA Com EUR 2.39	944	0.04
76,032	GEA Group AG Com NPV	2,438	0.09		Total Greece	1,790	0.07
	Insurance						
191,969	Allianz SE Com NPV	23,737	0.89		Guernsey		
25,065	Hannover Rueck SE Com NPV	1,480	0.06		Insurance		
75,471	Muenchener Rueckversicherungs AG Com NPV	11,615	0.44	591,313	Resolution Ltd Com NPV	2,497	0.09
	Internet				Total Guernsey	2,497	0.09
44,418	United Internet AG Com NPV	1,293	0.05				
	Iron & steel				Ireland		
160,889	ThyssenKrupp AG Com NPV	3,030	0.11		Airlines		
	Machinery – diversified			70,723	Ryanair Holdings Plc Com EUR 0.00635	431	0.02
14,241	MAN SE Com NPV	1,264	0.05		Banks		
	Media			8,772,957	Bank of Ireland Com EUR 0.05	2,342	0.09
16,423	Axel Springer AG Com EUR 1.00	728	0.03		Building materials and fixtures		
168	Kabel Deutschland Holding AG Com NPV	15	0.00	307,507	CRH Plc Com EUR 0.32	5,535	0.21
43,454	ProSiebenSat.1 Media AG Com NPV	1,520	0.06		Food		
	Miscellaneous manufacturers			62,057	Kerry Group Plc Com EUR 0.125	2,923	0.11
333,873	Siemens AG Com NPV	31,384	1.18		Pharmaceuticals		
	Mobile telecommunications			201,198	Elan Corp Plc Com EUR 0.05	2,461	0.09
1,182,817	Deutsche Telekom AG Com NPV	13,703	0.52		Total Ireland	13,692	0.52
	Nondurable household products						
120,960	Henkel AG & Co KGaA Pref NPV	9,643	0.36		Italy		
	Oil & gas				Alternative energy		
14,831	Fuchs Petrolub SE Pref NPV	881	0.03	727,347	Enel Green Power SpA Com EUR 0.20	1,300	0.05
	Personal products				Auto manufacturers		
41,883	Beiersdorf AG Com NPV	2,945	0.11	367,281	Fiat SpA Com EUR 3.58	2,125	0.08
	Pharmaceuticals				Banks		
348,226	Bayer AG Com NPV	31,807	1.20	2,668,790	Banca Monte dei Paschi di Siena SpA Com NPV	622	0.02
35,452	Celesio AG Com NPV	814	0.03	4,897,800	Intesa Sanpaolo SpA Com EUR 0.52	8,953	0.34
27,105	Merck KGaA Com NPV	3,320	0.12	214,807	Mediobanca SpA Com EUR 0.50	1,443	0.06
	Semiconductors			1,828,486	UniCredit SpA Com NPV	10,121	0.38
451,699	Infineon Technologies AG Com NPV	3,217	0.12	355,296	Unione di Banche Italiane SCPA Com EUR 2.50	1,810	0.07
	Software				Commercial services		
388,030	SAP AG Com NPV	22,440	0.85	137,613	Atlantia SpA Com EUR 1.00	2,222	0.08
	Telecommunications				Defence		
116,083	Telefonica Deutschland Holding AG Com NPV	672	0.03	168,213	Finmeccanica SpA Com EUR 4.40	909	0.03
	Transportation				Electrical components & equipment		
381,797	Deutsche Post AG Com NPV	9,495	0.36	84,555	Prysmian SpA Com EUR 0.10	1,521	0.06
	Total Germany	354,150	13.35				

iShares MSCI Europe UCITS ETF (Inc)

Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value €'000	% of net asset value	Holding	Investment	Fair value €'000	% of net asset value
Italy (cont)				Luxembourg (cont)			
Electricity				Iron & steel			
2,771,816	Enel SpA Com EUR 1.00	8,997	0.34	420,949	ArcelorMittal Com NPV	4,898	0.19
627,002	Terna Rete Elettrica Nazionale SpA Com EUR 0.22	2,284	0.09	Metal fabricate/ hardware			
Fixed line telecommunications				198,979	Tenaris SA Com USD 1.00	3,438	0.13
2,504,708	Telecom Italia SpA Misc EUR 0.55	1,438	0.05	Oil & gas services			
Gas distribution				109,539	Subsea 7 SA Com USD 2.00	1,705	0.06
843,870	Snam SpA Com NPV	3,200	0.12	Telecommunications			
Healthcare products				28,113	Millicom International Cellular SA Receipt USD 1.50	1,903	0.07
70,211	Luxottica Group SpA Com EUR 0.06	2,808	0.11	Total Luxembourg			
Holding companies - diversified operations						14,655	0.55
43,968	Exor SpA Com EUR 1.00	1,283	0.05	Netherlands			
Insurance				Aerospace			
491,883	Assicurazioni Generali SpA Com EUR 1.00	8,470	0.32	245,026	European Aeronautic Defence and Space Co NV Com EUR 1.00	12,391	0.47
Integrated oil & gas				Beverages			
1,071,227	Eni SpA Com NPV	19,936	0.75	42,057	Heineken Holding NV Com EUR 1.60	1,972	0.07
Oil & gas services				96,997	Heineken NV Com EUR 1.60	4,937	0.19
110,458	Saipem SpA Com EUR 1.00	1,906	0.07	Chemicals			
Telecommunications				101,202	Akzo Nobel NV Com EUR 2.00	5,419	0.20
4,185,234	Telecom Italia SpA Com EUR 0.55	2,999	0.11	64,839	Koninklijke DSM NV Com EUR 1.50	3,618	0.14
Tyres				37,770	OCI Com EUR 1.00	1,061	0.04
98,953	Pirelli & C. SpA Com NPV	1,025	0.04	Commercial services			
Total Italy				52,479	Randstad Holding NV Com EUR 0.10	2,385	0.09
		85,372	3.22	Electronic equipment			
Jersey				32,870	Gemalto NV Com EUR 1.00	2,715	0.10
Advertising				Electronics			
558,691	WPP Plc Com GBP 0.10	8,748	0.33	403,087	Koninklijke Philips NV Com EUR 0.20	10,511	0.40
Commercial services				Engineering & construction			
425,341	Experian Plc Com USD 0.10	6,379	0.24	31,971	Koninklijke Boskalis Westminster NV Com EUR 0.80	1,134	0.04
Distribution & wholesale				Food			
115,604	Wolseley Plc Com GBP 0.1045455	4,589	0.17	424,739	Koninklijke Ahold NV Com EUR 0.30	5,953	0.23
Mining				685,968	Unilever NV CVS EUR 0.16	20,009	0.75
4,513,125	Glencore Xstrata Plc Com USD 0.01	18,131	0.68	Healthcare products			
36,650	Randgold Resources Ltd Com USD 0.05	2,009	0.08	98,137	Qiagen NV Com EUR 0.01	1,659	0.06
Oil & gas services				Insurance			
107,776	Petrofac Ltd Com USD 0.02	1,862	0.07	749,819	Aegon NV Com EUR 0.12	4,397	0.16
Pharmaceuticals				78,818	Delta Lloyd NV Com EUR 0.20	1,234	0.05
232,331	Shire Plc Com GBP 0.05	7,553	0.29	1,613,254	ING Groep NV CVS EUR 0.24	15,132	0.57
Total Jersey				Machinery – diversified			
		49,271	1.86	398,128	CNH Industrial NV Com EUR 0.01	3,468	0.13
Luxembourg				Marine transportation			
Broadcasting & entertainment				29,269	Koninklijke Vopak NV Com EUR 0.50	1,325	0.05
126,617	SES SA Receipt NPV	2,711	0.10				

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Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value €'000	% of net asset value	Holding Investment	Fair value €'000	% of net asset value
Netherlands (cont)			Portugal (cont)		
Media			Integrated oil & gas		
291,746 Reed Elsevier NV Com EUR 0.07	4,328	0.16	151,788 Galp Energia SGPS SA Com EUR 1.00	1,894	0.07
125,637 Wolters Kluwer NV Com EUR 0.12	2,508	0.10	Telecommunications		
Oil equipment & services			263,909 Portugal Telecom SGPS SA Com EUR 0.03	876	0.03
29,324 Fugro NV CVS EUR 0.05	1,351	0.05	Total Portugal	7,191	0.27
Real estate investment trusts					
28,117 Corio NV Reits EUR 10.00	904	0.04	Spain		
Semiconductors			Airlines		
150,519 ASML Holding NV Com EUR 0.09	10,523	0.39	386,097 International Consolidated Airlines Group SA Com EUR 0.50	1,583	0.06
264,959 STMicroelectronics NV Com EUR 1.04	1,506	0.06	Apparel retailers		
Telecommunications			91,825 Inditex SA Com EUR 0.15	11,111	0.42
1,339,627 Koninklijke KPN NV Com EUR 0.24	3,152	0.12	Banks		
63,025 Ziggo NV Com EUR 1.00	1,992	0.07	2,358,040 Banco Bilbao Vizcaya Argentaria SA Com EUR 0.49	20,336	0.77
Transportation			1,288,186 Banco de Sabadell SA Com EUR 0.125	2,433	0.09
147,693 TNT Express NV Com EUR 0.08	1,003	0.04	543,463 Banco Popular Espanol SA Com EUR 0.50	2,278	0.09
Total Netherlands	126,587	4.77	4,708,043 Banco Santander SA Com EUR 0.50	30,781	1.16
Norway			1,676,598 Bankia SA Com EUR 1.00	1,848	0.07
Banks			504,307 CaixaBank Com EUR 1.00	1,931	0.07
411,718 DNB ASA Com NOK 10.00	5,372	0.20	Commercial services		
Chemicals			161,511 Abertis Infraestructuras SA Com EUR 3.00	2,550	0.10
77,026 Yara International ASA Com NOK 1.70	2,448	0.09	Electricity		
Engineering & construction			1,997,766 Iberdrola SA Com EUR 0.75	9,246	0.35
68,465 Aker Solutions ASA Com NOK 1.66	697	0.03	34,080 Red Electrica Corp SA Com EUR 2.00	1,564	0.06
Industrial metals & mining			Engineering & construction		
386,941 Norsk Hydro ASA Com NOK 1.098	1,272	0.05	167,776 Ferrovial SA Com EUR 0.20	2,357	0.09
Insurance			Food		
83,083 Gjensidige Forsikring ASA Com NOK 2.00	1,141	0.04	253,534 Distribuidora Internacional de Alimentacion SA Com EUR 0.01	1,704	0.06
Miscellaneous manufacturers			Gas distribution		
318,830 Orkla ASA Com NOK 1.25	1,902	0.07	60,564 Enagas SA Com EUR 1.50	1,191	0.04
Mobile telecommunications			145,962 Gas Natural SDG SA Com EUR 1.00	2,535	0.10
295,801 Telenor ASA Com NOK 6.00	5,231	0.20	Heavy construction		
Oil & gas			10,930 Acciona SA Com EUR 1.00	510	0.02
469,972 Statoil ASA Com NOK 2.50	8,195	0.31	62,127 ACS Actividades de Construcción y Servicios SA Com EUR 0.50	1,502	0.05
Total Norway	26,258	0.99	Insurance		
Portugal			320,517 Mapfre SA Com EUR 0.10	950	0.04
Banks			Integrated oil & gas		
751,932 Banco Espirito Santo SA Com NPV	732	0.03	360,227 Repsol SA Com EUR 1.00	7,118	0.27
Electricity			Machinery – diversified		
834,757 EDP - Energias de Portugal SA Com EUR 1.00	2,264	0.09	66,326 Zardoya Otis SA Com EUR 0.10	848	0.03
Food					
104,715 Jeronimo Martins SGPS SA Com EUR 1.00	1,425	0.05			

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Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value €'000	% of net asset value	Holding	Investment	Fair value €'000	% of net asset value
	Spain (cont)				Sweden (cont)		
	Pharmaceuticals				Mining		
61,937	Grifols SA Com EUR 0.50	1,869	0.07	113,512	Boliden AB Com SEK 2.11	1,190	0.04
	Software				Miscellaneous manufacturers		
160,276	Amadeus IT Holding SA Com EUR 0.01	4,384	0.16	130,707	Alfa Laval AB Com NPV	2,199	0.08
	Telecommunications				Oil & gas		
1,724,826	Telefonica SA Com EUR 1.00	22,388	0.84	92,878	Lundin Petroleum AB Com SEK 0.01	1,413	0.05
	Total Spain	133,017	5.01		Specialty finance		
				95,535	Investment AB Kinnevik Com NPV	2,592	0.10
	Sweden			191,911	Investor AB Com NPV	4,542	0.17
	Apparel retailers			79,382	Ratos AB Com NPV	506	0.02
399,840	Hennes & Mauritz AB Com NPV	12,726	0.48		Telecommunications		
	Banks			133,334	Tele2 AB Com SEK 1.25	1,185	0.04
1,208,568	Nordea Bank AB Com NPV	11,402	0.43	1,281,562	Telefonaktiebolaget LM Ericsson Com NPV	11,268	0.43
639,935	Skandinaviska Enskilda Banken AB Com NPV	5,710	0.22	1,003,282	TeliaSonera AB Com NPV	6,124	0.23
210,182	Svenska Handelsbanken AB Com NPV	7,015	0.26		Tobacco		
381,531	Swedbank AB Com NPV	7,329	0.28	85,212	Swedish Match AB Com NPV	2,071	0.08
	Commercial services				Total Sweden	124,423	4.69
130,228	Securitas AB Com SEK 1.00	1,095	0.04				
	Commercial vehicles & trucks				Switzerland		
133,072	Scania AB Com NPV	1,966	0.07		Banks		
638,340	Volvo AB Com NPV	6,041	0.23	1,263	Banque Cantonale Vaudoise Com CHF 10.00	517	0.02
	Engineering & construction			630,947	Credit Suisse Group AG Com CHF 0.04	14,468	0.55
157,998	Skanska AB Com NPV	2,241	0.08	1,535,053	UBS AG Com CHF 0.10	21,896	0.82
	Forest products & paper				Beverages		
245,400	Svenska Cellulosa AB SCA Com NPV	5,133	0.19	84,432	Coca-Cola HBC AG Com CHF 6.70	1,796	0.07
	Hand & machine tools				Biotechnology		
449,147	Sandvik AB Com NPV	4,478	0.17	22,214	Lonza Group AG Com CHF 1.00	1,462	0.05
	Healthcare products				Building materials and fixtures		
153,365	Elektro AB Com SEK 0.50	1,667	0.06	16,197	Geberit AG Com CHF 0.10	3,569	0.14
83,152	Getinge AB Com NPV	1,941	0.08	96,427	Holcim Ltd Com CHF 2.00	5,291	0.20
	Holding companies - diversified operations			843	Sika AG Com CHF 0.60	1,959	0.07
51,798	Industrivarden AB Com NPV	680	0.03		Chemicals		
	Household goods & home construction			3,437	EMS-Chemie Holding AG Com CHF 0.01	923	0.04
100,235	Electrolux AB Com NPV	1,823	0.07	3,422	Givaudan SA Com CHF 10.00	3,575	0.13
170,865	Husqvarna AB Com NPV	740	0.03		Commercial services		
	Machinery – diversified			55,577	Adecco SA Com CHF 1.00	3,020	0.11
164,110	Atlas Copco AB Class 'B' Com NPV	3,009	0.11	2,376	SGS SA Com CHF 1.00	4,101	0.16
282,879	Atlas Copco AB Com NPV	5,781	0.22		Diversified financial services		
98,916	Hexagon AB Com SEK 2.00	2,187	0.08	93,067	Julius Baer Group Ltd Com CHF 0.02	3,368	0.13
	Metal fabricate/ hardware			7,215	Partners Group Holding AG Com CHF 0.01	1,376	0.05
140,780	Assa Abloy AB Com NPV	5,142	0.20		Engineering & construction		
165,356	SKF AB Com SEK 2.50	3,227	0.12	926,016	ABB Ltd Com CHF 1.03	17,428	0.66

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Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value €'000	% of net asset value	Holding Investment	Fair value €'000	% of net asset value
Switzerland (cont)			United Kingdom		
Food products			Aerospace		
35,999 Arysza AG Com CHF 0.02	1,980	0.08	448,653 Cobham Plc Com GBP 0.025	1,527	0.06
848 Barry Callebaut AG Com CHF 18.60	647	0.02	326,081 Meggitt Plc Com GBP 0.05	2,206	0.08
427 Lindt & Spruengli AG Com CHF 10.00	1,328	0.05	791,801 Rolls-Royce Holdings Plc Com GBP 0.20	10,761	0.41
33 Lindt & Spruengli AG Com CHF 100.00	1,223	0.05	57,274,968 Rolls-Royce Holdings Plc Pref GBP 0.001	68	0.00
1,357,934 Nestle SA Com CHF 0.10	72,249	2.72	Airlines		
Hand & machine tools			65,990 easyJet Plc Com GBP 0.2728571	1,021	0.04
8,981 Schindler Holding AG Class 'B' Com CHF 0.10	941	0.03	Apparel retailers		
20,251 Schindler Holding AG Com CHF 0.10	2,117	0.08	186,398 Burberry Group Plc Com GBP 0.0005	3,379	0.13
Healthcare products			66,927 Next Plc Com GBP 0.10	4,303	0.16
20,963 Sonova Holding AG Com CHF 0.05	2,009	0.08	Auto parts		
Insurance			680,880 GKN Plc Com GBP 0.10	2,957	0.11
19,689 Baloise Holding AG Com CHF 0.10	1,686	0.07	Banks		
13,294 Swiss Life Holding AG Com CHF 5.10	1,946	0.07	6,442,790 Barclays Plc Com GBP 0.25	20,066	0.76
148,342 Swiss Re AG Com CHF 0.10	9,603	0.36	7,853,901 HSBC Holdings Plc Com USD 0.50	63,308	2.38
62,399 Zurich Insurance Group AG Com CHF 0.10	12,712	0.48	19,503,134 Lloyds Banking Group Plc Com GBP 0.10	17,867	0.67
Marine transportation			903,474 Royal Bank of Scotland Group Plc Com GBP 1.00	3,922	0.15
22,419 Kuehne & Nagel International AG Com CHF 1.00	2,089	0.08	1,019,930 Standard Chartered Plc Com USD 0.50	18,074	0.68
Miscellaneous manufacturers			Beverages		
9,981 Sulzer AG Com CHF 0.01	1,151	0.04	1,057,141 Diageo Plc Com GBP 0.2893518	24,823	0.93
Oil & gas			405,138 SABMiller Plc Com USD 0.10	15,580	0.59
151,877 Transocean Ltd Com CHF 15.00	5,290	0.20	Broadline retailers		
Pharmaceuticals			680,807 Marks & Spencer Group Plc Com GBP 0.25	4,047	0.15
45,184 Actelion Ltd Com CHF 0.50	2,578	0.10	Chemicals		
968,665 Novartis AG Com CHF 0.50	55,433	2.09	85,373 Johnson Matthey Plc Com GBP 1.047619	3,031	0.11
295,846 Roche Holding AG Com NPV	60,366	2.27	Commercial services		
Real estate investment & services			112,021 Aggreko Plc Com GBP 0.1370839	2,127	0.08
22,254 Swiss Prime Site AG Com CHF 15.30	1,244	0.05	149,685 Babcock International Group Plc Com GBP 0.60	2,252	0.08
Retail			139,183 Bunzl Plc Com GBP 0.3214286	2,263	0.09
219,215 Cie Financiere Richemont SA Com CHF 1.00	16,560	0.62	277,365 Capita Plc Com GBP 0.020667	3,229	0.12
18,134 Swatch Group AG Com CHF 0.45	1,489	0.06	586,403 G4S Plc Com GBP 0.25	1,812	0.07
13,014 Swatch Group AG Com CHF 2.25	6,137	0.23	67,415 Intertek Group Plc Com GBP 0.01	2,650	0.10
Specialty chemicals			207,290 Serco Group Plc Com GBP 0.02	1,364	0.05
39,232 Syngenta AG Com CHF 0.10	11,676	0.44	Containers & packaging		
Specialty finance			329,432 Rexam Plc Com GBP 0.7142857	2,020	0.08
11,265 Pargesa Holding SA Com CHF 20.00	659	0.02	Defence		
Telecommunications			1,361,647 BAE Systems Plc Com GBP 0.025	7,317	0.28
9,742 Swisscom AG Com CHF 1.00	3,658	0.14			
Total Switzerland	361,520	13.63			

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Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value €'000	% of net asset value	Holding	Investment	Fair value €'000	% of net asset value
United Kingdom (cont)				United Kingdom (cont)			
Diversified financial services				Insurance (cont)			
398,731	Aberdeen Asset Management Plc Com GBP 0.10	2,087	0.08	1,536,976	RSA Insurance Group Plc Com GBP 0.275	2,331	0.09
88,603	Hargreaves Lansdown Plc Com GBP 0.004	1,245	0.05	993,663	Standard Life Plc Com GBP 0.10	4,132	0.16
228,525	ICAP Plc Com GBP 0.10	1,040	0.04	Integrated oil & gas			
239,097	Investec Plc Com GBP 0.0002	1,233	0.04	123,578	AMEC Plc Com GBP 0.50	1,717	0.06
74,048	London Stock Exchange Group Plc Com GBP 0.06918605	1,437	0.05	1,433,428	BG Group Plc Com GBP 0.10	21,573	0.81
2,062,312	Old Mutual Plc Com GBP 0.1142857	4,955	0.19	7,990,241	BP Plc Com USD 0.25	45,574	1.72
42,282	Schroders Plc Com GBP 1.00	1,289	0.05	1,076,079	Royal Dutch Shell Plc Class 'B' Com EUR 0.07	27,462	1.04
Electricity				1,601,206	Royal Dutch Shell Plc Com EUR 0.07	39,292	1.48
406,515	SSE Plc Com GBP 0.50	6,798	0.26	Leisure time			
Food				77,050	Carnival Plc Com USD 1.66	2,025	0.08
149,812	Associated British Foods Plc Com GBP 0.0568	4,013	0.15	184,899	TUI Travel Plc Com GBP 0.001	841	0.03
519,084	J Sainsbury Plc Com GBP 0.285714	2,420	0.09	Media			
194,536	Tate & Lyle Plc Com GBP 0.25	1,818	0.07	437,247	British Sky Broadcasting Group Plc Com GBP 0.50	4,844	0.18
3,404,121	Tesco Plc Com GBP 0.05	14,651	0.55	1,575,264	ITV Plc Com GBP 0.10	3,550	0.14
540,491	Unilever Plc Com GBP 0.0311	16,122	0.61	344,258	Pearson Plc Com GBP 0.25	5,305	0.20
917,919	WM Morrison Supermarkets Plc Com GBP 0.10	3,054	0.12	496,455	Reed Elsevier Plc Com GBP 0.144397	5,122	0.19
Gambling				Mining			
358,817	William Hill Plc Com GBP 0.10	1,699	0.06	586,952	Anglo American Plc Com USD 0.54945	10,300	0.39
Gas distribution				163,829	Antofagasta Plc Com GBP 0.05	1,655	0.06
2,177,996	Centrica Plc Com GBP 0.061728	9,093	0.34	889,482	BHP Billiton Plc Com USD 0.50	20,293	0.77
1,544,625	National Grid Plc Com GBP 0.1139535	14,311	0.54	77,945	Fresnillo Plc Com USD 0.50	898	0.03
Healthcare products				535,338	Rio Tinto Plc Com GBP 0.10	19,976	0.75
378,024	Smith & Nephew Plc Com USD 0.20	3,558	0.13	37,928	Vedanta Resources Plc Com USD 0.10	476	0.02
Home construction				Miscellaneous manufacturers			
125,945	Persimmon Plc Com GBP 0.10	1,883	0.07	274,800	Invensys Plc Com GBP 0.125	1,633	0.06
Hotels				526,847	Melrose Industries Plc Com GBP 0.001	1,994	0.08
112,050	InterContinental Hotels Group Plc Com GBP 0.1458967	2,406	0.09	163,430	Smiths Group Plc Com GBP 0.375	2,768	0.10
75,050	Whitbread Plc Com GBP 0.767974	3,045	0.12	Mobile telecommunications			
Industrial machinery				186,014	Inmarsat Plc Com EUR 0.0005	1,584	0.06
133,710	IMI Plc Com GBP 0.25	2,400	0.09	20,479,358	Vodafone Group Plc Com USD 0.1142857	54,333	2.05
88,814	Weir Group Plc Com GBP 0.125	2,367	0.09	Nondurable household products			
Insurance				272,396	Reckitt Benckiser Group Plc Com GBP 0.10	15,600	0.59
79,473	Admiral Group Plc Com GBP 0.001	1,200	0.05	Oil & gas			
1,241,528	Aviva Plc Com GBP 0.25	6,589	0.25	382,731	Tullow Oil Plc Com GBP 0.10	4,261	0.16
343,102	Direct Line Insurance Group Plc Com GBP 0.10	912	0.03	Pharmaceuticals			
2,490,792	Legal & General Group Plc Com GBP 0.025	6,367	0.24	527,563	AstraZeneca Plc Com USD 0.25	20,627	0.78
1,077,862	Prudential Plc Com GBP 0.05	16,292	0.61	2,075,733	GlaxoSmithKline Plc Com GBP 0.25	40,315	1.52
				Real estate investment trusts			
				397,539	British Land Co Plc Reits GBP 0.25	2,920	0.11
				295,963	Hammerson Plc Reits GBP 0.25	1,850	0.07

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Schedule of investments (continued)

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Holding Investment	Fair value €'000	% of net asset value
United Kingdom (cont)		
Real estate investment trusts (cont)		
278,523 Intu Properties Plc Reits GBP 0.50	1,131	0.04
326,077 Land Securities Group Plc Reits GBP 0.10	3,807	0.14
308,622 Segro Plc Reits GBP 0.10	1,190	0.05
Restaurants & bars		
762,887 Compass Group Plc Com GBP 0.10	8,087	0.30
Retail		
999,828 Kingfisher Plc Com GBP 0.157143	4,460	0.17
101,901 Travis Perkins Plc Com GBP 0.10	2,234	0.08
Semiconductors		
588,876 ARM Holdings Plc Com GBP 0.0005	6,855	0.26
Software		
467,666 Sage Group Plc Com GBP 0.01051948	1,863	0.07
Specialty chemicals		
56,823 Croda International Plc Com GBP 0.10	1,636	0.06
Specialty finance		
403,404 3i Group Plc Com GBP 0.738636	1,778	0.07
Telecommunications		
3,318,474 BT Group Plc Com GBP 0.05	14,784	0.56
Tobacco		
806,950 British American Tobacco Plc Com GBP 0.25	32,766	1.24
408,916 Imperial Tobacco Group Plc Com GBP 0.10	11,255	0.42
Water		
98,982 Severn Trent Plc Com GBP 0.9789	2,172	0.08
282,132 United Utilities Group Plc Com GBP 0.05	2,347	0.09
Total United Kingdom	817,874	30.83
Total equities	2,636,821	99.39
Rights		
Spain		
3,944,763 Banco Santander SA - Rights 1 November 2013	623	0.02
Total Spain	623	0.02
Total rights	623	0.02

Holding Investment	Fair value €'000	% of net asset value	
Financial derivative instruments			
Futures contracts			
No. of contracts	Underlying exposure €'000	Unrealised gain €'000	% of net asset value
256 Euro Stoxx 50 Index Futures December 2013	7,506	325	0.02
53 FTSE 100 Index Futures December 2013	4,108	94	0.00
27 Swiss Market Index Futures December 2013	1,772	38	0.00
Total unrealised gains on futures contracts		457	0.02
Total value of investments		2,637,901	99.43
Cash [†]		54,767	2.06
Other net liabilities		(40,585)	(1.53)
Net assets attributable to redeemable participating shareholders		2,652,083	99.96
Adjustment to align to the valuation methodology as set out in the prospectus		1,009	0.04
Net asset value attributable to redeemable participating shareholders at the end of the year		2,653,092	100.00

[†] Cash holdings of €54,219,442 are held with State Street Bank and Trust Company. €547,649 is held as security for futures contracts with Barclays Plc.

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

Analysis of total current assets gross of all liabilities (unaudited)	Fair value €'000	% of total current assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	2,637,444	95.26
Exchange traded financial derivative instruments	457	0.02
Other assets	130,654	4.72
Total current assets	2,768,555	100.00

iShares MSCI Europe UCITS ETF (Inc)

Schedule of material purchases and sales

For the year ended 31 October 2013

The 20 largest sales		The 20 largest purchases	
Holding Investments	Proceeds €'000	Holding Investments	Cost €'000
222,067 Nestle SA Com CHF 0.10	11,783	487,829 Nestle SA Com CHF 0.10	25,514
1,092,339 HSBC Holdings Plc Com USD 0.50	9,074	2,934,775 HSBC Holdings Plc Com USD 0.50	23,951
42,865 Roche Holding AG Com NPV	8,138	106,153 Roche Holding AG Com NPV	20,346
140,419 Novartis AG Com CHF 0.50	7,892	347,702 Novartis AG Com CHF 0.50	19,310
3,151,673 Vodafone Group Plc Com USD 0.1142857	7,254	7,296,696 Vodafone Group Plc Com USD 0.1142857	17,716
333,581 GlaxoSmithKline Plc Com GBP 0.25	6,585	2,816,119 BP Plc Com USD 0.25	15,050
1,123,681 BP Plc Com USD 0.25	6,139	594,984 Royal Dutch Shell Plc Com EUR 0.07	14,938
71,769 Sanofi Com EUR 2.00	5,968	748,974 GlaxoSmithKline Plc Com GBP 0.25	14,052
216,767 Royal Dutch Shell Plc Com EUR 0.07	5,615	326,873 Total SA Com EUR 2.50	13,831
125,689 British American Tobacco Plc Com GBP 0.25	5,371	179,866 Sanofi Com EUR 2.00	13,557
65,917 Siemens AG Com NPV	5,307	1,984,342 Banco Santander SA Com EUR 0.50	11,927
129,577 Total SA Com EUR 2.50	4,970	285,276 British American Tobacco Plc Com GBP 0.25	11,462
177,841 Royal Dutch Shell Plc Class 'B' Com EUR 0.07	4,733	127,443 Siemens AG Com NPV	11,106
50,516 Bayer AG Com NPV	4,078	125,033 Bayer AG Com NPV	10,660
56,099 BASF SE Com NPV	3,957	138,871 BASF SE Com NPV	10,113
48,811 Anheuser-Busch InBev NV Com NPV	3,678	378,714 Royal Dutch Shell Plc Class 'B' Com EUR 0.07	9,903
103,460 Rio Tinto Plc Com GBP 0.10	3,658	121,491 Anheuser-Busch InBev NV Com NPV	8,908
150,970 Diageo Plc Com GBP 0.28935185	3,526	378,859 Diageo Plc Com GBP 0.28935185	8,901
638,431 Banco Santander SA Com EUR 0.50	3,494	157,880 Daimler AG Com NPV	8,445
26,591 Novo Nordisk A/S Com DKK 1.00	3,476	164,733 BNP Paribas SA Com EUR 2.00	8,032

The UCITS notices issued by the Central Bank of Ireland require a Schedule of Portfolio changes during the year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the year is available, upon request, at no cost from the Administrator.

iShares MSCI Turkey UCITS ETF

Income statement

For the year ended 31 October 2013

	Notes	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Operating income	2	6,261	5,861
Net (losses)/gains on financial assets/liabilities at fair value through profit or loss	3	(16,347)	60,564
Total (losses)/gains		(10,086)	66,425
Operating expenses	4	(2,195)	(1,577)
Net operating (loss)/profit		(12,281)	64,848
Finance costs:			
Distributions to redeemable participating shareholders	6	(2,777)	(3,546)
Interest expense	7	(5)	(18)
Total finance costs		(2,782)	(3,564)
Net (loss)/profit for the financial year before tax		(15,063)	61,284
Non-reclaimable withholding tax		(573)	(657)
Net (loss)/profit for the financial year after tax		(15,636)	60,627
Adjustment to align to the valuation methodology as set out in the prospectus	8	280	338
(Decrease)/increase in net assets attributable to redeemable participating shareholders from operations		(15,356)	60,965

There are no recognised gains or losses arising in the year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

Statement of changes in net assets attributable to redeemable participating shareholders

For the year ended 31 October 2013

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the year	262,399	162,777
(Decrease)/increase in net assets attributable to redeemable participating shareholders from operations	(15,356)	60,965
Share transactions:		
Proceeds from issue of redeemable participating shares	205,054	115,815
Payments on redemption of redeemable participating shares	(73,319)	(77,158)
Increase in net assets resulting from share transactions	131,735	38,657
Net assets attributable to redeemable participating shareholders at the end of the year	378,778	262,399

The accompanying notes form an integral part of these financial statements.

iShares MSCI Turkey UCITS ETF

Balance sheet

As at 31 October 2013

	Notes	31 October 2013 \$'000	31 October 2012 \$'000
CURRENT ASSETS			
Cash and cash equivalents		968	217
Margin cash account		54	-
Receivables	12	1,842	3,073
Financial assets at fair value through profit or loss	13	376,998	261,340
Total current assets		379,862	264,630
CURRENT LIABILITIES			
Payables	14	(420)	(160)
Distributions payable to redeemable participating shareholders	6	(1,800)	(2,941)
Financial liabilities at fair value through profit or loss	13	(14)	-
Total current liabilities		(2,234)	(3,101)
Net assets attributable to redeemable participating shareholders		377,628	261,529
Adjustment to align to the valuation methodology as set out in the prospectus	8	1,150	870
Net asset value attributable to redeemable participating shareholders at the end of the year		378,778	262,399

The accompanying notes form an integral part of these financial statements. Details of the NAV per share are set out in note 11.

iShares MSCI Turkey UCITS ETF

Notes to the financial statements

For the year ended 31 October 2013

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 54 to 58. The financial instruments and risks are set out on pages 59 to 98. The notes relating to tax, soft commissions and exchange rates are set out in the notes on pages 101 to 109.

2. OPERATING INCOME

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Deposit interest income	-	2
Dividend income	5,849	5,482
Securities lending income	412	377
	6,261	5,861

3. NET (LOSSES)/GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net (losses)/gains on investments in securities held at fair value through profit or loss	(16,235)	60,357
Net (losses)/gains on futures contracts	(76)	265
Net losses on other investments	(36)	(58)
	(16,347)	60,564

4. OPERATING EXPENSES

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Management fees	(2,195)	(1,577)
	(2,195)	(1,577)

5. MANAGEMENT FEES

Fees earned by the Manager during the year and balances outstanding as at 31 October 2013 and 31 October 2012 are disclosed in note 4 and note 14 respectively.

Please refer to page 101 for each Fund's management fee rate.

The Manager is responsible for discharging, from this fee, all fees of the Investment Manager, the Administrator and the Custodian and any distributing agent appointed by the distributor through whom the shares will be marketed, together with all reasonable out of pocket expenses of such service providers, (including sub-custodial fees and expenses, (which will be at normal commercial rates) and transaction related charges of the Administrator and Custodian). The Manager will also be responsible for discharging from its fee for each share class an attributable proportion of the organisational and operating expenses, including audit and Directors fees, of the Company. The fee will be accrued daily based on the daily net asset value of the share classes and will be paid monthly in arrears. Where the actual fees and costs incurred exceed the amount paid to the Manager, the excess will be discharged by the Manager from its own assets.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of Shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the year were as follows:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
April 2012	-	384
October 2012	-	2,941
April 2013	1,762	-
October 2013	1,800	-
	3,562	3,325
Equalisation income	(930)	(779)
Equalisation expense	145	1,000
	2,777	3,546

7. INTEREST EXPENSE

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Bank interest	(5)	(18)
	(5)	(18)

iShares MSCI Turkey UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

8. ADJUSTMENT TO ALIGN TO THE VALUATION METHODOLOGY AS SET OUT IN THE PROSPECTUS

The adjustment between the financial statements net asset value and the valuation methodology set out in the prospectus is shown below:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Balance brought forward	870	532
Adjustment to align to the valuation methodology as set out in the prospectus	280	338
Total adjustment for the year	280	338
Balance carried forward	1,150	870

Further details are set out in the accounting policies note m) on page 58.

9. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the years ended 31 October 2013 and 31 October 2012. Please refer to note 10 on page 103 for further details.

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Transactions costs	105	118

10. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 October 2013 No. of Shares	31 October 2012 No. of Shares
Number of redeemable participating shares:		
Balance at the beginning of year	6,700,000	5,400,000
Issued during the year	5,300,000	3,800,000
Redeemed during the year	(1,800,000)	(2,500,000)
Balance at the end of year	10,200,000	6,700,000

11. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	No. of Shares
Shares in issue	
As at 31 October 2013	10,200,000
As at 31 October 2012	6,700,000
As at 31 October 2011	5,400,000

	\$'000
Net asset value	
As at 31 October 2013	378,778
As at 31 October 2012	262,399
As at 31 October 2011	162,777

Net asset value per share	
As at 31 October 2013	\$37.14
As at 31 October 2012	\$39.16
As at 31 October 2011	\$30.14

12. RECEIVABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Dividend income receivable	-	97
Securities lending income receivable	42	35
Distributions payable held with Registrar*	1,800	2,941
	1,842	3,073

* Further details are set out in note 12 on page 104.

13. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013 \$'000	31 October 2012 \$'000
Financial assets:		
Investment in equities	376,998	261,340
	376,998	261,340
Financial liabilities:		
Unrealised losses on futures contracts	(14)	-
	(14)	-

iShares MSCI Turkey UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

14. PAYABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Management fees payable	(420)	(160)
	(420)	(160)

15. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the years ended 31 October 2013 and 31 October 2012 other than those disclosed in note 17 on page 105.

16. RELATED PARTIES

The related parties are set out on pages 106 to 108.

17. EFFICIENT PORTFOLIO MANAGEMENT

The Company may, subject to the conditions and within the limits from time to time laid down by the Central Bank of Ireland and the prospectus, engage in securities lending and employ techniques and instruments relating to transferable securities for efficient portfolio management purposes.

During the year the Company engaged in securities lending. The Company receives either cash collateral or securities as collateral, as determined within the schedule, for a value in excess of the market value of the securities loaned. As at the 31 October 2013 the collateral consists of securities admitted to or dealt on a regulated market.

The collateral is registered and held in the name of BlackRock Advisors (UK) Limited on behalf of the Funds in any or all of the following collateral agents and central securities depositories: JP Morgan Chase, Bank of New York Mellon Corporation, Euroclear or CREST, depending on the type of collateral the counterparty needs to give as per the schedule in order to cover the required value of exposure. Further details can be seen on page 81.

The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary.

The securities lending agent appointed pursuant to the stock lending agreement is BlackRock Advisors (UK) Limited. Securities lending income is split between the Fund and the securities lending agent in a ratio of 60:40 in favour of the Fund, with all operational costs borne out of the securities lending agents share.

	31 October 2013 \$'000	31 October 2012 \$'000
Income earned during year	412	377
Value of securities on loan at year end	96,681	26,540
Value of collateral held by the Company at year end	110,608	31,484

Please see note 18 for more information on financial derivative instruments.

18. FINANCIAL DERIVATIVE INSTRUMENTS

The Fund may buy and sell financial derivative instruments. See further details in the Fund's Schedule of Investments and note 3 to the financial statements.

19. SIGNIFICANT EVENTS DURING THE YEAR

Please refer to note 22 on pages 108 and 109.

20. SUBSEQUENT EVENTS

Please refer to note 23 on page 109.

iShares MSCI Turkey UCITS ETF

Schedule of investments

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market			
	Equities		
	Turkey		
	Airlines		
3,112,786	Turk Hava Yollari Com TRY 1.00	12,218	3.23
	Auto manufacturers		
395,766	Ford Otomotiv Sanayi AS Com TRY 1.00	5,483	1.44
704,885	Tofas Turk Otomobil Fabrikasi AS Com TRY 1.00	4,688	1.24
	Banks		
10,150,407	Akbank TAS Com TRY 1.00	39,842	10.52
13,026,357	Turkiye Garanti Bankasi AS Com TRY 1.00	52,570	13.88
3,524,451	Turkiye Halk Bankasi AS Com TRY 1.00	28,571	7.54
8,881,553	Turkiye Is Bankasi Com TRY 1.00	24,341	6.42
4,229,333	Turkiye Vakiflar Bankasi Tao Com TRY 1.00	10,190	2.69
4,902,707	Yapi ve Kredi Bankasi AS Com TRY 1.00	11,394	3.01
	Beverages		
1,168,633	Anadolu Efes Biracilik Ve Malt Sanayii AS Com TRY 1.00	14,723	3.89
358,608	Coca-Cola Icecek AS Com TRY 1.00	10,260	2.71
	Engineering & construction		
921,862	TAV Havalimanlari Holding AS Com TRY 1.00	6,663	1.76
	Fixed line telecommunications		
2,565,796	Turk Telekomunikasyon AS Com TRY 1.00	8,835	2.33
4,342,117	Turkcell Iletisim Hizmetleri AS Com TRY 1.00	27,026	7.14
	Food		
1,198,120	BIM Birlesik Magazalar AS Com TRY 1.00	24,958	6.59
	Heavy construction		
2,345,883	Enka Insaat ve Sanayi AS Com TRY 1.00	6,877	1.81
	Home furnishings		
1,333,682	Arcelik AS Com TRY 1.00	8,468	2.24
	Household products		
2,657,717	Turkiye Sise ve Cam Fabrikalari AS Com TRY 1.00	3,922	1.03
	Iron & steel		
7,894,758	Eregli Demir ve Celik Fabrikalari TAS Com TRY 1.00	10,937	2.89
	Mining		
257,985	Koza Altin Isletmeleri AS Com TRY 1.00	4,584	1.21
	Oil & gas		
706,075	Tupras Turkiye Petrol Rafinerileri AS Com TRY 1.00	15,984	4.22
	Real estate investment trusts		
3,524,451	Emlak Konut Gayrimenkul Yatirim Ortakligi AS Reits TRY 0.01	5,024	1.33

Holding Investment	Fair value \$'000	% of net asset value	
Turkey (cont)			
Specialty finance			
4,602,426 Haci Omer Sabanci Holding AS Com TRY 1.00	21,854	5.77	
3,575,055 KOC Holding AS Com TRY 1.00	17,586	4.64	
Total Turkey	376,998	99.53	
Total equities	376,998	99.53	
Financial derivative instruments			
Futures contracts			
No. of contracts	Underlying exposure \$'000	Unrealised loss \$'000	% of net asset value
100 BIST 30 Index Futures December 2013	492	(14)	(0.00)
Total unrealised losses on futures contracts		(14)	(0.00)
Total value of investments		376,984	99.53
Cash [†]		1,022	0.27
Other net liabilities		(378)	(0.10)
Net assets attributable to redeemable participating shareholders		377,628	99.70
Adjustment to align to the valuation methodology as set out in the prospectus		1,150	0.30
Net asset value attributable to redeemable participating shareholders at the end of the year		378,778	100.00

[†] Cash holdings of \$968,312 are held with State Street Bank and Trust Company. \$53,946 is held as security for futures contracts with Barclays Plc.

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

Analysis of total current assets gross of all liabilities (unaudited)	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	376,998	99.25
Other assets	2,864	0.75
Total current assets	379,862	100.00

iShares MSCI Turkey UCITS ETF

Schedule of material purchases and sales

For the year ended 31 October 2013

The 20 largest sales		The 20 largest purchases	
Holding Investments	Proceeds \$'000	Holding Investments	Cost \$'000
2,787,839 Turkiye Garanti Bankasi AS Com TRY 1.00	13,207	6,810,582 Turkiye Garanti Bankasi AS Com TRY 1.00	30,131
2,172,341 Akbank TAS Com TRY 1.00	10,076	2,944,425 Turkiye Halk Bankasi AS Com TRY 1.00	25,818
1,900,785 Turkiye Is Bankasi Com TRY 1.00	6,262	5,306,945 Akbank TAS Com TRY 1.00	22,645
637,995 Turkiye Halk Bankasi AS Com TRY 1.00	5,993	4,643,551 Turkiye Is Bankasi Com TRY 1.00	14,201
163,433 BIM Birlesik Magazalar AS Com TRY 1.00	5,850	494,853 BIM Birlesik Magazalar AS Com TRY 1.00	13,939
929,280 Turkcell Iletisim Hizmetleri AS Com TRY 1.00	5,688	2,270,192 Turkcell Iletisim Hizmetleri AS Com TRY 1.00	13,778
984,989 Haci Omer Sabanci Holding AS Com TRY 1.00	5,352	2,406,288 Haci Omer Sabanci Holding AS Com TRY 1.00	12,921
765,118 KOC Holding AS Com TRY 1.00	3,903	1,869,151 KOC Holding AS Com TRY 1.00	9,391
151,111 Tupras Turkiye Petrol Rafinerileri AS Com TRY 1.00	3,831	369,160 Tupras Turkiye Petrol Rafinerileri AS Com TRY 1.00	8,811
856,166 Turk Telekomunikasyon AS Com TRY 1.00	3,328	618,564 Anadolu Efes Biracilik Ve Malt Sanayii AS Com TRY 1.00	8,237
239,209 Anadolu Efes Biracilik Ve Malt Sanayii AS Com TRY 1.00	3,304	2,563,288 Yapi ve Kredi Bankasi AS Com TRY 1.00	6,476
1,049,254 Yapi ve Kredi Bankasi AS Com TRY 1.00	2,828	5,161,545 Eregli Demir ve Celik Fabrikalari TAS Com TRY 1.00	6,077
905,144 Turkiye Vakiflar Bankasi Tao Com TRY 1.00	2,465	1,534,449 Turk Hava Yollari Com TRY 1.00	6,067
2,256,083 Asya Katilim Bankasi AS Com TRY 1.00	2,403	2,211,226 Turkiye Vakiflar Bankasi Tao Com TRY 1.00	5,919
603,149 Turk Hava Yollari Com TRY 1.00	2,233	1,375,686 Turk Telekomunikasyon AS Com TRY 1.00	5,182
76,240 Coca-Cola Icecek AS Com TRY 1.00	1,832	821,906 Tofas Turk Otomobil Fabrikasi AS Com TRY 1.00	5,147
283,547 Arcelik AS Com TRY 1.00	1,804	186,985 Coca-Cola Icecek AS Com TRY 1.00	4,959
1,327,071 Eregli Demir ve Celik Fabrikalari TAS Com TRY 1.00	1,684	695,411 Arcelik AS Com TRY 1.00	4,395
453,636 Enka Insaat ve Sanayi AS Com TRY 1.00	1,308	1,182,240 Enka Insaat ve Sanayi AS Com TRY 1.00	3,365
749,315 Emlak Konut Gayrimenkul Yatirim Ortakligi AS Reits TRY 0.01	1,190	480,681 TAV Havalimanlari Holding AS Com TRY 1.00	3,083

The UCITS notices issued by the Central Bank of Ireland require a Schedule of Portfolio changes during the year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the year is available, upon request, at no cost from the Administrator.

iShares MSCI USA Islamic UCITS ETF

Income statement

For the year ended 31 October 2013

	Notes	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Operating income	2	571	539
Net gains on financial assets/liabilities at fair value through profit or loss	3	5,111	1,968
Total gains		5,682	2,507
Operating expenses	4	(126)	(111)
Net operating profit		5,556	2,396
Finance costs:			
Distributions to redeemable participating shareholders	6	(354)	(348)
Total finance costs		(354)	(348)
Net profit for the financial year before tax		5,202	2,048
Non-reclaimable withholding tax		(82)	(79)
Net profit for the financial year after tax		5,120	1,969
Adjustment to align to the valuation methodology as set out in the prospectus	7	(6)	2
Increase in net assets attributable to redeemable participating shareholders from operations		5,114	1,971

There are no recognised gains or losses arising in the year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

Statement of changes in net assets attributable to redeemable participating shareholders

For the year ended 31 October 2013

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the year	21,049	24,299
Increase in net assets attributable to redeemable participating shareholders from operations	5,114	1,971
Share transactions:		
Proceeds from issue of redeemable participating shares	11,371	-
Payments on redemption of redeemable participating shares	(8,379)	(5,221)
Increase/(decrease) in net assets resulting from share transactions	2,992	(5,221)
Net assets attributable to redeemable participating shareholders at the end of the year	29,155	21,049

The accompanying notes form an integral part of these financial statements.

iShares MSCI USA Islamic UCITS ETF

Balance sheet

As at 31 October 2013

	Notes	31 October 2013 \$'000	31 October 2012 \$'000
CURRENT ASSETS			
Cash and cash equivalents		139	46
Receivables	11	217	191
Financial assets at fair value through profit or loss	12	29,011	20,981
Total current assets		29,367	21,218
CURRENT LIABILITIES			
Payables	13	(24)	(9)
Distributions payable to redeemable participating shareholders	6	(184)	(162)
Total current liabilities		(208)	(171)
Net assets attributable to redeemable participating shareholders		29,159	21,047
Adjustment to align to the valuation methodology as set out in the prospectus	7	(4)	2
Net asset value attributable to redeemable participating shareholders at the end of the year		29,155	21,049

The accompanying notes form an integral part of these financial statements. Details of the NAV per share are set out in note 10.

iShares MSCI USA Islamic UCITS ETF

Notes to the financial statements

For the year ended 31 October 2013

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 54 to 58. The financial instruments and risks are set out on pages 59 to 98. The notes relating to tax, soft commissions and exchange rates are set out in the notes on pages 101 to 109.

2. OPERATING INCOME

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Dividend income	571	539
	571	539

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net gains on investments in securities held at fair value through profit or loss	5,111	1,968
	5,111	1,968

4. OPERATING EXPENSES

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Management fees	(126)	(111)
	(126)	(111)

5. MANAGEMENT FEES

Fees earned by the Manager during the year and balances outstanding as at 31 October 2013 and 31 October 2012 are disclosed in note 4 and note 13 respectively.

Please refer to page 101 for each Fund's management fee rate.

The Manager is responsible for discharging, from this fee, all fees of the Investment Manager, the Administrator and the Custodian and any distributing agent appointed by the distributor through whom the shares will be marketed, together with all reasonable out of pocket expenses of such service providers, (including sub-custodial fees and expenses, (which will be at normal commercial rates) and transaction related charges of the Administrator and Custodian). The Manager will also be responsible for discharging from its fee for each share class an attributable proportion of the organisational and operating expenses, including audit and Directors fees, of the Company. The fee will be accrued daily based on the daily net asset value of the share classes and will be paid monthly in arrears. Where the actual fees and costs incurred exceed the amount paid to the Manager, the excess will be discharged by the Manager from its own assets.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of Shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the year were as follows:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
April 2012	-	156
October 2012	-	162
April 2013	195	-
October 2013	184	-
	379	318
Equalisation income	(65)	-
Equalisation expense	40	30
	354	348

iShares MSCI USA Islamic UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

7. ADJUSTMENT TO ALIGN TO THE VALUATION METHODOLOGY AS SET OUT IN THE PROSPECTUS

The adjustment between the financial statements net asset value and the valuation methodology set out in the prospectus is shown below:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Balance brought forward	2	-
Adjustment to align to the valuation methodology as set out in the prospectus	(6)	2
Total adjustment for the year	(6)	2
Balance carried forward	(4)	2

Further details are set out in the accounting policies note m) on page 58.

8. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the years ended 31 October 2013 and 31 October 2012. Please refer to note 10 on page 103 for further details.

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Transactions costs	3	3

9. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 October 2013 No. of Shares	31 October 2012 No. of Shares
Number of redeemable participating shares:		
Balance at the beginning of year	800,000	1,000,000
Issued during the year	400,000	-
Redeemed during the year	(300,000)	(200,000)
Balance at the end of year	900,000	800,000

10. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	No. of Shares
Shares in issue	
As at 31 October 2013	900,000
As at 31 October 2012	800,000
As at 31 October 2011	1,000,000

	\$'000
Net asset value	
As at 31 October 2013	29,155
As at 31 October 2012	21,049
As at 31 October 2011	24,299

Net asset value per share	
As at 31 October 2013	\$32.39
As at 31 October 2012	\$26.31
As at 31 October 2011	\$24.30

11. RECEIVABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Dividend income receivable	33	29
Distributions payable held with Registrar*	184	162
	217	191

* Further details are set out in note 12 on page 104.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013 \$'000	31 October 2012 \$'000
Financial assets:		
Investment in equities	29,011	20,981
	29,011	20,981

13. PAYABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Management fees payable	(24)	(9)
	(24)	(9)

iShares MSCI USA Islamic UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

14. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the years ended 31 October 2013 and 31 October 2012 other than those disclosed in note 17 on page 105.

15. RELATED PARTIES

The related parties are set out on pages 106 to 108.

16. FINANCIAL DERIVATIVE INSTRUMENTS

The Fund may buy and sell financial derivative instruments. See further details in the Fund's Schedule of Investments and note 3 to the financial statements.

17. SIGNIFICANT EVENTS DURING THE YEAR

Please refer to note 22 on pages 108 and 109.

18. SUBSEQUENT EVENTS

Please refer to note 23 on page 109.

iShares MSCI USA Islamic UCITS ETF

Schedule of investments

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market		
Equities		
Bermuda		
Agriculture		
656 Bunge Ltd Com USD 0.01	54	0.18
Total Bermuda	54	0.18
Curacao		
Oil & gas services		
5,911 Schlumberger Ltd Com USD 0.01	554	1.90
Total Curacao	554	1.90
Ireland		
Computers		
1,420 Seagate Technology Plc Com USD 0.00001	69	0.24
Healthcare products		
2,083 Covidien Plc Com USD 0.20	134	0.46
Miscellaneous manufacturers		
2,096 Eaton Corp Plc Com USD 0.01	148	0.50
1,333 Ingersoll-Rand Plc Com USD 1.00	90	0.31
Total Ireland	441	1.51
Jersey		
Auto parts & equipment		
1,320 Delphi Automotive Plc Com USD 0.01	76	0.26
Total Jersey	76	0.26
Netherlands		
Chemicals		
1,913 LyondellBasell Industries NV Com USD 0.01	143	0.49
Total Netherlands	143	0.49
Switzerland		
Electronic equipment		
523 Garmin Ltd Com CHF 10.00	24	0.08
1,842 TE Connectivity Ltd Com CHF 0.57	95	0.33
2,053 Tyco International Ltd Com CHF 6.70	75	0.26
Miscellaneous manufacturers		
915 Pentair Ltd Com USD 0.167	61	0.21
Oil & gas		
1,130 Noble Corp Com CHF 3.15	43	0.14
Total Switzerland	298	1.02

Holding Investment	Fair value \$'000	% of net asset value
United Kingdom		
Oil & gas		
1,039 Ensco Plc Com USD 0.10	60	0.20
534 Rowan Cos Plc Com USD 0.125	19	0.07
Total United Kingdom	79	0.27
United States		
Agriculture		
2,914 Archer-Daniels-Midland Co Com NPV	119	0.41
Airlines		
929 Delta Air Lines Inc Com USD 0.0001	25	0.08
816 Southwest Airlines Co Com USD 1.00	14	0.05
Apparel retailers		
1,254 Coach Inc Com USD 0.01	63	0.22
448 Dick's Sporting Goods Inc Com USD 0.01	24	0.08
1,331 Gap Inc Com USD 0.05	49	0.17
931 Kohl's Corp Com USD 0.01	53	0.18
272 Ralph Lauren Corp Com USD 0.01	45	0.15
980 Ross Stores Inc Com USD 0.01	76	0.26
3,193 TJX Cos Inc Com USD 1.00	194	0.67
270 Ulta Salon Cosmetics & Fragrance Inc Com USD 0.01	35	0.12
356 Under Armour Inc Com USD 0.000333	29	0.10
389 VF Corp Com NPV	84	0.29
Auto parts & equipment		
427 Autoliv Inc Com USD 1.00	38	0.13
516 BorgWarner Inc Com USD 0.01	53	0.18
3,032 Johnson Controls Inc Com USD 0.01388	140	0.48
522 TRW Automotive Holdings Corp Com USD 0.01	39	0.14
Automobiles		
3,344 General Motors Co Com USD 0.01	124	0.42
Beverages		
910 Dr Pepper Snapple Group Inc Com USD 0.01	43	0.15
566 Green Mountain Coffee Roasters Inc Com USD 0.10	36	0.12
Biotechnology		
1,052 Biogen Idec Inc Com USD 0.0005	257	0.88
1,854 Celgene Corp Com USD 0.01	275	0.94
769 Life Technologies Corp Com USD 0.01	58	0.20
Broadline retailers		
992 Dollar Tree Inc Com USD 0.01	58	0.20
524 Urban Outfitters Inc Com USD 0.0001	20	0.07

iShares MSCI USA Islamic UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
United States (cont)			United States (cont)		
Chemicals			Electricity (cont)		
392 Albemarle Corp Com USD 0.01	26	0.09	354 Integrys Energy Group Inc Com USD 1.00	21	0.07
335 Ashland Inc Com USD 1.00	31	0.11	795 MDU Resources Group Inc Com USD 1.00	24	0.08
5,371 Dow Chemical Co Com USD 2.50	212	0.73	1,973 PG&E Corp Com NPV	82	0.28
4,098 El du Pont de Nemours & Co Com USD 0.30	251	0.86	490 Pinnacle West Capital Corp Com NPV	27	0.09
598 FMC Corp Com USD 0.10	43	0.15	2,257 Public Service Enterprise Group Inc Com NPV	76	0.26
2,376 Monsanto Co Com USD 0.01	249	0.85	Electronics		
1,325 Mosaic Co Com USD 0.01	61	0.21	1,537 Agilent Technologies Inc Com USD 0.01	78	0.27
391 Sherwin-Williams Co Com USD 1.00	74	0.25	3,191 Emerson Electric Co Com USD 0.50	214	0.73
537 Sigma-Aldrich Corp Com USD 1.00	46	0.16	612 FLIR Systems Inc Com USD 0.01	17	0.06
Coal			1,590 Thermo Fisher Scientific Inc Com USD 1.00	156	0.53
1,020 Consol Energy Inc Com USD 0.01	37	0.13	1,124 Trimble Navigation Ltd Com NPV	32	0.11
Commercial services			Engineering & construction		
927 ADT Corp Com USD 0.01	40	0.14	727 Fluor Corp Com USD 0.01	54	0.19
2,151 Automatic Data Processing Inc Com USD 0.10	161	0.55	Fixed line telecommunications		
934 Quanta Services Inc Com USD 0.00001	28	0.09	23,903 AT&T Inc Com USD 1.00	865	2.97
751 Total System Services Inc Com USD 0.10	23	0.08	Food		
Computers			478 JM Smucker Co Com NPV	53	0.18
9,348 EMC Corp Com USD 0.01	225	0.77	533 McCormick & Co Inc Com NPV	37	0.13
8,629 Hewlett-Packard Co Com USD 0.01	210	0.72	7,550 Mondelez International Inc Com NPV	254	0.87
258 IHS Inc Com USD 0.01	28	0.10	2,648 Sysco Corp Com USD 1.00	86	0.29
4,681 International Business Machines Corp Com USD 0.20	840	2.88	Forest products & paper		
685 Synopsys Inc Com USD 0.01	25	0.08	789 MeadWestvaco Corp Com USD 0.01	27	0.09
702 Teradata Corp Com USD 0.01	31	0.11	Hand & machine tools		
935 Western Digital Corp Com USD 0.01	65	0.22	686 Stanley Black & Decker Inc Com USD 2.50	54	0.19
Distribution & wholesale			Healthcare products		
1,257 Fastenal Co Com USD 0.01	63	0.22	2,408 Baxter International Inc Com USD 1.00	158	0.55
236 Fossil Group Inc Com USD 0.01	30	0.10	6,018 Boston Scientific Corp Com USD 0.01	70	0.24
691 Genuine Parts Co Com USD 1.00	54	0.19	504 Edwards Lifesciences Corp Com USD 1.00	33	0.11
1,332 LKQ Corp Com USD 0.01	44	0.15	713 Hospira Inc Com USD 0.01	29	0.10
264 WW Grainger Inc Com USD 0.50	71	0.24	392 Patterson Cos Inc Com USD 0.01	17	0.06
Electrical components & equipment			1,349 Stryker Corp Com USD 0.10	100	0.34
1,086 AMETEK Inc Com USD 0.01	52	0.18	Home furnishings		
Electricity			353 Whirlpool Corp Com USD 1.00	51	0.17
478 Alliant Energy Corp Com USD 0.01	25	0.09	Home improvement retailers		
1,082 Ameren Corp Com USD 0.01	39	0.14	6,493 Home Depot Inc Com USD 0.05	506	1.74
1,307 Consolidated Edison Inc Com USD 0.10	76	0.26	4,825 Lowe's Cos Inc Com USD 0.50	240	0.82
1,381 Edison International Com NPV	68	0.23	Household products		
795 Entergy Corp Com USD 0.01	51	0.18	437 Avery Dennison Corp Com USD 1.00	21	0.07
3,818 Exelon Corp Com NPV	109	0.37	Integrated oil & gas		
			8,615 Chevron Corp Com USD 0.75	1,034	3.55
			19,756 Exxon Mobil Corp Com NPV	1,771	6.08

iShares MSCI USA Islamic UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value
United States (cont)		
Integrated oil & gas (cont)		
475 Helmerich & Payne Inc Com USD 0.10	37	0.13
1,354 Hess Corp Com USD 1.00	110	0.38
1,440 Marathon Petroleum Corp Com USD 0.01	103	0.35
801 Murphy Oil Corp Com USD 1.00	48	0.16
Internet		
5,196 eBay Inc Com USD 0.001	274	0.94
481 Expedia Inc Com USD 0.001	28	0.10
352 F5 Networks Inc Com NPV	29	0.10
524 Rackspace Hosting Inc Com USD 0.001	27	0.09
3,108 Symantec Corp Com USD 0.01	71	0.24
4,326 Yahoo! Inc Com USD 0.001	142	0.49
Iron & steel		
1,418 Nucor Corp Com USD 0.40	73	0.25
Leisure time		
291 Polaris Industries Inc Com USD 0.01	38	0.13
Machinery – diversified		
422 AGCO Corp Com USD 0.01	24	0.08
804 Cummins Inc Com USD 2.50	102	0.35
630 Flowserve Corp Com USD 1.25	44	0.15
474 Joy Global Inc Com USD 1.00	27	0.09
623 Rockwell Automation Inc Com USD 1.00	69	0.24
442 Roper Industries Inc Com USD 0.01	56	0.19
830 Xylem Inc Com USD 0.01	29	0.10
Media		
1,149 McGraw Hill Financial Inc Com USD 1.00	80	0.27
Media agencies		
1,142 Omnicom Group Inc Com USD 0.15	78	0.27
Medical equipment		
981 CareFusion Corp Com USD 0.01	38	0.13
383 Henry Schein Inc Com USD 0.01	43	0.15
484 Varian Medical Systems Inc Com USD 1.00	35	0.12
751 Zimmer Holdings Inc Com USD 0.01	66	0.22
Mining		
4,771 Alcoa Inc Com USD 1.00	44	0.15
4,614 Freeport-McMoRan Copper & Gold Inc Com USD 0.10	170	0.58
2,218 Newmont Mining Corp Com USD 1.60	60	0.21
Miscellaneous manufacturers		
2,916 3M Co Com USD 0.01	367	1.26
2,607 Danaher Corp Com USD 0.01	188	0.64
770 Dover Corp Com USD 1.00	71	0.24
1,896 Illinois Tool Works Inc Com USD 0.01	149	0.51

Holding Investment	Fair value \$'000	% of net asset value
United States (cont)		
Miscellaneous manufacturers (cont)		
496 Pall Corp Com USD 0.10	40	0.14
185 SPX Corp Com USD 10.00	17	0.06
Nondurable household products		
599 Church & Dwight Co Inc Com USD 1.00	39	0.13
Office & business equipment		
5,204 Xerox Corp Com USD 1.00	52	0.18
Oil & gas		
2,226 Anadarko Petroleum Corp Com USD 0.10	212	0.73
1,736 Apache Corp Com USD 0.625	154	0.53
1,880 Cabot Oil & Gas Corp Com USD 0.10	66	0.23
380 Cimarex Energy Co Com USD 0.01	40	0.14
5,170 ConocoPhillips Com USD 0.01	379	1.30
1,682 Denbury Resources Inc Com USD 0.001	32	0.11
1,705 Devon Energy Corp Com USD 0.10	108	0.37
310 Diamond Offshore Drilling Inc Com USD 0.01	19	0.06
322 Energen Corp Com USD 0.01	25	0.09
1,208 EOG Resources Inc Com USD 0.01	216	0.74
671 EQT Corp Com NPV	57	0.20
861 HollyFrontier Corp Com USD 0.01	40	0.14
3,162 Marathon Oil Corp Com USD 1.00	112	0.38
1,581 Noble Energy Inc Com USD 0.01	118	0.40
3,572 Occidental Petroleum Corp Com USD 0.20	343	1.18
2,608 Phillips 66 Com USD 0.01	168	0.58
604 Pioneer Natural Resources Co Com USD 0.01	124	0.42
1,568 Southwestern Energy Co Com USD 0.01	58	0.20
606 Tesoro Corp Com USD 0.167	30	0.10
2,417 Valero Energy Corp Com USD 0.01	100	0.34
533 Whiting Petroleum Corp Com USD 0.001	36	0.12
Oil & gas services		
1,953 Baker Hughes Inc Com USD 1.00	113	0.39
1,095 Cameron International Corp Com USD 0.01	60	0.21
1,040 FMC Technologies Inc Com USD 0.01	53	0.18
3,747 Halliburton Co Com USD 2.50	199	0.68
1,893 National Oilwell Varco Inc Com USD 0.01	154	0.53
483 Oceaneering International Inc Com USD 0.25	41	0.14
715 Superior Energy Services Inc Com USD 0.001	19	0.06

iShares MSCI USA Islamic UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
United States (cont)				United States (cont)			
Packaging & containers				Software			
321	Rock Tenn Co Com USD 0.01	34	0.12	796	Akamai Technologies Inc Com USD 0.01	36	0.12
Personal products				418	Ansys Inc Com USD 0.01	37	0.13
1,066	Estee Lauder Cos Inc Com USD 0.01	76	0.26	1,417	CA Inc Com USD 0.10	45	0.16
12,183	Procter & Gamble Co Com NPV	984	3.38	1,380	Cerner Corp Com USD 0.01	77	0.27
Pharmaceuticals				835	Citrix Systems Inc Com USD 0.001	47	0.16
6,943	Abbott Laboratories Com NPV	254	0.87	1,350	Electronic Arts Inc Com USD 0.01	35	0.12
1,304	Allergan Inc Com USD 0.01	118	0.40	1,461	Paychex Inc Com USD 0.01	62	0.21
1,030	AmerisourceBergen Corp Com USD 0.01	67	0.23	2,481	Salesforce.com Inc Com USD 0.001	132	0.45
605	BioMarin Pharmaceutical Inc Com USD 0.001	38	0.13	Specialty chemicals			
7,307	Bristol-Myers Squibb Co Com USD 0.10	384	1.31	264	CF Industries Holdings Inc Com USD 0.01	57	0.20
1,525	Cardinal Health Inc Com NPV	90	0.31	631	PPG Industries Inc Com USD 1.67	115	0.39
4,522	Eli Lilly & Co Com NPV	225	0.77	Specialty retailers			
3,642	Express Scripts Holding Co Com USD 0.01	228	0.78	318	Advance Auto Parts Inc Com USD 0.0001	32	0.11
1,048	Forest Laboratories Inc Com USD 0.10	49	0.17	982	Bed Bath & Beyond Inc Com USD 0.01	76	0.26
12,481	Johnson & Johnson Com USD 1.00	1,157	3.97	1,210	Best Buy Co Inc Com USD 0.10	52	0.18
1,005	McKesson Corp Com USD 0.01	157	0.54	455	Family Dollar Stores Inc Com USD 0.10	31	0.11
13,422	Merck & Co Inc Com USD 0.50	605	2.08	536	GameStop Corp Com USD 0.001	29	0.10
457	Omnicare Inc Com USD 1.00	25	0.09	446	PetSmart Inc Com USD 0.0001	32	0.11
29,179	Pfizer Inc Com USD 0.05	895	3.07	2,945	Staples Inc Com USD 0.0006	48	0.16
Railroads				569	Tiffany & Co Com USD 0.01	45	0.15
1,393	Norfolk Southern Corp Com USD 1.00	120	0.41	Telecommunications			
2,076	Union Pacific Corp Com USD 2.50	314	1.08	6,580	Corning Inc Com USD 0.50	112	0.39
Real estate investment trusts				2,223	Juniper Networks Inc Com USD 0.00001	42	0.14
646	Public Storage Reits USD 0.10	108	0.37	1,074	Motorola Solutions Inc Com USD 0.01	67	0.23
Restaurants & bars				Textile			
3,326	Starbucks Corp Com USD 0.001	270	0.93	457	Cintas Corp Com NPV	25	0.09
Retail				275	Mohawk Industries Inc Com USD 0.01	36	0.12
5,441	CVS Caremark Corp Com USD 0.01	339	1.16	Toys			
1,387	Dollar General Corp Com USD 0.875	80	0.28	1,547	Mattel Inc Com USD 1.00	69	0.24
495	O'Reilly Automotive Inc Com USD 0.01	61	0.21	Transportation			
622	Tractor Supply Co Com USD 0.008	45	0.15	1,335	FedEx Corp Com USD 0.10	175	0.60
Semiconductors				420	JB Hunt Transport Services Inc Com USD 0.01	31	0.11
5,360	Applied Materials Inc Com USD 0.01	96	0.33	483	Kansas City Southern Com USD 0.01	59	0.20
2,287	Broadcom Corp Com USD 0.0001	61	0.21	Total United States			
514	Cree Inc Com USD 0.00125	31	0.11			27,366	93.87
22,095	Intel Corp Com USD 0.001	540	1.85	Total equities			
2,472	LSI Corp Com USD 0.01	21	0.07			29,011	99.50
4,534	Micron Technology Inc Com USD 0.10	80	0.27	Total value of investments			
7,684	Qualcomm Inc Com USD 0.0001	534	1.83			29,011	99.50
4,911	Texas Instruments Inc Com USD 1.00	206	0.71				

iShares MSCI USA Islamic UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value
Cash [†]	139	0.48
Other net assets	9	0.03
Net assets attributable to redeemable participating shareholders	29,159	100.01
Adjustment to align to the valuation methodology as set out in the prospectus	(4)	(0.01)
Net asset value attributable to redeemable participating shareholders at the end of the year	29,155	100.00

[†] Substantially all cash positions are held with State Street Bank and Trust Company.

Analysis of total current assets gross of all liabilities (unaudited)	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	29,011	98.79
Other assets	356	1.21
Total current assets	29,367	100.00

iShares MSCI USA Islamic UCITS ETF

Schedule of material purchases and sales

For the year ended 31 October 2013

The 20 largest sales

Holding Investments	Proceeds \$'000
8,308 Exxon Mobil Corp Com NPV	740
12,667 AbbVie Inc Com USD 0.01	495
15,181 Pfizer Inc Com USD 0.05	415
3,412 Chevron Corp Com USD 0.75	390
1,935 International Business Machines Corp Com USD 0.20	389
10,751 AT&T Inc Com USD 1.00	378
4,759 Procter & Gamble Co Com NPV	355
4,647 Johnson & Johnson Com USD 1.00	351
4,151 NIKE Inc Com NPV	260
5,088 Merck & Co Inc Com USD 0.50	224
2,745 Home Depot Inc Com USD 0.05	185
8,686 Intel Corp Com USD 0.001	180
2,259 Schlumberger Ltd Com USD 0.01	170
2,692 Kraft Foods Group Inc Com NPV	129
2,093 ConocoPhillips Com USD 0.01	123
2,279 CVS Caremark Corp Com USD 0.01	116
1,216 Air Products & Chemicals Inc Com USD 1.00	112
1,124 3M Co Com USD 0.01	112
2,533 Abbott Laboratories Com NPV	109
1,346 Occidental Petroleum Corp Com USD 0.20	109

The 20 largest purchases

Holding Investments	Cost \$'000
10,057 Exxon Mobil Corp Com NPV	894
8,606 Qualcomm Inc Com USD 0.0001	565
4,430 Chevron Corp Com USD 0.75	513
6,557 Johnson & Johnson Com USD 1.00	510
6,455 Procter & Gamble Co Com NPV	484
2,396 International Business Machines Corp Com USD 0.20	484
12,076 AT&T Inc Com USD 1.00	433
15,702 Pfizer Inc Com USD 0.05	431
6,869 Merck & Co Inc Com USD 0.50	298
7,393 AbbVie Inc Com USD 0.01	277
11,303 Intel Corp Com USD 0.001	243
4,040 Express Scripts Holding Co Com USD 0.01	232
3,004 Schlumberger Ltd Com USD 0.01	227
3,302 Home Depot Inc Com USD 0.05	226
2,639 ConocoPhillips Com USD 0.01	156
1,475 3M Co Com USD 0.01	152
1,796 Occidental Petroleum Corp Com USD 0.20	151
1,048 Union Pacific Corp Com USD 2.50	144
2,739 CVS Caremark Corp Com USD 0.01	143
2,607 eBay Inc Com USD 0.001	143

The UCITS notices issued by the Central Bank of Ireland require a Schedule of Portfolio changes during the year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the year is available, upon request, at no cost from the Administrator.

iShares MSCI World Islamic UCITS ETF

Income statement

For the year ended 31 October 2013

	Notes	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Operating income	2	1,641	1,444
Net gains on financial assets/liabilities at fair value through profit or loss	3	11,243	2,760
Total gains		12,884	4,204
Operating expenses	4	(374)	(302)
Net operating profit		12,510	3,902
Finance costs:			
Distributions to redeemable participating shareholders	6	(1,040)	(953)
Total finance costs		(1,040)	(953)
Net profit for the financial year before tax		11,470	2,949
Non-reclaimable withholding tax		(218)	(190)
Net profit for the financial year after tax		11,252	2,759
Adjustment to align to the valuation methodology as set out in the prospectus	7	6	10
Increase in net assets attributable to redeemable participating shareholders from operations		11,258	2,769

There are no recognised gains or losses arising in the year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

Statement of changes in net assets attributable to redeemable participating shareholders

For the year ended 31 October 2013

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the year	55,008	52,968
Increase in net assets attributable to redeemable participating shareholders from operations	11,258	2,769
Share transactions:		
Proceeds from issue of redeemable participating shares	25,567	8,617
Payments on redemption of redeemable participating shares	(5,155)	(9,346)
Increase/(decrease) in net assets resulting from share transactions	20,412	(729)
Net assets attributable to redeemable participating shareholders at the end of the year	86,678	55,008

The accompanying notes form an integral part of these financial statements.

iShares MSCI World Islamic UCITS ETF

Balance sheet

As at 31 October 2013

	Notes	31 October 2013 \$'000	31 October 2012 \$'000
CURRENT ASSETS			
Cash and cash equivalents		244	76
Receivables	11	969	715
Financial assets at fair value through profit or loss	12	86,369	54,836
Total current assets		87,582	55,627
CURRENT LIABILITIES			
Payables	13	(72)	(29)
Distributions payable to redeemable participating shareholders	6	(852)	(604)
Total current liabilities		(924)	(633)
Net assets attributable to redeemable participating shareholders		86,658	54,994
Adjustment to align to the valuation methodology as set out in the prospectus	7	20	14
Net asset value attributable to redeemable participating shareholders at the end of the year		86,678	55,008

The accompanying notes form an integral part of these financial statements. Details of the NAV per share are set out in note 10.

iShares MSCI World Islamic UCITS ETF

Notes to the financial statements

For the year ended 31 October 2013

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 54 to 58. The financial instruments and risks are set out on pages 59 to 98. The notes relating to tax, soft commissions and exchange rates are set out in the notes on pages 101 to 109.

2. OPERATING INCOME

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Dividend income	1,641	1,444
	1,641	1,444

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net gains on investments in securities held at fair value through profit or loss	11,250	2,763
Net losses on other investments	(7)	(3)
	11,243	2,760

4. OPERATING EXPENSES

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Management fees	(374)	(302)
	(374)	(302)

5. MANAGEMENT FEES

Fees earned by the Manager during the year and balances outstanding as at 31 October 2013 and 31 October 2012 are disclosed in note 4 and note 13 respectively.

Please refer to page 101 for each Fund's management fee rate.

The Manager is responsible for discharging, from this fee, all fees of the Investment Manager, the Administrator and the Custodian and any distributing agent appointed by the distributor through whom the shares will be marketed, together with all reasonable out of pocket expenses of such service providers, (including sub-custodial fees and expenses, (which will be at normal commercial rates) and transaction related charges of the Administrator and Custodian). The Manager will also be responsible for discharging from its fee for each share class an attributable proportion of the organisational and operating expenses, including audit and Directors fees, of the Company. The fee will be accrued daily based on the daily net asset value of the share classes and will be paid monthly in arrears. Where the actual fees and costs incurred exceed the amount paid to the Manager, the excess will be discharged by the Manager from its own assets.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of Shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the year were as follows:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
April 2012	-	353
October 2012	-	604
April 2013	390	-
October 2013	852	-
	1,242	957
Equalisation income	(248)	(57)
Equalisation expense	46	53
	1,040	953

iShares MSCI World Islamic UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

7. ADJUSTMENT TO ALIGN TO THE VALUATION METHODOLOGY AS SET OUT IN THE PROSPECTUS

The adjustment between the financial statements net asset value and the valuation methodology set out in the prospectus is shown below:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Balance brought forward	14	4
Adjustment to align to the valuation methodology as set out in the prospectus	6	10
Total adjustment for the year	6	10
Balance carried forward	20	14

Further details are set out in the accounting policies note m) on page 58.

8. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the years ended 31 October 2013 and 31 October 2012. Please refer to note 10 on page 103 for further details.

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Transactions costs	33	17

9. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 October 2013 No. of Shares	31 October 2012 No. of Shares
Number of redeemable participating shares:		
Balance at the beginning of year	2,400,000	2,400,000
Issued during the year	1,000,000	400,000
Redeemed during the year	(200,000)	(400,000)
Balance at the end of year	3,200,000	2,400,000

10. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	No. of Shares
Shares in issue	
As at 31 October 2013	3,200,000
As at 31 October 2012	2,400,000
As at 31 October 2011	2,400,000

	\$'000
Net asset value	
As at 31 October 2013	86,678
As at 31 October 2012	55,008
As at 31 October 2011	52,968

Net asset value per share	
As at 31 October 2013	\$27.09
As at 31 October 2012	\$22.92
As at 31 October 2011	\$22.07

11. RECEIVABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Dividend income receivable	85	82
Tax reclaim receivable	32	29
Distributions payable held with Registrar*	852	604
	969	715

* Further details are set out in note 12 on page 104.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013 \$'000	31 October 2012 \$'000
Financial assets:		
Investment in equities	86,369	54,836
	86,369	54,836

13. PAYABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Management fees payable	(72)	(29)
	(72)	(29)

iShares MSCI World Islamic UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

14. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the years ended 31 October 2013 and 31 October 2012 other than those disclosed in note 17 on page 105.

15. RELATED PARTIES

The related parties are set out on pages 106 to 108.

16. FINANCIAL DERIVATIVE INSTRUMENTS

The Fund may buy and sell financial derivative instruments. See further details in the Fund's Schedule of Investments and note 3 to the financial statements.

17. SIGNIFICANT EVENTS DURING THE YEAR

Please refer to note 22 on pages 108 and 109.

18. SUBSEQUENT EVENTS

Please refer to note 23 on page 109.

iShares MSCI World Islamic UCITS ETF

Schedule of investments

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market			
	Equities		
	Australia		
	Airlines		
7,869	Qantas Airways Ltd Com NPV	9	0.01
	Biotechnology		
3,521	CSL Ltd Com NPV	232	0.27
	Building materials and fixtures		
5,545	Boral Ltd Com NPV	26	0.03
	Chemicals		
11,665	Incitec Pivot Ltd Com NPV	29	0.03
	Coal		
4,038	Whitehaven Coal Ltd Com NPV	6	0.01
	Electricity		
3,969	AGL Energy Ltd Com NPV	59	0.07
7,866	Origin Energy Ltd Com NPV	109	0.12
	Health care services		
939	Ramsay Health Care Ltd Com NPV	35	0.04
	Internet		
2,301	Seek Ltd Com NPV	28	0.03
	Mining		
18,092	Alumina Ltd Com NPV	18	0.02
23,070	BHP Billiton Ltd Com NPV	823	0.95
2,999	Iluka Resources Ltd Com NPV	29	0.03
5,489	Newcrest Mining Ltd Com NPV	53	0.06
3,124	Rio Tinto Ltd Com NPV	189	0.22
	Miscellaneous manufacturers		
2,683	ALS Ltd Com NPV	26	0.03
	Oil & gas		
967	Caltex Australia Ltd Com NPV	17	0.02
6,924	Santos Ltd Com NPV	99	0.12
4,722	Woodside Petroleum Ltd Com NPV	174	0.20
	Real estate investment & services		
3,917	Lend Lease Group Misc NPV	42	0.05
	Real estate investment trusts		
15,195	CFS Retail Property Trust Group Reits NPV	30	0.04
34,661	Dexus Property Group Reits NPV	35	0.04
10,226	Federation Centres Ltd Reits NPV	24	0.03
12,273	Goodman Group Reits NPV	59	0.07
12,667	GPT Group Reits NPV	44	0.05
16,515	Stockland Reits NPV	62	0.07
21,876	Westfield Retail Trust Reits NPV	64	0.07

Holding	Investment	Fair value \$'000	% of net asset value
	Australia (cont)		
	Retail		
3,805	Harvey Norman Holdings Ltd Com NPV	12	0.01
	Transportation		
14,545	Aurizon Holdings Ltd Com NPV	66	0.08
4,882	Toll Holdings Ltd Com NPV	26	0.03
	Total Australia	2,425	2.80
	Austria		
	Industrial machinery		
520	Andritz AG Com NPV	32	0.04
	Integrated oil & gas		
1,053	OMV AG Com NPV	51	0.06
	Iron & steel		
804	Voestalpine AG Com NPV	38	0.04
	Total Austria	121	0.14
	Belgium		
	Chemicals		
424	Solvay SA Com NPV	66	0.08
	Holding companies - diversified operations		
579	Groupe Bruxelles Lambert SA Com NPV	52	0.06
	Mining		
818	Umicore SA Com NPV	39	0.04
	Pharmaceuticals		
789	UCB SA Com NPV	52	0.06
	Total Belgium	209	0.24
	Bermuda		
	Agriculture		
1,052	Bunge Ltd Com USD 0.01	86	0.10
	Apparel retailers		
6,000	Yue Yuen Industrial Holdings Ltd Com HKD 0.25	16	0.02
	Engineering & construction		
3,000	Cheung Kong Infrastructure Holdings Ltd Com HKD 1.00	21	0.02
	Food		
20,750	First Pacific Co Ltd Com USD 0.01	24	0.03
	Real estate investment & services		
5,500	Kerry Properties Ltd Com HKD 1.00	24	0.03
	Textile		
39,275	Li & Fung Ltd Com HKD 0.0125	56	0.06
	Total Bermuda	227	0.26

iShares MSCI World Islamic UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
Canada			Canada (cont)		
Auto parts & equipment			Oil & gas (cont)		
1,678 Magna International Inc Com NPV	142	0.16	10,809 Suncor Energy Inc Com NPV	393	0.45
Clothing & accessories			7,377 Talisman Energy Inc Com NPV	92	0.11
826 Gildan Activewear Inc Com NPV	40	0.05	1,118 Tourmaline Oil Corp Com NPV	43	0.05
Computers			690 Vermilion Energy Inc Com NPV	38	0.04
3,377 BlackBerry Ltd Com NPV	26	0.03	Pharmaceuticals		
1,482 CGI Group Inc Com NPV	50	0.06	1,473 Catamaran Corp Com NPV	68	0.08
Food retailers and wholesalers			Pipelines		
917 Saputo Inc Com NPV	45	0.05	2,206 Pembina Pipeline Corp Com NPV	72	0.08
Gas			Platinum & precious metals		
561 Keyera Corp Com NPV	33	0.04	2,543 Silver Wheaton Corp Com NPV	58	0.07
Gold mining			Publishing		
1,236 Agnico Eagle Mines Ltd Com NPV	36	0.04	2,674 Thomson Reuters Corp Com NPV	100	0.12
7,167 Barrick Gold Corp Com NPV	139	0.16	Railroads		
5,119 Eldorado Gold Corp Com NPV	35	0.04	3,037 Canadian National Railway Co Com NPV	334	0.38
1,051 Franco-Nevada Corp Com NPV	47	0.06	Retail		
5,818 Goldcorp Inc Com NPV	148	0.17	498 Dollarama Inc Com NPV	43	0.05
8,178 Kinross Gold Corp Com NPV	42	0.05	1,448 Shoppers Drug Mart Corp Com NPV	85	0.10
3,597 New Gold Inc Com NPV	21	0.02	1,097 Tim Hortons Inc Com NPV	65	0.07
5,388 Yamana Gold Inc Com NPV	53	0.06	Software		
Heavy construction			420 Open Text Corp Com NPV	31	0.04
1,083 SNC-Lavalin Group Inc Com NPV	45	0.05	Specialty chemicals		
Mining			1,069 Agrium Inc Com NPV	91	0.11
2,834 Cameco Corp Com NPV	54	0.06	6,196 Potash Corp of Saskatchewan Inc Com NPV	193	0.22
4,020 First Quantum Minerals Ltd Com NPV	76	0.09	Telecommunications		
4,086 Teck Resources Ltd Com NPV	109	0.13	537 Bell Aliant Inc Com NPV	14	0.02
2,883 Turquoise Hill Resources Ltd Com NPV	14	0.01	Total Canada	3,886	4.48
Miscellaneous manufacturers					
10,322 Bombardier Inc Com NPV	47	0.05	Curacao		
Oil & gas			Oil & gas services		
2,225 ARC Resources Ltd Com NPV	59	0.07	9,550 Schlumberger Ltd Com USD 0.01	895	1.03
2,294 Athabasca Oil Corp Com NPV	14	0.02	Total Curacao	895	1.03
883 Baytex Energy Corp Com NPV	37	0.04			
1,292 Bonavista Energy Corp Com NPV	15	0.02	Denmark		
7,810 Canadian Natural Resources Ltd Com NPV	248	0.28	Healthcare products		
3,470 Canadian Oil Sands Ltd Com NPV	67	0.08	794 Coloplast A/S Com DKK 1.00	52	0.06
5,415 Cenovus Energy Inc Com NPV	161	0.18	182 William Demant Holding A/S Com DKK 1.00	18	0.02
2,741 Crescent Point Energy Corp Com NPV	106	0.12	Total Denmark	70	0.08
1,432 Enerplus Corp Com NPV	25	0.03			
2,465 Husky Energy Inc Com NPV	70	0.08	Finland		
2,126 Imperial Oil Ltd Com NPV	93	0.11	Forest products & paper		
2,196 Pacific Rubiales Energy Corp Com NPV	45	0.05	3,780 UPM-Kymmene Oyj Com NPV	60	0.07
3,704 Pengrowth Energy Corp Com NPV	24	0.03			

iShares MSCI World Islamic UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value
Finland (cont)		
Industrial machinery		
1,115 Kone Oyj Com NPV	98	0.11
916 Metso Oyj Com NPV	36	0.04
1,272 Wartsila Oyj Abp Com NPV	57	0.07
Total Finland	251	0.29
France		
Advertising		
479 JCDecaux SA Com NPV	19	0.02
Auto parts & equipment		
1,308 Cie Generale des Etablissements Michelin Com EUR 2.00	137	0.16
Building materials and fixtures		
2,853 Cie de St-Gobain Com EUR 4.00	150	0.18
243 Imerys SA Com EUR 2.00	20	0.02
Chemicals		
2,231 Air Liquide SA Com EUR 5.50	304	0.35
450 Arkema SA Com EUR 10.00	51	0.06
Computer services		
1,033 Cap Gemini SA Com EUR 8.00	68	0.08
Electrical components & equipment		
1,899 Legrand SA Com EUR 4.00	108	0.12
3,779 Schneider Electric SA Com EUR 4.00	319	0.37
Electricity		
1,723 Electricite de France SA Com EUR 0.50	60	0.07
9,504 GDF Suez Com EUR 1.00	237	0.27
Electronics		
1,519 Rexel SA Com EUR 5.00	38	0.04
Food		
4,096 Danone Com EUR 0.25	304	0.35
Healthcare products		
1,463 Essilor International SA Com EUR 0.18	157	0.18
Integrated oil & gas		
15,368 Total SA Com EUR 2.50	944	1.09
Machinery – diversified		
1,546 Alstom SA Com EUR 7.00	58	0.07
Metal products		
760 Vallourec SA Com EUR 2.00	45	0.05
Nondurable household products		
208 Societe BIC SA Com EUR 3.82	26	0.03
Oil equipment & services		
1,141 CGG SA Com EUR 0.40	25	0.03
728 Technip SA Com EUR 0.7625	77	0.09

Holding Investment	Fair value \$'000	% of net asset value
France (cont)		
Personal products		
1,730 L'Oreal SA Com EUR 0.20	297	0.34
Pharmaceuticals		
8,562 Sanofi Com EUR 2.00	914	1.06
Retail		
543 Kering Com EUR 4.00	124	0.14
Total France	4,482	5.17
Germany		
Airlines		
1,646 Deutsche Lufthansa AG Com NPV	32	0.04
Apparel retailers		
1,499 Adidas AG Com NPV	171	0.20
227 Hugo Boss AG Com NPV	30	0.03
Auto manufacturers		
1,097 Porsche Automobil Holding SE Pref NPV	103	0.12
Auto parts & equipment		
802 Continental AG Com NPV	147	0.17
Chemicals		
6,598 BASF SE Com NPV	685	0.79
1,236 K&S AG Com NPV	32	0.04
596 Lanxess AG Com NPV	42	0.05
1,325 Linde AG Com NPV	252	0.29
Electricity		
12,901 E.ON SE Com NPV	236	0.27
3,504 RWE AG Com NPV	129	0.15
278 RWE AG Pref NPV	10	0.01
Food retailers and wholesalers		
584 Suedzucker AG Com NPV	19	0.02
Holding companies – diversified operations		
1,309 GEA Group AG Com NPV	57	0.07
Iron & steel		
2,763 ThyssenKrupp AG Com NPV	71	0.08
Machinery – diversified		
190 MAN SE Com NPV	23	0.03
Miscellaneous manufacturers		
5,695 Siemens AG Com NPV	728	0.84
Nondurable household products		
932 Henkel AG & Co KGaA Com NPV	86	0.10
1,276 Henkel AG & Co KGaA Pref NPV	138	0.16
Oil & gas		
255 Fuchs Petrolub SE Pref NPV	21	0.02

iShares MSCI World Islamic UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value
	Germany (cont)		
	Pharmaceuticals		
5,939	Bayer AG Com NPV	738	0.85
464	Merck KGaA Com NPV	77	0.09
	Software		
6,617	SAP AG Com NPV	520	0.60
	Telecommunications		
2,000	Telefonica Deutschland Holding AG Com NPV	16	0.02
	Transportation		
6,496	Deutsche Post AG Com NPV	220	0.25
	Total Germany	4,583	5.29
	Hong Kong		
	Diversified industrials		
5,500	Swire Pacific Ltd Com HKD 0.60	63	0.07
	Electricity		
9,500	Power Assets Holdings Ltd Com HKD 1.00	79	0.09
	Gas distribution		
38,180	Hong Kong & China Gas Co Ltd Com HKD 0.25	89	0.10
	Real estate investment & services		
16,000	Hang Lung Properties Ltd Com HKD 1.00	52	0.06
6,050	Henderson Land Development Co Ltd Com HKD 2.00	36	0.04
3,000	Hysan Development Co Ltd Com HKD 5.00	14	0.02
	Real estate investment trusts		
16,500	Link REIT NPV	83	0.10
	Transportation		
10,000	MTR Corp Ltd Com HKD 1.00	39	0.04
	Total Hong Kong	455	0.52
	Ireland		
	Building materials and fixtures		
5,225	CRH Plc Com EUR 0.32	128	0.15
3,163	James Hardie Industries Plc Receipt EUR 0.59	33	0.04
	Computers		
2,310	Seagate Technology Plc Com USD 0.00001	112	0.13
	Food		
1,068	Kerry Group Plc Com EUR 0.125	68	0.08
	Healthcare products		
3,370	Covidien Plc Com USD 0.20	216	0.25

Holding	Investment	Fair value \$'000	% of net asset value
	Ireland (cont)		
	Miscellaneous manufacturers		
3,388	Eaton Corp Plc Com USD 0.01	239	0.27
2,142	Ingersoll-Rand Plc Com USD 1.00	145	0.17
	Total Ireland	941	1.09
	Italy		
	Electrical components & equipment		
1,462	Prysmian SpA Com EUR 0.10	36	0.04
	Healthcare products		
1,194	Luxottica Group SpA Com EUR 0.06	65	0.08
	Integrated oil & gas		
18,275	Eni SpA Com NPV	462	0.53
	Oil equipment & services		
1,898	Saipem SpA Com EUR 1.00	45	0.05
	Total Italy	608	0.70
	Japan		
	Apparel retailers		
1,200	Asics Corp Com NPV	21	0.02
	Auto parts		
1,400	Aisin Seiki Co Ltd Com NPV	57	0.06
3,400	Denso Corp Com NPV	163	0.19
1,500	JTEKT Corp Com NPV	19	0.02
518	Koito Manufacturing Co Ltd Com NPV	9	0.01
1,000	NGK Insulators Ltd Com NPV	17	0.02
1,000	NGK Spark Plug Co Ltd Com NPV	23	0.03
1,200	NHK Spring Co Ltd Com NPV	13	0.01
600	NOK Corp Com NPV	9	0.01
1,100	Stanley Electric Co Ltd Com NPV	25	0.03
5,313	Sumitomo Electric Industries Ltd Com NPV	79	0.09
400	Toyoda Gosei Co Ltd Com NPV	10	0.01
400	Toyota Boshoku Corp Com NPV	5	0.01
1,300	Toyota Industries Corp Com NPV	57	0.07
1,000	Yokohama Rubber Co Ltd Com NPV	10	0.01
	Automobiles		
1,400	Daihatsu Motor Co Ltd Com NPV	27	0.03
3,800	Fuji Heavy Industries Ltd Com NPV	103	0.12
1,000	Hino Motors Ltd Com NPV	14	0.02
6,000	Isuzu Motors Ltd Com NPV	37	0.04
3,100	Mitsubishi Motors Corp Com NPV	35	0.04
	Beverages		
400	Coca-Cola West Co Ltd Com NPV	8	0.01

iShares MSCI World Islamic UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value
Japan (cont)		
Broadline retailers		
2,700 Isetan Mitsukoshi Holdings Ltd Com NPV	41	0.05
1,408 Takashimaya Co Ltd Com NPV	13	0.01
Building materials and fixtures		
5,000 Asahi Glass Co Ltd Com NPV	31	0.03
1,900 LIXIL Group Corp Com NPV	44	0.05
200 Rinnai Corp Com NPV	15	0.02
1,597 TOTO Ltd Com NPV	23	0.03
Business support services		
3,000 Toppan Printing Co Ltd Com NPV	24	0.03
Commodity chemicals		
11,000 Asahi Kasei Corp Com NPV	84	0.10
2,634 Kuraray Co Ltd Com NPV	31	0.03
2,000 Mitsubishi Gas Chemical Co Inc Com NPV	16	0.02
Computers		
14,000 Fujitsu Ltd Com NPV	60	0.07
100 Itochu Techno-Solutions Corp Com NPV	4	0.01
1,100 NTT Data Corp Com NPV	36	0.04
600 TDK Corp Com NPV	26	0.03
Containers & packaging		
1,300 Toyo Seikan Group Holdings Ltd Com NPV	27	0.03
Electrical components & equipment		
1,700 Brother Industries Ltd Com NPV	19	0.02
34,000 Hitachi Ltd Com NPV	237	0.27
500 Nidec Corp Com NPV	49	0.06
Electronics		
1,200 Advantest Corp Com NPV	14	0.02
600 Ibiden Co Ltd Com NPV	10	0.01
2,200 Kyocera Corp Com NPV	114	0.13
1,479 Murata Manufacturing Co Ltd Com NPV	119	0.14
17,000 NEC Corp Com NPV	38	0.04
2,000 Nippon Electric Glass Co Ltd Com NPV	10	0.01
1,500 Omron Corp Com NPV	57	0.07
30,000 Toshiba Corp Com NPV	127	0.15
1,000 Yaskawa Electric Corp Com NPV	13	0.01
1,600 Yokogawa Electric Corp Com NPV	21	0.02
Environmental control		
600 Kurita Water Industries Ltd Com NPV	13	0.02
Food products		
3,539 Ajinomoto Co Inc Com NPV	50	0.06
400 Calbee Inc Com NPV	10	0.01
300 MEIJI Holdings Co Ltd Com NPV	17	0.02
1,500 Nisshin Seifun Group Inc Com NPV	16	0.02

Holding Investment	Fair value \$'000	% of net asset value
Japan (cont)		
Food products (cont)		
300 Nissin Foods Holdings Co Ltd Com NPV	13	0.01
515 Yakult Honsha Co Ltd Com NPV	26	0.03
592 Yamazaki Baking Co Ltd Com NPV	6	0.01
Hand & machine tools		
600 Makita Corp Com NPV	30	0.03
Health care services		
300 Miraca Holdings Inc Com NPV	14	0.02
Healthcare products		
1,000 Shimadzu Corp Com NPV	10	0.01
Heavy construction		
5,000 Kajima Corp Com NPV	21	0.02
3,000 Shimizu Corp Com NPV	15	0.02
5,000 Taisei Corp Com NPV	26	0.03
Home construction		
3,000 Daiwa House Industry Co Ltd Com NPV	60	0.07
2,000 Sekisui Chemical Co Ltd Com NPV	23	0.03
3,062 Sekisui House Ltd Com NPV	44	0.05
Home furnishings		
15,900 Panasonic Corp Com NPV	159	0.18
Home improvement retailers		
200 Nitori Holdings Co Ltd Com NPV	19	0.02
Industrial machinery		
2,000 Amada Co Ltd Com NPV	17	0.02
600 Nabtesco Corp Com NPV	15	0.02
3,000 Sumitomo Heavy Industries Ltd Com NPV	13	0.01
Industrial metals & mining		
2,000 Daido Steel Co Ltd Com NPV	12	0.01
1,000 Hitachi Metals Ltd Com NPV	13	0.02
200 Yamato Kogyo Co Ltd Com NPV	7	0.01
Internet		
600 Gree Inc Com NPV	5	0.01
Machinery, construction & mining		
6,600 Komatsu Ltd Com NPV	144	0.17
Medical equipment		
400 Sysmex Corp Com NPV	26	0.03
1,200 Terumo Corp Com NPV	58	0.07
Metal fabricate/hardware		
300 Maruichi Steel Tube Ltd Com NPV	7	0.01
Mining		
3,000 Sumitomo Metal Mining Co Ltd Com NPV	41	0.05
Miscellaneous manufacturers		
3,300 FUJIFILM Holdings Corp Com NPV	80	0.09
2,546 Konica Minolta Inc Com NPV	21	0.02
2,200 Nikon Corp Com NPV	41	0.05

iShares MSCI World Islamic UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Japan (cont)				Japan (cont)			
Office & business equipment				Specialty chemicals (cont)			
8,100	Canon Inc Com NPV	254	0.29	1,278	Nitto Denko Corp Com NPV	67	0.08
Oil & gas				3,000	Shin-Etsu Chemical Co Ltd Com NPV	169	0.19
6,400	Inpex Corp Com NPV	74	0.08	Specialty retailers			
100	Japan Petroleum Exploration Co Com NPV	4	0.00	1,600	USS Co Ltd Com NPV	24	0.03
1,403	Showa Shell Sekiyu KK Com NPV	15	0.02	6,570	Yamada Denki Co Ltd Com NPV	18	0.02
1,518	TonenGeneral Sekiyu KK Com NPV	14	0.02	Storage & warehousing			
Personal products				662	Mitsubishi Logistics Corp Com NPV	9	0.01
3,600	Kao Corp Com NPV	120	0.14	Telecommunications			
2,700	Shiseido Co Ltd Com NPV	46	0.05	3,200	Nippon Telegraph & Telephone Corp Com NPV	166	0.19
600	Unicharm Corp Com NPV	38	0.05	Textile			
Pharmaceuticals				12,000	Toray Industries Inc Com NPV	75	0.09
4,784	Daiichi Sankyo Co Ltd Com NPV	89	0.10	Transportation			
1,200	Dainippon Sumitomo Pharma Co Ltd Com NPV	16	0.02	1,000	Kamigumi Co Ltd Com NPV	9	0.01
300	Hisamitsu Pharmaceutical Co Inc Com NPV	16	0.02	4,000	Nippon Express Co Ltd Com NPV	20	0.02
1,000	Kyowa Hakko Kirin Co Ltd Com NPV	11	0.01	2,717	Yamato Holdings Co Ltd Com NPV	58	0.07
1,600	Mitsubishi Tanabe Pharma Corp Com NPV	23	0.03	Tyres			
400	Ono Pharmaceutical Co Ltd Com NPV	30	0.03	4,661	Bridgestone Corp Com NPV	159	0.18
2,000	Shionogi & Co Ltd Com NPV	44	0.05	Wholesale trade			
200	Taisho Pharmaceutical Holdings Co Ltd Com NPV	14	0.02	400	Hitachi High-Technologies Corp Com NPV	9	0.01
5,900	Takeda Pharmaceutical Co Ltd Com NPV	280	0.32	Total Japan			
300	Tsumura & Co Com NPV	9	0.01			5,161	5.95
Publishing				Jersey			
2,982	Dai Nippon Printing Co Ltd Com NPV	31	0.04	Auto parts & equipment			
Restaurants & bars				2,128	Delphi Automotive Plc Com USD 0.01	122	0.14
400	McDonald's Holdings Co Japan Ltd Com NPV	11	0.01	Distribution & wholesale			
Retail				1,965	Wolseley Plc Com GBP 0.1045455	106	0.12
1,800	Citizen Holdings Co Ltd Com NPV	13	0.01	Mining			
Software				628	Randgold Resources Ltd Com USD 0.05	47	0.06
600	Nomura Research Institute Ltd Com NPV	20	0.02	Pharmaceuticals			
Specialized consumer services				3,968	Shire Plc Com GBP 0.05	175	0.20
400	Benesse Holdings Inc Com NPV	15	0.02	Total Jersey			
Specialty chemicals						450	0.52
1,000	Air Water Inc Com NPV	14	0.02	Luxembourg			
600	Hitachi Chemical Co Ltd Com NPV	9	0.01	Iron & steel			
1,353	JSR Corp Com NPV	26	0.03	7,158	ArcelorMittal Com NPV	113	0.13
2,000	Kaneka Corp Com NPV	13	0.01	Metal fabricate/ hardware			
1,000	Kansai Paint Co Ltd Com NPV	13	0.02	3,383	Tenaris SA Com USD 1.00	80	0.09
				Oil & gas services			
				1,889	Subsea 7 SA Com USD 2.00	40	0.05
				Total Luxembourg			
						233	0.27

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Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
	Mauritius				Singapore		
	Agriculture				Engineering & construction		
50,000	Golden Agri-Resources Ltd Com USD 0.025	24	0.03	5,000	SembCorp Industries Ltd Com NPV	22	0.02
	Total Mauritius	24	0.03		Fixed line telecommunications		
				59,000	Singapore Telecommunications Ltd Com NPV	179	0.21
	Netherlands				Holding companies - diversified operations		
	Chemicals			12,000	Keppel Corp Ltd Com NPV	105	0.12
1,720	Akzo Nobel NV Com EUR 2.00	125	0.14		Marine transportation		
1,102	Koninklijke DSM NV Com EUR 1.50	84	0.10	5,000	SembCorp Marine Ltd Com NPV	18	0.02
3,093	LyondellBasell Industries NV Com USD 0.01	231	0.27		Media		
	Electronic equipment			4,500	Singapore Press Holdings Ltd Com NPV	15	0.02
567	Gemalto NV Com EUR 1.00	64	0.07		Real estate investment & services		
	Electronics			11,000	CapitaMalls Asia Ltd Com NPV	18	0.02
6,856	Koninklijke Philips NV Com EUR 0.20	243	0.28	21,000	Global Logistic Properties Ltd Com NPV	52	0.06
	Engineering & construction				Real estate investment trusts		
545	Koninklijke Boskalis Westminster NV Com EUR 0.80	26	0.03	15,000	Ascendas Real Estate Investment Trust NPV	28	0.03
	Food			15,000	CapitaCommercial Trust Reits NPV	18	0.02
11,704	Unilever NV CVS EUR 0.16	464	0.53		Transportation		
	Healthcare products			15,000	ComfortDelGro Corp Ltd Com NPV	23	0.03
1,694	Qiagen NV Com EUR 0.01	39	0.04	36,000	Hutchison Port Holdings Trust Unit NPV	27	0.03
	Media				Total Singapore	505	0.58
4,962	Reed Elsevier NV Com EUR 0.07	100	0.12		Spain		
	Semiconductors				Airlines		
4,566	STMicroelectronics NV Com EUR 1.04	35	0.04	6,645	International Consolidated Airlines Group SA Com EUR 0.50	37	0.04
	Transportation				Apparel retailers		
2,545	TNT Express NV Com EUR 0.08	23	0.03	1,563	Inditex SA Com EUR 0.15	257	0.30
	Total Netherlands	1,434	1.65		Heavy construction		
				1,069	ACS Actividades de Construcción y Servicios SA Com EUR 0.50	35	0.04
	New Zealand				Total Spain	329	0.38
	Building materials and fixtures				Sweden		
4,916	Fletcher Building Ltd Com NPV	40	0.05		Apparel retailers		
	Electricity			6,802	Hennes & Mauritz AB Com NPV	294	0.34
2,627	Contact Energy Ltd Com NPV	12	0.01		Forest products & paper		
	Total New Zealand	52	0.06	4,180	Svenska Cellulosa AB SCA Com NPV	119	0.14
					Holding companies - diversified operations		
	Norway			884	Industrivarden AB Com NPV	16	0.02
	Chemicals				Household goods & home construction		
1,323	Yara International ASA Com NOK 1.70	57	0.07	1,724	Electrolux AB Com NPV	43	0.05
	Industrial metals & mining			2,892	Husqvarna AB Com NPV	17	0.02
6,667	Norsk Hydro ASA Com NOK 1.098	30	0.03				
	Oil & gas						
7,995	Statoil ASA Com NOK 2.50	189	0.22				
	Total Norway	276	0.32				

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Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Sweden (cont)				Switzerland (cont)			
Machinery – diversified				Specialty chemicals			
2,794	Atlas Copco AB Class 'B' Com NPV	70	0.08	665	Syngenta AG Com CHF 0.10	269	0.31
4,809	Atlas Copco AB Com NPV	133	0.15	Specialty finance			
Metal fabricate/ hardware				194	Pargesa Holding SA Com CHF 20.00	16	0.02
2,392	Assa Abloy AB Com NPV	119	0.14	Total Switzerland			
2,809	SKF AB Com SEK 2.50	74	0.08			4,697	5.42
Mining				United Kingdom			
1,957	Boliden AB Com SEK 2.11	28	0.03	Airlines			
Miscellaneous manufacturers				1,134	easyJet Plc Com GBP 0.2728571	24	0.03
2,255	Alfa Laval AB Com NPV	52	0.06	Apparel retailers			
Oil & gas				3,167	Burberry Group Plc Com GBP 0.0005	78	0.09
1,595	Lundin Petroleum AB Com SEK 0.01	33	0.04	Chemicals			
Total Sweden				1,468	Johnson Matthey Plc Com GBP 1.047619	71	0.08
				Commercial services			
Switzerland				1,925	Aggreko Plc Com GBP 0.1370839	49	0.06
Beverages				2,384	Bunzl Plc Com GBP 0.3214286	53	0.06
1,386	Coca-Cola HBC AG Com CHF 6.70	40	0.05	Electricity			
Building materials and fixtures				6,907	SSE Plc Com GBP 0.50	157	0.18
277	Geberit AG Com CHF 0.10	83	0.09	Food			
16	Sika AG Com CHF 0.60	51	0.06	2,551	Associated British Foods Plc Com GBP 0.0568	93	0.11
Chemicals				9,193	Unilever Plc Com GBP 0.0311	373	0.43
60	EMS-Chemie Holding AG Com CHF 0.01	22	0.02	Gas distribution			
60	Givaudan SA Com CHF 10.00	85	0.10	37,071	Centrica Plc Com GBP 0.061728	210	0.24
Electronic equipment				Healthcare products			
840	Garmin Ltd Com CHF 10.00	39	0.04	6,482	Smith & Nephew Plc Com USD 0.20	83	0.10
2,978	TE Connectivity Ltd Com CHF 0.57	153	0.18	Home construction			
3,323	Tyco International Ltd Com CHF 6.70	122	0.14	2,176	Persimmon Plc Com GBP 0.10	44	0.05
Engineering & construction				Industrial machinery			
15,753	ABB Ltd Com CHF 1.03	403	0.47	2,276	IMI Plc Com GBP 0.25	56	0.07
Food products				1,528	Weir Group Plc Com GBP 0.125	55	0.06
626	Aryzta AG Com CHF 0.02	47	0.06	Integrated oil & gas			
16	Barry Callebaut AG Com CHF 18.60	17	0.02	24,451	BG Group Plc Com GBP 0.10	500	0.58
23,165	Nestle SA Com CHF 0.10	1,675	1.93	136,404	BP Plc Com USD 0.25	1,058	1.22
Healthcare products				18,385	Royal Dutch Shell Plc Class 'B' Com EUR 0.07	638	0.73
357	Sonova Holding AG Com CHF 0.05	47	0.05	27,285	Royal Dutch Shell Plc Com EUR 0.07	910	1.05
Miscellaneous manufacturers				Media			
1,465	Pentair Ltd Com USD 0.167	98	0.11	5,855	Pearson Plc Com GBP 0.25	123	0.14
Oil & gas				Mining			
1,812	Noble Corp Com CHF 3.15	68	0.08	9,983	Anglo American Plc Com USD 0.54945	238	0.28
Pharmaceuticals				15,174	BHP Billiton Plc Com USD 0.50	471	0.54
16,522	Novartis AG Com CHF 0.50	1,285	1.48	1,320	Fresnillo Plc Com USD 0.50	21	0.02
Retail				9,131	Rio Tinto Plc Com GBP 0.10	463	0.54
310	Swatch Group AG Com CHF 0.45	35	0.04				
222	Swatch Group AG Com CHF 2.25	142	0.17				

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Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
United Kingdom (cont)				United Kingdom (cont)			
Miscellaneous manufacturers				Apparel retailers (cont)			
9,075	Melrose Industries Plc Com GBP 0.001	47	0.05	5,157	TJX Cos Inc Com USD 1.00	314	0.36
Mobile telecommunications				434	Ulta Salon Cosmetics & Fragrance Inc Com USD 0.01	56	0.07
349,682	Vodafone Group Plc Com USD 0.1142857	1,261	1.46	570	Under Armour Inc Com USD 0.000333	46	0.05
Nondurable household products				628	VF Corp Com NPV	135	0.16
4,632	Reckitt Benckiser Group Plc Com GBP 0.10	361	0.42	Auto parts & equipment			
Oil & gas				683	Autoliv Inc Com USD 1.00	61	0.07
1,667	Ensc0 Plc Com USD 0.10	96	0.11	826	BorgWarner Inc Com USD 0.01	85	0.10
889	Rowan Cos Plc Com USD 0.125	32	0.04	4,905	Johnson Controls Inc Com USD 0.01388	227	0.26
6,504	Tullow Oil Plc Com GBP 0.10	99	0.11	839	TRW Automotive Holdings Corp Com USD 0.01	63	0.07
Pharmaceuticals				Automobiles			
8,996	AstraZeneca Plc Com USD 0.25	478	0.55	5,417	General Motors Co Com USD 0.01	200	0.23
Real estate investment trusts				Beverages			
6,753	British Land Co Plc Reits GBP 0.25	67	0.08	1,463	Dr Pepper Snapple Group Inc Com USD 0.01	69	0.08
5,611	Land Securities Group Plc Reits GBP 0.10	89	0.10	907	Green Mountain Coffee Roasters Inc Com USD 0.10	57	0.07
Restaurants & bars				Biotechnology			
13,036	Compass Group Plc Com GBP 0.10	188	0.22	1,706	Biogen Idec Inc Com USD 0.0005	417	0.48
Retail				2,997	Celgene Corp Com USD 0.01	445	0.51
16,997	Kingfisher Plc Com GBP 0.157143	103	0.12	1,236	Life Technologies Corp Com USD 0.01	93	0.11
1,757	Travis Perkins Plc Com GBP 0.10	52	0.06	Broadline retailers			
Semiconductors				1,602	Dollar Tree Inc Com USD 0.01	93	0.11
10,012	ARM Holdings Plc Com GBP 0.0005	158	0.18	841	Urban Outfitters Inc Com USD 0.0001	32	0.03
Software				Chemicals			
7,950	Sage Group Plc Com GBP 0.01051948	43	0.05	629	Albemarle Corp Com USD 0.01	42	0.05
Specialty chemicals				537	Ashland Inc Com USD 0.01	50	0.06
971	Croda International Plc Com GBP 0.10	38	0.04	8,663	Dow Chemical Co Com USD 2.50	342	0.39
Total United Kingdom				6,613	El du Pont de Nemours & Co Com USD 0.30	405	0.47
United States				973	FMC Corp Com USD 0.10	71	0.08
Agriculture				3,836	Monsanto Co Com USD 0.01	402	0.46
4,722	Archer-Daniels-Midland Co Com NPV	193	0.22	2,128	Mosaic Co Com USD 0.01	97	0.11
Airlines				628	Sherwin-Williams Co Com USD 1.00	118	0.14
1,533	Delta Air Lines Inc Com USD 0.0001	41	0.05	860	Sigma-Aldrich Corp Com USD 1.00	74	0.09
1,292	Southwest Airlines Co Com USD 1.00	22	0.02	Coal			
Apparel retailers				1,635	Consol Energy Inc Com USD 0.01	60	0.07
2,014	Coach Inc Com USD 0.01	102	0.12	Commercial services			
720	Dick's Sporting Goods Inc Com USD 0.01	38	0.04	1,487	ADT Corp Com USD 0.01	65	0.08
2,165	Gap Inc Com USD 0.05	80	0.09	3,478	Automatic Data Processing Inc Com USD 0.10	261	0.30
1,512	Kohl's Corp Com USD 0.01	86	0.10	1,501	Quanta Services Inc Com USD 0.00001	45	0.05
437	Ralph Lauren Corp Com USD 0.01	72	0.08	1,207	Total System Services Inc Com USD 0.10	36	0.04
1,576	Ross Stores Inc Com USD 0.01	122	0.14				

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Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value
United Kingdom (cont)		
Computers		
15,093 EMC Corp Com USD 0.01	363	0.42
13,924 Hewlett-Packard Co Com USD 0.01	339	0.39
423 IHS Inc Com USD 0.01	46	0.05
7,566 International Business Machines Corp Com USD 0.20	1,357	1.57
1,099 Synopsys Inc Com USD 0.01	40	0.05
1,172 Teradata Corp Com USD 0.01	52	0.06
1,522 Western Digital Corp Com USD 0.01	106	0.12
Distribution & wholesale		
2,018 Fastenal Co Com USD 0.01	100	0.12
376 Fossil Group Inc Com USD 0.01	48	0.05
1,111 Genuine Parts Co Com USD 1.00	87	0.10
2,141 LKQ Corp Com USD 0.01	71	0.08
423 WW Grainger Inc Com USD 0.50	114	0.13
Electrical components & equipment		
1,743 AMETEK Inc Com USD 0.01	83	0.10
5,148 Emerson Electric Co Com USD 0.50	345	0.40
Electricity		
794 Alliant Energy Corp Com USD 0.01	42	0.05
1,739 Ameren Corp Com USD 0.01	63	0.07
2,097 Consolidated Edison Inc Com USD 0.10	122	0.14
2,215 Edison International Com NPV	109	0.13
1,276 Entergy Corp Com USD 0.01	83	0.10
6,130 Exelon Corp Com NPV	175	0.20
567 Integrys Energy Group Inc Com USD 1.00	33	0.04
1,286 MDU Resources Group Inc Com USD 1.00	38	0.04
3,166 PG&E Corp Com NPV	132	0.15
788 Pinnacle West Capital Corp Com NPV	44	0.05
3,625 Public Service Enterprise Group Inc Com NPV	121	0.14
Electronics		
2,467 Agilent Technologies Inc Com USD 0.01	125	0.15
1,017 FLIR Systems Inc Com USD 0.01	29	0.03
2,569 Thermo Fisher Scientific Inc Com USD 1.00	251	0.29
1,834 Trimble Navigation Ltd Com NPV	53	0.06
Engineering & construction		
1,165 Fluor Corp Com USD 0.01	87	0.10
Fixed line telecommunications		
38,648 AT&T Inc Com USD 1.00	1,399	1.61
Food products		
770 JM Smucker Co Com NPV	86	0.10
856 McCormick & Co Inc Com NPV	59	0.07

Holding Investment	Fair value \$'000	% of net asset value
United Kingdom (cont)		
Food products (cont)		
12,178 Mondelez International Inc Com NPV	410	0.47
4,253 Sysco Corp Com USD 1.00	137	0.16
Forest products & paper		
1,269 MeadWestvaco Corp Com USD 0.01	44	0.05
Hand & machine tools		
1,100 Stanley Black & Decker Inc Com USD 2.50	87	0.10
Healthcare products		
3,891 Baxter International Inc Com USD 1.00	256	0.30
9,663 Boston Scientific Corp Com USD 0.01	113	0.13
809 Edwards Lifesciences Corp Com USD 1.00	53	0.06
1,183 Hospira Inc Com USD 0.01	48	0.06
610 Patterson Cos Inc Com USD 0.01	26	0.03
2,165 Stryker Corp Com USD 0.10	160	0.18
Home furnishings		
567 Whirlpool Corp Com USD 1.00	83	0.10
Home improvement retailers		
10,495 Home Depot Inc Com USD 0.05	817	0.94
7,795 Lowe's Cos Inc Com USD 0.50	388	0.45
Household products		
713 Avery Dennison Corp Com USD 1.00	34	0.04
Integrated oil & gas		
13,924 Chevron Corp Com USD 0.75	1,671	1.93
31,940 Exxon Mobil Corp Com NPV	2,864	3.31
762 Helmerich & Payne Inc Com USD 0.10	59	0.07
2,212 Hess Corp Com USD 1.00	180	0.21
2,325 Marathon Petroleum Corp Com USD 0.01	167	0.19
974 Murphy Oil Corp Com USD 1.00	59	0.07
Internet		
8,390 eBay Inc Com USD 0.001	442	0.51
789 Expedia Inc Com USD 0.001	47	0.05
565 F5 Networks Inc Com NPV	46	0.05
841 Rackspace Hosting Inc Com USD 0.001	43	0.05
4,988 Symantec Corp Com USD 0.01	113	0.13
6,980 Yahoo! Inc Com USD 0.001	230	0.27
Iron & steel		
2,275 Nucor Corp Com USD 0.40	118	0.14
Machinery – diversified		
697 AGCO Corp Com USD 0.01	41	0.05
1,291 Cummins Inc Com USD 2.50	164	0.19
1,022 Flowserve Corp Com USD 1.25	71	0.08
761 Joy Global Inc Com USD 1.00	43	0.05

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Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value
United Kingdom (cont)		
Machinery – diversified (cont)		
1,001 Rockwell Automation Inc Com USD 1.00	110	0.13
710 Roper Industries Inc Com USD 0.01	90	0.10
1,326 Xylem Inc Com USD 0.01	46	0.05
Media agencies		
1,853 Omnicom Group Inc Com USD 0.15	126	0.15
Medical equipment		
1,576 CareFusion Corp Com USD 0.01	61	0.07
625 Henry Schein Inc Com USD 0.01	70	0.08
776 Varian Medical Systems Inc Com USD 1.00	56	0.07
1,207 Zimmer Holdings Inc Com USD 0.01	106	0.12
Mining		
7,660 Alcoa Inc Com USD 1.00	71	0.08
7,454 Freeport-McMoRan Copper & Gold Inc Com USD 0.10	274	0.32
3,562 Newmont Mining Corp Com USD 1.60	97	0.11
Miscellaneous manufacturers		
4,710 3M Co Com USD 0.01	593	0.69
4,215 Danaher Corp Com USD 0.01	304	0.35
1,229 Dover Corp Com USD 1.00	113	0.13
3,065 Illinois Tool Works Inc Com USD 0.01	242	0.28
795 Pall Corp Com USD 0.10	64	0.07
303 SPX Corp Com USD 10.00	27	0.03
Nondurable household products		
988 Church & Dwight Co Inc Com USD 1.00	64	0.07
Office & business equipment		
8,356 Xerox Corp Com USD 1.00	83	0.10
Oil & gas		
3,593 Anadarko Petroleum Corp Com USD 0.10	342	0.39
2,807 Apache Corp Com USD 0.625	249	0.29
3,018 Cabot Oil & Gas Corp Com USD 0.10	107	0.12
617 Cimarex Energy Co Com USD 0.01	65	0.07
8,343 ConocoPhillips Com USD 0.01	612	0.71
2,674 Denbury Resources Inc Com USD 0.001	51	0.06
2,761 Devon Energy Corp Com USD 0.10	175	0.20
498 Diamond Offshore Drilling Inc Com USD 0.01	31	0.04
517 Energen Corp Com USD 0.01	40	0.05
1,950 EOG Resources Inc Com USD 0.01	348	0.40
1,078 EQT Corp Com NPV	92	0.11
1,383 HollyFrontier Corp Com USD 0.01	64	0.07
5,078 Marathon Oil Corp Com USD 1.00	179	0.21
2,562 Noble Energy Inc Com USD 0.01	192	0.22
5,788 Occidental Petroleum Corp Com USD 0.20	556	0.64
4,213 Phillips 66 Com USD 0.01	271	0.31

Holding Investment	Fair value \$'000	% of net asset value
United Kingdom (cont)		
Oil & gas (cont)		
980 Pioneer Natural Resources Co Com USD 0.01	201	0.23
2,517 Southwestern Energy Co Com USD 0.01	94	0.11
971 Tesoro Corp Com USD 0.167	47	0.05
3,906 Valero Energy Corp Com USD 0.01	161	0.19
855 Whiting Petroleum Corp Com USD 0.001	57	0.07
Oil & gas services		
3,164 Baker Hughes Inc Com USD 1.00	184	0.21
1,776 Cameron International Corp Com USD 0.01	97	0.11
1,697 FMC Technologies Inc Com USD 0.01	86	0.10
6,059 Halliburton Co Com USD 2.50	321	0.37
3,061 National Oilwell Varco Inc Com USD 0.01	248	0.29
775 Oceaneering International Inc Com USD 0.25	67	0.08
1,144 Superior Energy Services Inc Com USD 0.001	31	0.03
Packaging & containers		
516 Rock Tenn Co Com USD 0.01	55	0.06
Personal products		
1,710 Estee Lauder Cos Inc Com USD 0.01	121	0.14
19,690 Procter & Gamble Co Com NPV	1,591	1.84
Pharmaceuticals		
11,197 Abbott Laboratories Com NPV	409	0.47
2,125 Allergan Inc Com USD 0.01	193	0.22
1,656 AmerisourceBergen Corp Com USD 0.01	108	0.12
997 BioMarin Pharmaceutical Inc Com USD 0.001	63	0.07
11,801 Bristol-Myers Squibb Co Com USD 0.10	620	0.72
2,449 Cardinal Health Inc Com NPV	144	0.17
7,304 Eli Lilly & Co Com NPV	364	0.42
5,890 Express Scripts Holding Co Com USD 0.01	368	0.43
1,721 Forest Laboratories Inc Com USD 0.10	81	0.09
20,178 Johnson & Johnson Com USD 1.00	1,870	2.16
1,625 McKesson Corp Com USD 0.01	254	0.29
21,693 Merck & Co Inc Com USD 0.50	978	1.13
753 Omnicare Inc Com USD 1.00	41	0.05
47,161 Pfizer Inc Com USD 0.05	1,447	1.67
Publishing		
1,867 McGraw Hill Financial Inc Com USD 1.00	130	0.15
Railroads		
2,257 Norfolk Southern Corp Com USD 1.00	194	0.22
3,354 Union Pacific Corp Com USD 2.50	508	0.59

iShares MSCI World Islamic UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value
	United Kingdom (cont)		
	Real estate investment trusts		
1,047	Public Storage Reits USD 0.10	175	0.20
	Recreational products		
468	Polaris Industries Inc Com USD 0.01	61	0.07
	Restaurants & bars		
5,377	Starbucks Corp Com USD 0.001	436	0.50
	Retail		
8,794	CVS Caremark Corp Com USD 0.01	548	0.63
2,226	Dollar General Corp Com USD 0.875	128	0.15
791	O'Reilly Automotive Inc Com USD 0.01	98	0.12
1,000	Tractor Supply Co Com USD 0.008	71	0.08
	Semiconductors		
8,608	Applied Materials Inc Com USD 0.01	154	0.18
3,731	Broadcom Corp Com USD 0.0001	100	0.11
843	Cree Inc Com USD 0.00125	51	0.06
35,710	Intel Corp Com USD 0.001	872	1.01
3,936	LSI Corp Com USD 0.01	33	0.04
7,376	Micron Technology Inc Com USD 0.10	130	0.15
12,414	Qualcomm Inc Com USD 0.0001	863	0.99
7,946	Texas Instruments Inc Com USD 1.00	334	0.39
	Software		
1,273	Akamai Technologies Inc Com USD 0.01	57	0.07
666	Ansys Inc Com USD 0.01	58	0.07
2,274	CA Inc Com USD 0.10	73	0.08
2,214	Cerner Corp Com USD 0.01	124	0.14
1,340	Citrix Systems Inc Com USD 0.001	76	0.09
2,166	Electronic Arts Inc Com USD 0.01	57	0.06
2,344	Paychex Inc Com USD 0.01	99	0.11
4,015	Salesforce.com Inc Com USD 0.001	214	0.25
	Specialty chemicals		
424	CF Industries Holdings Inc Com USD 0.01	91	0.10
1,021	PPG Industries Inc Com USD 1.67	187	0.22
	Specialty retailers		
521	Advance Auto Parts Inc Com USD 0.0001	52	0.06
1,577	Bed Bath & Beyond Inc Com USD 0.01	122	0.14
1,948	Best Buy Co Inc Com USD 0.10	83	0.10
741	Family Dollar Stores Inc Com USD 0.10	51	0.06
852	GameStop Corp Com USD 0.001	47	0.05
704	PetSmart Inc Com USD 0.0001	51	0.06
4,756	Staples Inc Com USD 0.0006	77	0.09
915	Tiffany & Co Com USD 0.01	72	0.08
	Telecommunications		
10,566	Corning Inc Com USD 0.50	180	0.21
3,627	Juniper Networks Inc Com USD 0.00001	68	0.08
1,753	Motorola Solutions Inc Com USD 0.01	110	0.12

Holding	Investment	Fair value \$'000	% of net asset value
	United Kingdom (cont)		
	Textile		
745	Cintas Corp Com NPV	40	0.04
440	Mohawk Industries Inc Com USD 0.01	58	0.07
	Toys		
2,473	Mattel Inc Com USD 1.00	110	0.13
	Transportation		
2,158	FedEx Corp Com USD 0.10	283	0.32
675	JB Hunt Transport Services Inc Com USD 0.01	50	0.06
790	Kansas City Southern Com USD 0.01	96	0.11
	Total United States	44,177	50.98
	Total equities	86,369	99.65
	Warrants		
	Canada		
99	Kinross Gold Corp Warrants 17 September 2014*	-	0.00
	Total Canada	-	0.00
	Total warrants	-	0.00
	Total value of investments	86,369	99.65
	Cash†	244	0.28
	Other net assets	45	0.05
	Net assets attributable to redeemable participating shareholders	86,658	99.98
	Adjustment to align to the valuation methodology as set out in the prospectus	20	0.02
	Net asset value attributable to redeemable participating shareholders at the end of the year	86,678	100.00

† Substantially all cash positions are held with State Street Bank and Trust Company.

* Investments which are less than \$500 have been rounded to zero.

	Fair value \$'000	% of total current assets
Analysis of total current assets gross of all liabilities (unaudited)		
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	86,369	98.62
Other assets	1,213	1.38
Total current assets	87,582	100.00

iShares MSCI World Islamic UCITS ETF

Schedule of material purchases and sales

For the year ended 31 October 2013

The 20 largest sales

Holding Investments	Proceeds \$'000
15,429 AbbVie Inc Com USD 0.01	593
3,371 Exxon Mobil Corp Com NPV	298
54,282 Glencore Xstrata Plc Com USD 0.01	266
4,239 Nike Inc Com NPV	265
2,822 Cie Financiere Richemont SA Com CHF 1.00	228
7,348 Pfizer Inc Com USD 0.05	206
5,047 Hennes & Mauritz AB Com NPV	175
4,548 AT&T Inc Com USD 1.00	156
1,245 Chevron Corp Com USD 0.75	151
1,798 Procter & Gamble Co Com NPV	140
2,037 Nestle SA Com CHF 0.10	135
1,483 Johnson & Johnson Com USD 1.00	130
684 International Business Machines Corp Com USD 0.20	128
1,201 Air Products & Chemicals Inc Com USD 1.00	112
210 Intuitive Surgical Inc Com USD 0.001	111
1,645 Intuit Inc Com USD 0.01	105
5,582 Experian Plc Com USD 0.10	98
37,000 Nippon Steel & Sumitomo Metal Corp Com NPV	95
1,888 St Jude Medical Inc Com USD 0.10	94
1,903 Kraft Foods Inc Com NPV	92

The 20 largest purchases

Holding Investments	Cost \$'000
10,825 Exxon Mobil Corp Com NPV	938
13,326 Qualcomm Inc Com USD 0.0001	874
7,103 Johnson & Johnson Com USD 1.00	611
4,857 Chevron Corp Com USD 0.75	572
7,329 Procter & Gamble Co Com NPV	561
7,709 Nestle SA Com CHF 0.10	519
2,539 International Business Machines Corp Com USD 0.20	466
15,523 Pfizer Inc Com USD 0.05	439
11,849 Hennes & Mauritz AB Com NPV	425
12,554 AT&T Inc Com USD 1.00	422
5,385 Novartis AG Com CHF 0.50	397
116,929 Vodafone Group Plc Com USD 0.1142857	396
6,396 Express Scripts Holding Co Com USD 0.01	375
7,226 Merck & Co Inc Com USD 0.50	344
45,984 BP Plc Com USD 0.25	323
9,952 Royal Dutch Shell Plc Com EUR 0.07	322
4,351 Danone Com EUR 0.25	321
2,994 Sanofi Com EUR 2.00	304
12,729 Intel Corp Com USD 0.001	291
3,449 Schlumberger Ltd Com USD 0.01	290

The UCITS notices issued by the Central Bank of Ireland require a Schedule of Portfolio changes during the year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the year is available, upon request, at no cost from the Administrator.

iShares STOXX Europe 50 UCITS ETF

Income statement

For the year ended 31 October 2013

	Notes	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Operating income	2	19,301	23,346
Net gains on financial assets/liabilities at fair value through profit or loss	3	74,122	56,727
Total gains		93,423	80,073
Operating expenses	4	(1,925)	(1,928)
Net operating profit		91,498	78,145
Finance costs:			
Distributions to redeemable participating shareholders	6	(16,291)	(20,978)
Interest expense	7	-	(5)
Total finance costs		(16,291)	(20,983)
Net profit for the financial year before tax		75,207	57,162
Non-reclaimable withholding tax		(815)	(285)
Net profit for the financial year after tax		74,392	56,877
Adjustment to align to the valuation methodology as set out in the prospectus	8	272	116
Increase in net assets attributable to redeemable participating shareholders from operations		74,664	56,993

There are no recognised gains or losses arising in the year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

Statement of changes in net assets attributable to redeemable participating shareholders

For the year ended 31 October 2013

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Net assets attributable to redeemable participating shareholders at the beginning of the year	542,819	562,242
Increase in net assets attributable to redeemable participating shareholders from operations	74,664	56,993
Share transactions:		
Proceeds from issue of redeemable participating shares	50,279	95,828
Payments on redemption of redeemable participating shares	(58,937)	(172,244)
Decrease in net assets resulting from share transactions	(8,658)	(76,416)
Net assets attributable to redeemable participating shareholders at the end of the year	608,825	542,819

The accompanying notes form an integral part of these financial statements.

iShares STOXX Europe 50 UCITS ETF

Balance sheet

As at 31 October 2013

	Notes	31 October 2013 €'000	31 October 2012 €'000
CURRENT ASSETS			
Cash and cash equivalents		4,501	51
Margin cash account		362	467
Receivables	12	4,253	4,699
Financial assets at fair value through profit or loss	13	603,018	540,860
Total current assets		612,134	546,077
CURRENT LIABILITIES			
Payables	14	(332)	(162)
Distributions payable to redeemable participating shareholders	6	(3,239)	(3,014)
Financial liabilities at fair value through profit or loss	13	-	(72)
Total current liabilities		(3,571)	(3,248)
Net assets attributable to redeemable participating shareholders		608,563	542,829
Adjustment to align to the valuation methodology as set out in the prospectus	8	262	(10)
Net asset value attributable to redeemable participating shareholders at the end of the year		608,825	542,819

The accompanying notes form an integral part of these financial statements. Details of the NAV per share are set out in note 11.

iShares STOXX Europe 50 UCITS ETF

Notes to the financial statements

For the year ended 31 October 2013

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 54 to 58. The financial instruments and risks are set out on pages 59 to 98. The notes relating to tax, soft commissions and exchange rates are set out in the notes on pages 101 to 109.

2. OPERATING INCOME

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Deposit interest income	4	11
Dividend income	18,857	22,622
Securities lending income	440	713
	19,301	23,346

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Net gains on investments in securities held at fair value through profit or loss	73,451	56,085
Net gains on futures contracts	700	521
Net (losses)/gains on other investments	(29)	121
	74,122	56,727

4. OPERATING EXPENSES

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Management fees	(1,925)	(1,928)
	(1,925)	(1,928)

5. MANAGEMENT FEES

Fees earned by the Manager during the year and balances outstanding as at 31 October 2013 and 31 October 2012 are disclosed in note 4 and note 14 respectively.

Please refer to page 101 for each Fund's management fee rate.

The Manager is responsible for discharging, from this fee, all fees of the Investment Manager, the Administrator and the Custodian and any distributing agent appointed by the distributor through whom the shares will be marketed, together with all reasonable out of pocket expenses of such service providers, (including sub-custodial fees and expenses, (which will be at normal commercial rates) and transaction related charges of the Administrator and Custodian). The Manager will also be responsible for discharging from its fee for each share class an attributable proportion of the organisational and operating expenses, including audit and Directors fees, of the Company. The fee will be accrued daily based on the daily net asset value of the share classes and will be paid monthly in arrears. Where the actual fees and costs incurred exceed the amount paid to the Manager, the excess will be discharged by the Manager from its own assets.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of Shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the year were as follows:

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
January 2012	-	3,792
April 2012	-	5,053
July 2012	-	8,850
October 2012	-	3,014
January 2013	1,909	-
April 2013	4,380	-
July 2013	6,723	-
October 2013	3,239	-
	16,251	20,709
Equalisation income	(285)	(671)
Equalisation expense	325	940
	16,291	20,978

7. INTEREST EXPENSE

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Bank interest	-	(5)
	-	(5)

iShares STOXX Europe 50 UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

8. ADJUSTMENT TO ALIGN TO THE VALUATION METHODOLOGY AS SET OUT IN THE PROSPECTUS

The adjustment between the financial statements net asset value and the valuation methodology set out in the prospectus is shown below:

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Balance brought forward	(10)	(126)
Adjustment to align to the valuation methodology as set out in the prospectus	272	116
Total adjustment for the year	272	116
Balance carried forward	262	(10)

Further details are set out in the accounting policies note m) on page 58.

9. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the years ended 31 October 2013 and 31 October 2012. Please refer to note 10 on page 103 for further details.

	Year ended 31 October 2013 €'000	Year ended 31 October 2012 €'000
Transactions costs	166	247

10. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 October 2013 No. of Shares	31 October 2012 No. of Shares
Number of redeemable participating shares:		
Balance at the beginning of year	21,500,000	24,300,000
Issued during the year	1,800,000	4,200,000
Redeemed during the year	(2,200,000)	(7,000,000)
Balance at the end of year	21,100,000	21,500,000

11. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	No. of Shares
Shares in issue	
As at 31 October 2013	21,100,000
As at 31 October 2012	21,500,000
As at 31 October 2011	24,300,000

	€'000
Net asset value	
As at 31 October 2013	608,825
As at 31 October 2012	542,819
As at 31 October 2011	562,242

Net asset value per share	
As at 31 October 2013	€28.85
As at 31 October 2012	€25.25
As at 31 October 2011	€23.14

12. RECEIVABLES

	31 October 2013 €'000	31 October 2012 €'000
Dividend income receivable	346	343
Securities lending income receivable	36	32
Tax reclaim receivable	632	1,310
Distributions payable held with Registrar*	3,239	3,014
	4,253	4,699

* Further details are set out in note 12 on page 104.

13. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013 €'000	31 October 2012 €'000
Financial assets:		
Investment in equities	601,682	538,159
Investment in rights	332	301
Investment in UCITS collective investment schemes	813	2,400
Unrealised gains on futures contracts	191	-
	603,018	540,860
Financial liabilities:		
Unrealised losses on futures contracts	-	(72)
	-	(72)

iShares STOXX Europe 50 UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

14. PAYABLES

	31 October 2013 €'000	31 October 2012 €'000
Management fees payable	(332)	(162)
	(332)	(162)

15. COMMITMENTS AND CONTINGENT LIABILITIES

As disclosed in note 22 on page 108 and in the Company's previous audited financial statements for the year ended 31 October 2012, iShares STOXX Europe 50 UCITS ETF is no longer eligible to be held by investors through a French plan d'épargne en actions ("PEA"). This decision was made due to the combined impact of currency fluctuations and changes in the components of the Fund's underlying benchmark which caused the Fund to cease to be eligible to be held through a PEA. As a result, shares in the Fund can no longer be held through a PEA, or there could be a risk of immediate closure of the entire PEA.

As at 31 October 2013, iShares STOXX Europe 50 UCITS ETF has a contingent liability to investors who held their shares in the Fund through a PEA. No provision has been recognised in the financial statements of the Company or the Fund due to the significant uncertainty that exists at the reporting date regarding the amount and timing of any payment or as to the necessity for the Fund to make any future payments regarding this.

16. RELATED PARTIES

The related parties are set out on pages 106 to 108.

17. EFFICIENT PORTFOLIO MANAGEMENT

The Company may, subject to the conditions and within the limits from time to time laid down by the Central Bank of Ireland and the prospectus, engage in securities lending and employ techniques and instruments relating to transferable securities for efficient portfolio management purposes.

During the year the Company engaged in securities lending. The Company receives either cash collateral or securities as collateral, as determined within the schedule, for a value in excess of the market value of the securities loaned. As at the 31 October 2013 the collateral consists of securities admitted to or dealt on a regulated market.

The collateral is registered and held in the name of BlackRock Advisors (UK) Limited on behalf of the Funds in any or all of the following collateral agents and central securities depositories: JP Morgan Chase, Bank of New York Mellon Corporation, Euroclear or CREST, depending on the type of collateral the counterparty needs to give as per the schedule in order to cover the required value of exposure. Further details can be seen on page 81.

The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary.

The securities lending agent appointed pursuant to the stock lending agreement is BlackRock Advisors (UK) Limited. Securities lending income is split between the Fund and the securities lending agent in a ratio of 60:40 in favour of the Fund, with all operational costs borne out of the securities lending agents share.

	31 October 2013 €'000	31 October 2012 €'000
Income earned during year	440	713
Value of securities on loan at year end	3,031	9,691
Value of collateral held by the Company at year end	3,347	10,708

Please see note 18 for more information on financial derivative instruments.

18. FINANCIAL DERIVATIVE INSTRUMENTS

The Fund may buy and sell financial derivative instruments. See further details in the Fund's Schedule of Investments and note 3 to the financial statements.

19. SIGNIFICANT EVENTS DURING THE YEAR

Please refer to note 22 on pages 108 and 109.

20. SUBSEQUENT EVENTS

Please refer to note 23 on page 109.

iShares STOXX Europe 50 UCITS ETF

Schedule of investments

As at 31 October 2013

Holding	Investment	Fair value €'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market			
	Equities		
	Belgium		
	Beverages		
142,989	Anheuser-Busch InBev NV Com NPV	10,953	1.80
	Total Belgium	10,953	1.80
	France		
	Apparel retailers		
51,376	LVMH Moët Hennessy Louis Vuitton SA Com EUR 0.30	7,282	1.20
	Banks		
203,425	BNP Paribas SA Com EUR 2.00	11,093	1.82
	Chemicals		
60,111	Air Liquide SA Com EUR 5.50	6,029	0.99
	Electrical components & equipment		
106,781	Schneider Electric SA Com EUR 4.00	6,624	1.09
	Insurance		
392,444	AXA SA Com EUR 2.29	7,213	1.18
	Integrated oil & gas		
432,208	Total SA Com EUR 2.50	19,538	3.21
	Pharmaceuticals		
231,686	Sanofi Com EUR 2.00	18,197	2.99
	Total France	75,976	12.48
	Germany		
	Auto manufacturers		
188,957	Daimler AG Com NPV	11,392	1.87
	Banks		
196,001	Deutsche Bank AG Com NPV	6,982	1.15
	Chemicals		
176,706	BASF SE Com NPV	13,504	2.22
	Insurance		
86,964	Allianz SE Com NPV	10,753	1.77
	Miscellaneous manufacturers		
159,919	Siemens AG Com NPV	15,032	2.47
	Mobile telecommunications		
584,556	Deutsche Telekom AG Com NPV	6,772	1.11
	Pharmaceuticals		
158,986	Bayer AG Com NPV	14,522	2.38
	Software		
182,275	SAP AG Com NPV	10,541	1.73
	Total Germany	89,498	14.70

Holding	Investment	Fair value €'000	% of net asset value
	Italy		
	Integrated oil & gas		
514,438	Eni SpA Com NPV	9,574	1.57
	Total Italy	9,574	1.57
	Jersey		
	Mining		
1,912,208	Glencore Xstrata Plc Com USD 0.01	7,682	1.26
	Total Jersey	7,682	1.26
	Netherlands		
	Food		
302,427	Unilever NV CVS EUR 0.16	8,822	1.45
	Insurance		
742,449	ING Groep NV CVS EUR 0.24	6,964	1.14
	Total Netherlands	15,786	2.59
	Spain		
	Banks		
1,100,513	Banco Bilbao Vizcaya Argentaria SA Com EUR 0.49	9,491	1.56
2,132,479	Banco Santander SA Com EUR 0.50	13,942	2.29
	Telecommunications		
765,119	Telefonica SA Com EUR 1.00	9,931	1.63
	Total Spain	33,364	5.48
	Sweden		
	Telecommunications		
585,081	Telefonaktiebolaget LM Ericsson Com NPV	5,144	0.85
	Total Sweden	5,144	0.85
	Switzerland		
	Banks		
287,807	Credit Suisse Group AG Com CHF 0.04	6,600	1.08
688,972	UBS AG Com CHF 0.10	9,827	1.62
	Engineering & construction		
446,560	ABB Ltd Com CHF 1.03	8,404	1.38
	Food products		
619,975	Nestle SA Com CHF 0.10	32,986	5.42
	Insurance		
28,612	Zurich Insurance Group AG Com CHF 0.10	5,829	0.96
	Pharmaceuticals		
520,272	Novartis AG Com CHF 0.50	29,773	4.89
135,065	Roche Holding AG Com NPV	27,559	4.53

iShares STOXX Europe 50 UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value €'000	% of net asset value	Holding	Investment	Fair value €'000	% of net asset value
Switzerland (cont)				Rights			
Retail				Spain			
100,353	Cie Financiere Richemont SA Com CHF 1.00	7,581	1.24	2,101,833	Banco Santander SA - Rights 1 November 2013	332	0.06
	Total Switzerland	128,559	21.12		Total Spain	332	0.06
					Total rights	332	0.06
United Kingdom				UCITS collective investment schemes			
Banks				Ireland			
2,895,706	Barclays Plc Com GBP 0.25	9,019	1.48	813,486	Institutional Cash Series Plc - Institutional Euro Liquidity Fund*	813	0.13
3,580,599	HSBC Holdings Plc Com USD 0.50	28,863	4.74		Total Ireland	813	0.13
8,236,373	Lloyds Banking Group Plc Com GBP 0.10	7,545	1.24		Total UCITS collective investment schemes	813	0.13
378,561	Standard Chartered Plc Com USD 0.50	6,708	1.10				
Beverages				Financial derivative instruments			
480,876	Diageo Plc Com GBP 0.2893518	11,292	1.85	Futures contracts			
Food							
1,542,874	Tesco Plc Com GBP 0.05	6,640	1.09	No. of contracts		Underlying exposure €'000	Unrealised gain €'000
246,749	Unilever Plc Com GBP 0.0311	7,360	1.21				% of net asset value
Gas distribution				238	Euro Stoxx 50 Index Futures December 2013	6,642	191
724,415	National Grid Plc Com GBP 0.1139535	6,712	1.10		Total unrealised gains on futures contracts		0.03
Integrated oil & gas							0.03
651,055	BG Group Plc Com GBP 0.10	9,798	1.61		Total value of investments	603,018	99.05
3,610,316	BP Plc Com USD 0.25	20,592	3.38		Cash[†]	4,863	0.80
730,167	Royal Dutch Shell Plc Com EUR 0.07	17,937	2.95		Other net assets	682	0.11
Mining					Net assets attributable to redeemable participating shareholders	608,563	99.96
410,682	BHP Billiton Plc Com USD 0.50	9,369	1.54		Adjustment to align to the valuation methodology as set out in the prospectus	262	0.04
241,163	Rio Tinto Plc Com GBP 0.10	8,999	1.48		Net asset value attributable to redeemable participating shareholders at the end of the year	608,825	100.00
Mobile telecommunications							
9,220,774	Vodafone Group Plc Com USD 0.1142857	24,463	4.02				
Nondurable household products							
126,104	Reckitt Benckiser Group Plc Com GBP 0.10	7,222	1.19				
Pharmaceuticals							
240,204	AstraZeneca Plc Com USD 0.25	9,392	1.54				
939,313	GlaxoSmithKline Plc Com GBP 0.25	18,243	3.00				
Tobacco							
369,212	British American Tobacco Plc Com GBP 0.25	14,992	2.46				
	Total United Kingdom	225,146	36.98				
	Total equities	601,682	98.83				

[†] Cash holdings of €4,500,517 are held with State Street Bank and Trust Company. €362,140 is held as a security for futures contracts with Barclays Plc.

* Investment in related party

iShares STOXX Europe 50 UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

Analysis of total current assets gross of all liabilities (unaudited)	Fair value €'000	% of total current assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	602,014	98.35
UCITS collective investment schemes	813	0.13
Exchange traded financial derivative instruments	191	0.03
Other assets	9,116	1.49
Total current assets	612,134	100.00

iShares STOXX Europe 50 UCITS ETF

Schedule of material purchases and sales

For the year ended 31 October 2013

The 20 largest sales

Holding Investments	Proceeds €'000
203,509 Imperial Tobacco Group Plc Com GBP 0.10	5,562
406,725 E.ON SE Com NPV	5,490
191,594 Hennes & Mauritz AB Com NPV	4,895
285,509 Anglo American Plc Com USD 0.54945	4,689
287,837 GDF Suez Com EUR 1.00	4,206
77,046 Nestle SA Com CHF 0.10	4,126
64,656 Novartis AG Com CHF 0.50	3,484
416,529 HSBC Holdings Plc Com USD 0.50	3,462
391,277 Orange SA Com EUR 4.00	3,268
1,453,856 Vodafone Group Plc Com USD 0.1142857	3,101
16,786 Roche Holding AG Com NPV	3,005
67,022 British American Tobacco Plc Com GBP 0.25	2,704
470,909 BP Plc Com USD 0.25	2,471
130,506 GlaxoSmithKline Plc Com GBP 0.25	2,309
28,791 Sanofi Com EUR 2.00	2,194
84,632 Royal Dutch Shell Plc Com EUR 0.07	2,138
52,137 Total SA Com EUR 2.50	2,017
19,875 Siemens AG Com NPV	1,623
21,960 BASF SE Com NPV	1,594
19,757 Bayer AG Com NPV	1,542

The 20 largest purchases

Holding Investments	Cost €'000
8,236,373 Lloyds Banking Group Plc Com GBP 0.10	7,466
392,444 AXA SA Com EUR 2.29	6,876
1,981,536 Glencore Xstrata Plc Com USD 0.01	6,750
112,225 Schneider Electric SA Com EUR 4.00	6,671
304,498 Credit Suisse Group AG Com CHF 0.04	6,244
105,172 Cie Financiere Richemont SA Com CHF 1.00	6,183
325,482 HSBC Holdings Plc Com USD 0.50	2,639
44,960 Nestle SA Com CHF 0.10	2,330
37,730 Novartis AG Com CHF 0.50	2,116
351,779 Banco Santander SA Com EUR 0.50	2,062
9,791 Roche Holding AG Com NPV	1,912
670,185 Vodafone Group Plc Com USD 0.1142857	1,728
509,767 Barclays Plc Com GBP 0.25	1,659
67,450 Royal Dutch Shell Plc Com EUR 0.07	1,658
286,248 BP Plc Com USD 0.25	1,518
35,336 Total SA Com EUR 2.50	1,499
68,179 GlaxoSmithKline Plc Com GBP 0.25	1,286
16,804 Sanofi Com EUR 2.00	1,252
26,874 British American Tobacco Plc Com GBP 0.25	1,064
127,453 Banco Bilbao Vizcaya Argentaria SA Com EUR 0.49	1,041

The UCITS notices issued by the Central Bank of Ireland require a Schedule of Portfolio changes during the year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the year is available, upon request, at no cost from the Administrator.

iShares UK Gilts UCITS ETF

Income statement

For the year ended 31 October 2013

	Notes	Year ended 31 October 2013 £'000	Year ended 31 October 2012 £'000
Operating income	2	17,919	21,244
Net (losses)/gains on financial assets/liabilities at fair value through profit or loss	3	(32,543)	27,987
Total (losses)/gains		(14,624)	49,231
Operating expenses	4	(1,561)	(1,718)
Net operating (loss)/profit		(16,185)	47,513
Finance costs:			
Distributions to redeemable participating shareholders	6	(16,008)	(19,413)
Interest expense	7	-	(14)
Total finance costs		(16,008)	(19,427)
Net (loss)/profit for the financial year		(32,193)	28,086
Adjustment to align to the valuation methodology as set out in the prospectus	8	253	92
(Decrease)/increase in net assets attributable to redeemable participating shareholders from operations		(31,940)	28,178

There are no recognised gains or losses arising in the year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

Statement of changes in net assets attributable to redeemable participating shareholders

For the year ended 31 October 2013

	Year ended 31 October 2013 £'000	Year ended 31 October 2012 £'000
Net assets attributable to redeemable participating shareholders at the beginning of the year	873,111	699,127
(Decrease)/increase in net assets attributable to redeemable participating shareholders from operations	(31,940)	28,178
Share transactions:		
Proceeds from issue of redeemable participating shares	261,665	458,124
Payments on redemption of redeemable participating shares	(303,294)	(312,318)
(Decrease)/increase in net assets resulting from share transactions	(41,629)	145,806
Net assets attributable to redeemable participating shareholders at the end of the year	799,542	873,111

The accompanying notes form an integral part of these financial statements.

iShares UK Gilts UCITS ETF

Balance sheet

As at 31 October 2013

	Notes	31 October 2013 £'000	31 October 2012 £'000
CURRENT ASSETS			
Cash and cash equivalents		725	894
Receivables	12	15,910	19,060
Financial assets at fair value through profit or loss	13	791,439	867,426
Total current assets		808,074	887,380
CURRENT LIABILITIES			
Payables	14	(267)	(4,453)
Distributions payable to redeemable participating shareholders	6	(8,437)	(9,735)
Total current liabilities		(8,704)	(14,188)
Net assets attributable to redeemable participating shareholders		799,370	873,192
Adjustment to align to the valuation methodology as set out in the prospectus	8	172	(81)
Net asset value attributable to redeemable participating shareholders at the end of the year		799,542	873,111

The accompanying notes form an integral part of these financial statements. Details of the NAV per share are set out in note 11.

iShares UK Gilts UCITS ETF

Notes to the financial statements

For the year ended 31 October 2013

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 54 to 58. The financial instruments and risks are set out on pages 59 to 98. The notes relating to tax, soft commissions and exchange rates are set out in the notes on pages 101 to 109.

2. OPERATING INCOME

	Year ended 31 October 2013 £'000	Year ended 31 October 2012 £'000
Deposit interest income	9	29
Bond interest income	17,768	21,145
Securities lending income	142	70
	17,919	21,244

3. NET (LOSSES)/GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 October 2013 £'000	Year ended 31 October 2012 £'000
Net (losses)/gains on investments in securities held at fair value through profit or loss	(32,543)	27,987
	(32,543)	27,987

4. OPERATING EXPENSES

	Year ended 31 October 2013 £'000	Year ended 31 October 2012 £'000
Management fees	(1,561)	(1,718)
	(1,561)	(1,718)

5. MANAGEMENT FEES

Fees earned by the Manager during the year and balances outstanding as at 31 October 2013 and 31 October 2012 are disclosed in note 4 and note 14 respectively.

Please refer to page 101 for each Fund's management fee rate.

The Manager is responsible for discharging, from this fee, all fees of the Investment Manager, the Administrator and the Custodian and any distributing agent appointed by the distributor through whom the shares will be marketed, together with all reasonable out of pocket expenses of such service providers, (including sub-custodial fees and expenses, (which will be at normal commercial rates) and transaction related charges of the Administrator and Custodian). The Manager will also be responsible for discharging from its fee for each share class an attributable proportion of the organisational and operating expenses, including audit and Directors fees, of the Company. The fee will be accrued daily based on the daily net asset value of the share classes and will be paid monthly in arrears. Where the actual fees and costs incurred exceed the amount paid to the Manager, the excess will be discharged by the Manager from its own assets.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of Shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the year were as follows:

	Year ended 31 October 2013 £'000	Year ended 31 October 2012 £'000
April 2012	-	10,136
October 2012	-	9,735
April 2013	7,342	-
October 2013	8,437	-
	15,779	19,871
Equalisation income	(1,307)	(2,267)
Equalisation expense	1,536	1,809
	16,008	19,413

iShares UK Gilts UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

7. INTEREST EXPENSE

	Year ended 31 October 2013 £'000	Year ended 31 October 2012 £'000
Bank interest	-	(14)
	-	(14)

8. ADJUSTMENT TO ALIGN TO THE VALUATION METHODOLOGY AS SET OUT IN THE PROSPECTUS

The adjustment between the financial statements net asset value and the valuation methodology set out in the prospectus is shown below:

	Year ended 31 October 2013 £'000	Year ended 31 October 2012 £'000
Balance brought forward	(81)	(173)
Adjustment to align to the valuation methodology as set out in the prospectus	253	92
Total adjustment for the year	253	92
Balance carried forward	172	(81)

Further details are set out in the accounting policies note m) on page 58.

9. TRANSACTION COSTS

Transaction costs on this Fund are not separately identifiable for the years ended 31 October 2013 and 31 October 2012. Please refer to note 10 on page 103 for further details.

10. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 October 2013 No. of Shares	31 October 2012 No. of Shares
Number of redeemable participating shares:		
Balance at the beginning of year	73,750,000	61,250,000
Issued during the year	22,750,000	39,000,000
Redeemed during the year	(26,250,000)	(26,500,000)
Balance at the end of year	70,250,000	73,750,000

11. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	No. of Shares
Shares in issue	
As at 31 October 2013	70,250,000
As at 31 October 2012	73,750,000
As at 31 October 2011	61,250,000

	£'000
Net asset value	
As at 31 October 2013	799,542
As at 31 October 2012	873,111
As at 31 October 2011	699,127

Net asset value per share	
As at 31 October 2013	£11.38
As at 31 October 2012	£11.84
As at 31 October 2011	£11.41

12. RECEIVABLES

	31 October 2013 £'000	31 October 2012 £'000
Sale of securities awaiting settlement	-	1,397
Securities lending income receivable	18	9
Bond income receivable	7,455	7,918
Bank interest receivable	-	1
Distributions payable held with Registrar*	8,437	9,735
	15,910	19,060

* Further details are set out in note 12 on page 104.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013 £'000	31 October 2012 £'000
Financial assets:		
Investment in bonds	791,396	863,733
Investment in UCITS collective investment schemes	43	3,693
	791,439	867,426

iShares UK Gilts UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

14. PAYABLES

	31 October 2013 £'000	31 October 2012 £'000
Purchase of securities awaiting settlement	-	(4,303)
Management fees payable	(267)	(150)
	(267)	(4,453)

15. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the years ended 31 October 2013 and 31 October 2012 other than those disclosed in note 17 on page 105.

16. RELATED PARTIES

The related parties are set out on pages 106 to 108.

17. EFFICIENT PORTFOLIO MANAGEMENT

The Company may, subject to the conditions and within the limits from time to time laid down by the Central Bank of Ireland and the prospectus, engage in securities lending and employ techniques and instruments relating to transferable securities for efficient portfolio management purposes.

During the year the Company engaged in securities lending. The Company receives either cash collateral or securities as collateral, as determined within the schedule, for a value in excess of the market value of the securities loaned. As at the 31 October 2013 the collateral consists of securities admitted to or dealt on a regulated market.

The collateral is registered and held in the name of BlackRock Advisors (UK) Limited on behalf of the Funds in any or all of the following collateral agents and central securities depositories: JP Morgan Chase, Bank of New York Mellon Corporation, Euroclear or CREST, depending on the type of collateral the counterparty needs to give as per the schedule in order to cover the required value of exposure. Further details can be seen on page 81.

The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary.

The securities lending agent appointed pursuant to the stock lending agreement is BlackRock Advisors (UK) Limited. Securities lending income is split between the Fund and the securities lending agent in a ratio of 60:40 in favour of the Fund, with all operational costs borne out of the securities lending agents share.

	31 October 2013 £'000	31 October 2012 £'000
Income earned during year	142	70
Value of securities on loan at year end	136,220	54,557
Value of collateral held by the Company at year end	150,427	60,211

Please see note 18 for more information on financial derivative instruments.

18. FINANCIAL DERIVATIVE INSTRUMENTS

The Fund may buy and sell financial derivative instruments. See further details in the Fund's Schedule of Investments and note 3 to the financial statements.

19. SIGNIFICANT EVENTS DURING THE YEAR

Please refer to note 22 on pages 108 and 109.

20. SUBSEQUENT EVENTS

Please refer to note 23 on page 109.

iShares UK Gilts UCITS ETF

Schedule of investments

As at 31 October 2013

Holding Investment	Fair value £'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market		
Bonds		
United Kingdom		
Government bonds – Aa1 rating		
21,918,000 United Kingdom Gilt 1% 07/09/2017	21,802	2.73
22,480,000 United Kingdom Gilt 1.25% 22/07/2018	22,281	2.79
18,827,000 United Kingdom Gilt 1.75% 22/01/2017	19,335	2.42
20,232,000 United Kingdom Gilt 1.75% 07/09/2022	19,104	2.39
21,918,000 United Kingdom Gilt 2% 22/01/2016	22,604	2.83
25,009,000 United Kingdom Gilt 2.25% 07/03/2014	25,178	3.15
10,959,000 United Kingdom Gilt 2.25% 07/09/2023	10,612	1.33
19,670,000 United Kingdom Gilt 2.75% 22/01/2015	20,232	2.53
13,207,000 United Kingdom Gilt 3.25% 22/01/2044	12,628	1.58
6,463,000 United Kingdom Gilt 3.5% 22/07/2068	6,568	0.82
18,546,000 United Kingdom Gilt 3.75% 07/09/2019	20,643	2.58
16,298,000 United Kingdom Gilt 3.75% 07/09/2020	18,154	2.27
19,108,000 United Kingdom Gilt 3.75% 07/09/2021	21,230	2.66
13,207,000 United Kingdom Gilt 3.75% 22/07/2052	14,030	1.75
23,323,000 United Kingdom Gilt 4% 07/09/2016	25,493	3.19
25,009,000 United Kingdom Gilt 4% 07/03/2022	28,244	3.53
13,207,000 United Kingdom Gilt 4% 22/01/2060	14,994	1.88
19,670,000 United Kingdom Gilt 4.25% 07/12/2027	22,481	2.81
24,447,000 United Kingdom Gilt 4.25% 07/06/2032	27,954	3.50
15,174,000 United Kingdom Gilt 4.25% 07/03/2036	17,356	2.17
13,488,000 United Kingdom Gilt 4.25% 07/09/2039	15,467	1.93
16,860,000 United Kingdom Gilt 4.25% 07/12/2040	19,335	2.42
14,331,000 United Kingdom Gilt 4.25% 07/12/2046	16,580	2.07
14,050,000 United Kingdom Gilt 4.25% 07/12/2049	16,395	2.05
16,298,000 United Kingdom Gilt 4.25% 07/12/2055	19,302	2.41
24,447,000 United Kingdom Gilt 4.5% 07/03/2019	28,094	3.51
17,703,000 United Kingdom Gilt 4.5% 07/09/2034	20,901	2.61
17,703,000 United Kingdom Gilt 4.5% 07/12/2042	21,216	2.65
25,852,000 United Kingdom Gilt 4.75% 07/09/2015	27,910	3.49
23,042,000 United Kingdom Gilt 4.75% 07/03/2020	27,054	3.38
19,389,000 United Kingdom Gilt 4.75% 07/12/2030	23,471	2.94
17,141,000 United Kingdom Gilt 4.75% 07/12/2038	21,176	2.65
26,695,000 United Kingdom Gilt 5% 07/09/2014	27,739	3.47
25,009,000 United Kingdom Gilt 5% 07/03/2018	28,952	3.62
23,042,000 United Kingdom Gilt 5% 07/03/2025	28,109	3.52
13,207,000 United Kingdom Gilt 6% 07/12/2028	17,968	2.25
7,587,000 United Kingdom Gilt 8% 07/12/2015	8,786	1.10
16,298,000 United Kingdom Gilt 8% 07/06/2021	22,986	2.87
7,025,000 United Kingdom Gilt 8.75% 25/08/2017	9,032	1.13
Total United Kingdom	791,396	98.98

Holding Investment	Fair value £'000	% of net asset value
Total bonds	791,396	98.98
UCITS collective investment schemes		
Ireland		
42,875 Institutional Cash Series plc – Institutional Sterling Liquidity Fund*	43	0.01
Total Ireland	43	0.01
Total UCITS collective investment schemes	43	0.01
Total value of investments	791,439	98.99
Cash†	725	0.09
Other net assets	7,206	0.90
Net assets attributable to redeemable participating shareholders	799,370	99.98
Adjustment to align to the valuation methodology as set out in the prospectus	172	0.02
Net asset value attributable to redeemable participating shareholders at the end of the year	799,542	100.00

† Substantially all cash positions are held with State Street Bank and Trust Company.

* Investment in related party.

All credit ratings are shown as at 31 October 2013.

Analysis of total current assets gross of all liabilities (unaudited)	Fair value £'000	% of total current assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	791,396	97.93
UCITS collective investment schemes	43	0.01
Other assets	16,635	2.06
Total current assets	808,074	100.00

iShares UK Gilts UCITS ETF

Schedule of material purchases and sales

For the year ended 31 October 2013

The 20 largest sales

Holding Investments	Proceeds £'000
15,192,000 United Kingdom Gilt 4% 07/09/2016	16,847
14,185,000 United Kingdom Gilt 4% 07/03/2022	16,599
12,325,000 United Kingdom Gilt 4.5% 07/03/2019	14,542
13,580,000 United Kingdom Gilt 5% 07/09/2014	14,420
11,290,000 United Kingdom Gilt 4.25% 07/12/2027	13,396
12,707,000 United Kingdom Gilt 2% 22/01/2016	13,214
10,271,000 United Kingdom Gilt 4.75% 07/12/2030	12,842
12,041,000 United Kingdom Gilt 2.75% 22/01/2015	12,546
10,321,000 United Kingdom Gilt 4.75% 07/03/2020	12,397
10,386,000 United Kingdom Gilt 4.25% 07/06/2032	12,297
10,794,000 United Kingdom Gilt 4.75% 07/09/2015	11,923
9,392,000 United Kingdom Gilt 5% 07/03/2025	11,897
9,870,000 United Kingdom Gilt 4.25% 07/03/2036	11,546
10,028,000 United Kingdom Gilt 3.75% 07/09/2021	11,440
9,843,000 United Kingdom Gilt 3.75% 07/09/2019	11,219
9,345,000 United Kingdom Gilt 5% 07/03/2018	11,095
10,862,000 United Kingdom Gilt 2.25% 07/03/2014	11,054
8,615,000 United Kingdom Gilt 4.5% 07/12/2042	10,479
7,130,000 United Kingdom Gilt 8% 07/06/2021	10,457
7,933,000 United Kingdom Gilt 4.75% 07/12/2038	9,964

The 20 largest purchases

Holding Investments	Cost £'000
24,967,000 United Kingdom Gilt 1.25% 22/07/2018	24,888
16,073,000 United Kingdom Gilt 1.75% 07/09/2022	15,741
14,680,000 United Kingdom Gilt 1% 07/09/2017	14,735
12,054,000 United Kingdom Gilt 4% 07/03/2022	14,046
12,771,000 United Kingdom Gilt 3.25% 22/01/2044	12,321
11,080,000 United Kingdom Gilt 4% 07/09/2016	12,235
10,348,000 United Kingdom Gilt 4.25% 07/06/2032	12,128
9,927,000 United Kingdom Gilt 4.5% 07/03/2019	11,689
9,010,000 United Kingdom Gilt 4.75% 07/12/2030	11,210
11,593,000 United Kingdom Gilt 2.25% 07/09/2023	11,188
8,539,000 United Kingdom Gilt 5% 07/03/2025	10,767
9,801,000 United Kingdom Gilt 4.75% 07/09/2015	10,745
8,878,000 United Kingdom Gilt 4.75% 07/03/2020	10,612
9,845,000 United Kingdom Gilt 2% 22/01/2016	10,243
8,540,000 United Kingdom Gilt 4.25% 07/12/2027	10,035
8,781,000 United Kingdom Gilt 3.75% 07/09/2021	9,980
9,300,000 United Kingdom Gilt 5% 07/09/2014	9,818
7,969,000 United Kingdom Gilt 4.5% 07/09/2034	9,583
8,099,000 United Kingdom Gilt 5% 07/03/2018	9,560
8,996,000 United Kingdom Gilt 2.75% 22/01/2015	9,359

The UCITS notices issued by the Central Bank of Ireland require a Schedule of Portfolio changes during the year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the year is available, upon request, at no cost from the Administrator.

iShares UK Property UCITS ETF

Income statement

For the year ended 31 October 2013

	Notes	Year ended 31 October 2013 £'000	Year ended 31 October 2012 £'000
Operating income	2	13,446	11,030
Net gains on financial assets/liabilities at fair value through profit or loss	3	83,212	30,456
Total gains		96,658	41,486
Operating expenses	4	(1,589)	(1,086)
Net operating profit		95,069	40,400
Finance costs:			
Distributions to redeemable participating shareholders	6	(10,002)	(8,415)
Interest expense	7	-	(2)
Total finance costs		(10,002)	(8,417)
Net profit for the financial year before tax		85,067	31,983
Non-reclaimable withholding tax		(1,775)	(1,422)
Net profit for the financial year after tax		83,292	30,561
Adjustment to align to the valuation methodology as set out in the prospectus	8	524	(270)
Increase in net assets attributable to redeemable participating shareholders from operations		83,816	30,291

There are no recognised gains or losses arising in the year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

Statement of changes in net assets attributable to redeemable participating shareholders

For the year ended 31 October 2013

	Year ended 31 October 2013 £'000	Year ended 31 October 2012 £'000
Net assets attributable to redeemable participating shareholders at the beginning of the year	316,300	258,954
Increase in net assets attributable to redeemable participating shareholders from operations	83,816	30,291
Share transactions:		
Proceeds from issue of redeemable participating shares	158,396	56,561
Payments on redemption of redeemable participating shares	(40,802)	(29,506)
Increase in net assets resulting from share transactions	117,594	27,055
Net assets attributable to redeemable participating shareholders at the end of the year	517,710	316,300

The accompanying notes form an integral part of these financial statements.

iShares UK Property UCITS ETF

Balance sheet

As at 31 October 2013

	Notes	31 October 2013 £'000	31 October 2012 £'000
CURRENT ASSETS			
Cash and cash equivalents		3,918	1,905
Margin cash account		105	174
Receivables	12	7,307	3,119
Financial assets at fair value through profit or loss	13	511,973	313,254
Total current assets		523,303	318,452
CURRENT LIABILITIES			
Payables	14	(3,430)	(105)
Distributions payable to redeemable participating shareholders	6	(2,758)	(2,088)
Financial liabilities at fair value through profit or loss	13	-	(30)
Total current liabilities		(6,188)	(2,223)
Net assets attributable to redeemable participating shareholders		517,115	316,229
Adjustment to align to the valuation methodology as set out in the prospectus	8	595	71
Net asset value attributable to redeemable participating shareholders at the end of the year		517,710	316,300

The accompanying notes form an integral part of these financial statements. Details of the NAV per share are set out in note 11.

iShares UK Property UCITS ETF

Notes to the financial statements

For the year ended 31 October 2013

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 54 to 58. The financial instruments and risks are set out on pages 59 to 98. The notes relating to tax, soft commissions and exchange rates are set out in the notes on pages 101 to 109.

2. OPERATING INCOME

	Year ended 31 October 2013 £'000	Year ended 31 October 2012 £'000
Deposit interest income	8	6
Dividend income	13,414	11,017
Securities lending income	24	7
	13,446	11,030

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 October 2013 £'000	Year ended 31 October 2012 £'000
Net gains on investments in securities held at fair value through profit or loss	82,780	30,437
Net gains on futures contracts	432	19
	83,212	30,456

4. OPERATING EXPENSES

	Year ended 31 October 2013 £'000	Year ended 31 October 2012 £'000
Management fees	(1,589)	(1,086)
	(1,589)	(1,086)

5. MANAGEMENT FEES

Fees earned by the Manager during the year and balances outstanding as at 31 October 2013 and 31 October 2012 are disclosed in note 4 and note 14 respectively.

Please refer to page 101 for each Fund's management fee rate.

The Manager is responsible for discharging, from this fee, all fees of the Investment Manager, the Administrator and the Custodian and any distributing agent appointed by the distributor through whom the shares will be marketed, together with all reasonable out of pocket expenses of such service providers, (including sub-custodial fees and expenses, (which will be at normal commercial rates) and transaction related charges of the Administrator and Custodian). The Manager will also be responsible for discharging from its fee for each share class an attributable proportion of the organisational and operating expenses, including audit and Directors fees, of the Company. The fee will be accrued daily based on the daily net asset value of the share classes and will be paid monthly in arrears. Where the actual fees and costs incurred exceed the amount paid to the Manager, the excess will be discharged by the Manager from its own assets.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of Shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the year were as follows:

	Year ended 31 October 2013 £'000	Year ended 31 October 2012 £'000
January 2012	-	1,085
April 2012	-	2,668
July 2012	-	2,568
October 2012	-	2,088
January 2013	1,318	-
April 2013	3,238	-
July 2013	3,092	-
October 2013	2,758	-
	10,406	8,409
Equalisation income	(439)	(115)
Equalisation expense	35	121
	10,002	8,415

iShares UK Property UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

7. INTEREST EXPENSE

	Year ended 31 October 2013 £'000	Year ended 31 October 2012 £'000
Bank interest	-	(2)
	-	(2)

8. ADJUSTMENT TO ALIGN TO THE VALUATION METHODOLOGY AS SET OUT IN THE PROSPECTUS

The adjustment between the financial statements net asset value and the valuation methodology set out in the prospectus is shown below:

	Year ended 31 October 2013 £'000	Year ended 31 October 2012 £'000
Balance brought forward	71	341
Adjustment to align to the valuation methodology as set out in the prospectus	524	(270)
Total adjustment for the year	524	(270)
Balance carried forward	595	71

Further details are set out in the accounting policies note m) on page 58.

9. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the years ended 31 October 2013 and 31 October 2012. Please refer to note 10 on page 103 for further details.

	Year ended 31 October 2013 £'000	Year ended 31 October 2012 £'000
Transactions costs	747	291

10. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 October 2013 No. of Shares	31 October 2012 No. of Shares
Number of redeemable participating shares:		
Balance at the beginning of year	76,200,000	69,600,000
Issued during the year	33,000,000	14,800,000
Redeemed during the year	(8,400,000)	(8,200,000)
Balance at the end of year	100,800,000	76,200,000

11. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	No. of Shares
Shares in issue	
As at 31 October 2013	100,800,000
As at 31 October 2012	76,200,000
As at 31 October 2011	69,600,000

	£'000
Net asset value	
As at 31 October 2013	517,710
As at 31 October 2012	316,300
As at 31 October 2011	258,954

	£5.14
Net asset value per share	
As at 31 October 2013	£5.14
As at 31 October 2012	£4.15
As at 31 October 2011	£3.72

12. RECEIVABLES

	31 October 2013 £'000	31 October 2012 £'000
Subscription for shares awaiting settlement	3,129	-
Deposit interest receivable	1	-
Dividend income receivable	1,417	1,030
Securities lending income receivable	2	1
Distributions payable held with Registrar*	2,758	2,088
	7,307	3,119

* Further details are set out in note 12 on page 104.

iShares UK Property UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

13. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013 £'000	31 October 2012 £'000
Financial assets:		
Investment in equities	511,855	313,254
Unrealised gains on futures contracts	118	-
	511,973	313,254
Financial liabilities:		
Unrealised losses on futures contracts	-	(30)
	-	(30)

14. PAYABLES

	31 October 2013 £'000	31 October 2012 £'000
Purchase of securities awaiting settlement	(3,110)	-
Management fees payable	(320)	(105)
	(3,430)	(105)

15. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the years ended 31 October 2013 and 31 October 2012 other than those disclosed in note 17 on page 105.

16. RELATED PARTIES

The related parties are set out on pages 106 to 108.

17. EFFICIENT PORTFOLIO MANAGEMENT

The Company may, subject to the conditions and within the limits from time to time laid down by the Central Bank of Ireland and the prospectus, engage in securities lending and employ techniques and instruments relating to transferable securities for efficient portfolio management purposes.

During the year the Company engaged in securities lending. The Company receives either cash collateral or securities as collateral, as determined within the schedule, for a value in excess of the market value of the securities loaned. As at the 31 October 2013 the collateral consists of securities admitted to or dealt on a regulated market.

The collateral is registered and held in the name of BlackRock Advisors (UK) Limited on behalf of the Funds in any or all of the following collateral agents and central securities depositories: JP Morgan Chase, Bank of New York Mellon Corporation, Euroclear or CREST, depending on the type of collateral the counterparty needs to give as per the schedule in order to cover the required value of exposure. Further details can be seen on page 81.

The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary.

The securities lending agent appointed pursuant to the stock lending agreement is BlackRock Advisors (UK) Limited. Securities lending income is split between the Fund and the securities lending agent in a ratio of 60:40 in favour of the Fund, with all operational costs borne out of the securities lending agents share.

	31 October 2013 £'000	31 October 2012 £'000
Income earned during year	24	7
Value of securities on loan at year end	12,141	7,143
Value of collateral held by the Company at year end	13,634	8,076

Please see note 18 for more information on financial derivative instruments.

18. FINANCIAL DERIVATIVE INSTRUMENTS

The Fund may buy and sell financial derivative instruments. See further details in the Fund's Schedule of Investments and note 3 to the financial statements.

19. SIGNIFICANT EVENTS DURING THE YEAR

Please refer to note 22 on pages 108 and 109.

20. SUBSEQUENT EVENTS

Please refer to note 23 on page 109.

iShares UK Property UCITS ETF

Schedule of investments

As at 31 October 2013

Holding Investment	Fair value £'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market		
Equities		
Guernsey		
Equity investment instruments		
6,538,624 F&C Commercial Property Trust Ltd Com GBP 0.01	7,664	1.48
2,811,568 F&C UK Real Estate Investment Ltd Com GBP 0.01	2,186	0.42
5,372,373 UK Commercial Property Trust Ltd Com GBP 0.25	4,048	0.78
Real estate investment & services		
4,187,325 Medicx Fund Ltd Com NPV	3,339	0.65
4,544,533 Picton Property Income Ltd Com NPV	2,420	0.47
4,697,004 Schroder Real Estate Investment Trust Ltd Com NPV	2,266	0.44
2,012,757 Standard Life Investment Property Income Trust Plc Com GBP 0.01	1,354	0.26
Total Guernsey	23,277	4.50
United Kingdom		
Real estate investment & services		
8,646,785 Capital & Counties Properties Plc Com GBP 0.25	29,987	5.79
64,537 Daejan Holdings Plc Com GBP 0.25	2,677	0.52
1,614,655 Development Securities Plc Com GBP 0.50	3,786	0.73
5,421,334 Grainger Plc Com GBP 0.05	10,545	2.04
1,309,587 Helical Bar Plc Com GBP 0.01	3,916	0.75
6,009,742 Quintain Estates & Development Plc Com GBP 0.25	5,784	1.12
2,181,196 ST Modwen Properties Plc Com GBP 0.10	7,652	1.48
2,329,579 Unite Group Plc Com GBP 0.25	9,218	1.78
Real estate investment trusts		
1,695,843 Big Yellow Group Plc Reits GBP 0.10	7,925	1.53
13,175,657 British Land Co Plc Reits GBP 0.25	81,887	15.82
1,207,198 Derwent London Plc Reits GBP 0.05	30,216	5.84
4,538,704 Great Portland Estates Plc Reits GBP 0.125	26,007	5.02
9,337,694 Hammerson Plc Reits GBP 0.25	49,396	9.54
8,430,520 Hansteen Holdings Plc Reits GBP 0.10	8,726	1.68
8,932,828 Intu Properties Plc Reits GBP 0.50	30,702	5.93
10,275,347 Land Securities Group Plc Reits GBP 0.10	101,520	19.61

Holding Investment	Fair value £'000	% of net asset value
United Kingdom (cont)		
Real estate investment trusts (cont)		
7,707,966 Londonmetric Property Plc Reits GBP 0.10	9,943	1.92
609,606 Mucklow A & J Group Plc Reits GBP 0.25	2,859	0.55
1,239,580 Primary Health Properties Plc Reits GBP 0.50	4,016	0.78
2,468,894 Safestore Holdings Plc Reits GBP 0.01	3,635	0.70
9,787,621 Segro Plc Reits GBP 0.10	31,927	6.17
3,298,740 Shaftesbury Plc Reits GBP 0.25	19,578	3.78
1,377,045 Workspace Group Plc Reits GBP 0.01	6,676	1.29
Total United Kingdom	488,578	94.37
Total equities	511,855	98.87
Financial derivative instruments		
Futures contracts		
No. of contracts	Underlying exposure £'000	Unrealised gain £'000
77 FTSE 100 Index Futures December 2013	5,048	118
Total unrealised gains on futures contracts		118
Total value of investments		511,973
Cash[†]		4,023
Other net assets		1,119
Net assets attributable to redeemable participating shareholders		517,115
Adjustment to align to the valuation methodology as set out in the prospectus		
		595
Net asset value attributable to redeemable participating shareholders at the end of the year	517,710	100.00

[†] Cash holdings of £3,918,413 are held with State Street Bank and Trust Company. £105,075 is held as a security for futures contracts with Barclays Plc.

iShares UK Property UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

Analysis of total current assets gross of all liabilities (unaudited)	Fair value £'000	% of total current assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	511,855	97.81
Exchange traded financial derivative instruments	118	0.02
Other assets	11,330	2.17
Total current assets	523,303	100.00

iShares UK Property UCITS ETF

Schedule of material purchases and sales

For the year ended 31 October 2013

The 20 largest sales

Holding Investments	Proceeds £'000
1,120,123 Land Securities Group Plc Reits GBP 0.10	10,260
1,185,875 British Land Co Plc Reits GBP 0.25	6,999
1,603,683 Intu Properties Plc Reits GBP 0.50	5,373
1,766,928 Capital & Counties Properties Plc Com GBP 0.25	5,311
1,017,917 Hammerson Plc Reits GBP 0.25	5,275
208,493 Derwent London Plc Reits GBP 0.05	4,740
1,066,963 Segro Plc Reits GBP 0.10	3,116
494,767 Great Portland Estates Plc Reits GBP 0.125	2,649
2,075,893 Londonmetric Property Plc Reits GBP 0.10	2,266
351,597 Shaftesbury Plc Reits GBP 0.25	2,164
553,604 Workspace Group Plc Reits GBP 0.01	1,973
1,180,432 F&C Commercial Property Trust Ltd Com GBP 0.01	1,257
592,244 Grainger Plc Com GBP 0.05	966
245,862 Unite Group Plc Com GBP 0.25	878
1,217,759 UK Commercial Property Trust Ltd Com GBP 0.25	857
919,027 Hansteen Holdings Plc Reits GBP 0.10	843
1,163,259 Quintain Estates & Development Plc Com GBP 0.25	833
311,994 Helical Bar Plc Com GBP 0.01	786
185,499 Big Yellow Group Plc Reits GBP 0.10	758
199,701 Mucklow A & J Group Plc Reits GBP 0.25	729

The 20 largest purchases

Holding Investments	Cost £'000
5,366,074 British Land Co Plc Reits GBP 0.25	31,719
3,479,079 Land Securities Group Plc Reits GBP 0.10	31,578
3,161,610 Hammerson Plc Reits GBP 0.25	16,287
3,985,997 Intu Properties Plc Reits GBP 0.50	13,515
1,854,513 Great Portland Estates Plc Reits GBP 0.125	9,922
3,313,947 Segro Plc Reits GBP 0.10	9,550
382,294 Derwent London Plc Reits GBP 0.05	9,022
2,756,582 Capital & Counties Properties Plc Com GBP 0.25	8,760
1,108,906 Shaftesbury Plc Reits GBP 0.25	6,814
4,234,702 Londonmetric Property Plc Reits GBP 0.10	4,899
957,072 Unite Group Plc Com GBP 0.25	3,426
3,887,756 Medicx Fund Ltd Com NPV	3,294
1,794,655 Grainger Plc Com GBP 0.05	2,854
2,854,457 Hansteen Holdings Plc Reits GBP 0.10	2,610
886,644 ST Modwen Properties Plc Com GBP 0.10	2,569
2,241,877 F&C Commercial Property Trust Ltd Com GBP 0.01	2,455
553,509 Big Yellow Group Plc Reits GBP 0.10	2,282
472,189 Workspace Group Plc Reits GBP 0.01	1,915
554,671 Primary Health Properties Plc Reits GBP 0.50	1,877
1,911,568 Quintain Estates & Development Plc Com GBP 0.25	1,499

The UCITS notices issued by the Central Bank of Ireland require a Schedule of Portfolio changes during the year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the year is available, upon request, at no cost from the Administrator.

iShares US Aggregate Bond UCITS ETF

Income statement

For the year ended 31 October 2013

	Notes	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Operating income	2	2,084	372
Net (losses)/gains on financial assets/liabilities at fair value through profit or loss	3	(3,886)	676
Total (losses)/gains		(1,802)	1,048
Operating expenses	4	(336)	(54)
Net operating (loss)/profit		(2,138)	994
Finance costs:			
Distributions to redeemable participating shareholders	6	(1,682)	(351)
Total finance costs		(1,682)	(351)
Net (loss)/gain for the financial year before tax		(3,820)	643
Non-reclaimable withholding tax		(1)	-
Net (loss)/profit for the financial year after tax		(3,821)	643
(Decrease)/increase in net assets attributable to redeemable participating shareholders from operations		(3,821)	643

There are no recognised gains or losses arising in the year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

Statement of changes in net assets attributable to redeemable participating shareholders

For the year ended 31 October 2013

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the year	46,428	25,053
(Decrease)/increase in net assets attributable to redeemable participating shareholders from operations	(3,821)	643
Share transactions:		
Proceeds from issue of redeemable participating shares	169,224	39,736
Payments on redemption of redeemable participating shares	(9,010)	(19,004)
Increase in net assets resulting from share transactions	160,214	20,732
Net assets attributable to redeemable participating shareholders at the end of the year	202,821	46,428

The accompanying notes form an integral part of these financial statements.

iShares US Aggregate Bond UCITS ETF

Balance sheet

As at 31 October 2013

	Notes	31 October 2013 \$'000	31 October 2012 \$'000
CURRENT ASSETS			
Cash and cash equivalents		15,664	4,407
Receivables	10	7,158	12,882
Financial assets at fair value through profit or loss	11	226,287	53,890
Total current assets		249,109	71,179
CURRENT LIABILITIES			
Payables	12	(44,967)	(24,379)
Distributions payable to redeemable participating shareholders	6	(1,321)	(372)
Total current liabilities		(46,288)	(24,751)
Net asset value attributable to redeemable participating shareholders at the end of the year		202,821	46,428

The accompanying notes form an integral part of these financial statements. Details of the NAV per share are set out in note 9.

iShares US Aggregate Bond UCITS ETF

Notes to the financial statements

For the year ended 31 October 2013

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 54 to 58. The financial instruments and risks are set out on pages 59 to 98. The notes relating to tax, soft commissions and exchange rates are set out in the notes on pages 101 to 109.

2. OPERATING INCOME

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Deposit interest income	25	5
Bond interest income	2,059	367
	2,084	372

3. NET (LOSSES)/GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net (losses)/gains on investments in securities held at fair value through profit or loss	(3,886)	676
	(3,886)	676

4. OPERATING EXPENSES

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Management fees	(336)	(54)
	(336)	(54)

5. MANAGEMENT FEES

Fees earned by the Manager during the year and balances outstanding as at 31 October 2013 and 31 October 2012 are disclosed in note 4 and note 12 respectively.

Please refer to page 101 for each Fund's management fee rate.

The Manager is responsible for discharging, from this fee, all fees of the Investment Manager, the Administrator and the Custodian and any distributing agent appointed by the distributor through whom the shares will be marketed, together with all reasonable out of pocket expenses of such service providers, (including sub-custodial fees and expenses, (which will be at normal commercial rates) and transaction related charges of the Administrator and Custodian). The Manager will also be responsible for discharging from its fee for each share class an attributable proportion of the organisational and operating expenses, including audit and Directors fees, of the Company. The fee will be accrued daily based on the daily net asset value of the share classes and will be paid monthly in arrears. Where the actual fees and costs incurred exceed the amount paid to the Manager, the excess will be discharged by the Manager from its own assets.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of Shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the year were as follows:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
April 2012	-	120
October 2012	-	372
April 2013	1,093	-
October 2013	1,321	-
	2,414	492
Equalisation income	(747)	(226)
Equalisation expense	15	85
	1,682	351

iShares US Aggregate Bond UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

7. TRANSACTION COSTS

Transaction costs on this Fund are not separately identifiable for the years ended 31 October 2013 and 31 October 2012. Please refer to note 10 on page 103 for further details.

8. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 October 2013	31 October 2012
Number of redeemable participating shares:	No. of Shares	No. of Shares
Balance at the beginning of year	448,634	250,000
Issued during the year	1,654,782	386,100
Redeemed during the year	(90,000)	(187,466)
Balance at the end of year	2,013,416	448,634

9. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	No. of Shares
Shares in issue	
As at 31 October 2013	2,013,416
As at 31 October 2012	448,634
As at 31 October 2011	250,000

	\$'000
Net asset value	
As at 31 October 2013	202,821
As at 31 October 2012	46,428
As at 31 October 2011	25,053

Net asset value per share	
As at 31 October 2013	\$100.73
As at 31 October 2012	\$103.49
As at 31 October 2011	\$100.21

10. RECEIVABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Sale of securities awaiting settlement	4,767	12,281
Bond income receivable	1,070	229
Distributions payable held with Registrar*	1,321	372
	7,158	12,882

* Further details are set out in note 12 on page 104.

11. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013 \$'000	31 October 2012 \$'000
Financial assets:		
Investment in bonds	146,169	34,670
Investment in UCITS collective investment schemes	18,000	4,500
Investment in mortgage backed securities	21,871	2,794
Investment in to be announced contracts	40,247	11,926
	226,287	53,890

12. PAYABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Purchase of securities awaiting settlement	(44,882)	(24,370)
Management fees payable	(85)	(9)
	(44,967)	(24,379)

13. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the years ended 31 October 2013 and 31 October 2012 other than those disclosed in note 17 on page 105.

14. RELATED PARTIES

The related parties are set out on pages 106 to 108.

15. FINANCIAL DERIVATIVE INSTRUMENTS

The Fund may buy and sell financial derivative instruments. See further details in the Fund's Schedule of Investments and note 3 to the financial statements.

16. SIGNIFICANT EVENTS DURING THE YEAR

Please refer to note 22 on pages 108 and 109.

17. SUBSEQUENT EVENTS

Please refer to note 23 on page 109.

iShares US Aggregate Bond UCITS ETF

Schedule of investments

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market		
Bonds		
Australia		
Corporate bonds - A1 rating		
125,000 BHP Billiton Finance USA Ltd 1% 24/02/2015	126	0.06
25,000 BHP Billiton Finance USA Ltd 1.625% 24/02/2017	25	0.01
50,000 BHP Billiton Finance USA Ltd 2.875% 24/02/2022	49	0.03
Corporate bonds - Aa2 rating		
250,000 Commonwealth Bank of Australia 1.95% 16/03/2015	255	0.13
250,000 National Australia Bank Ltd 1.6% 07/08/2015	254	0.12
50,000 Westpac Banking Corp 1.125% 25/09/2015	50	0.02
50,000 Westpac Banking Corp 1.6% 12/01/2018	50	0.02
50,000 Westpac Banking Corp 4.2% 27/02/2015	52	0.03
Total Australia	861	0.42
Austria		
Corporate bonds - Aaa rating		
50,000 Oesterreichische Kontrollbank AG 1.125% 06/07/2015	51	0.02
15,000 Oesterreichische Kontrollbank AG 2% 03/06/2016	15	0.01
Total Austria	66	0.03
Bermuda		
Corporate bonds - Baa2 rating		
50,000 Ingersoll-Rand Global Holding Co Ltd 2.875% 15/01/2019	50	0.02
50,000 Weatherford International Ltd 4.5% 15/04/2022	50	0.03
25,000 Weatherford International Ltd 5.125% 15/09/2020	27	0.01
Total Bermuda	127	0.06
Brazil		
Corporate bonds - Baa2 rating		
50,000 Vale SA 5.625% 11/09/2042	45	0.02

Holding Investment	Fair value \$'000	% of net asset value
Brazil (cont)		
Government bonds - Baa2 rating		
200,000 Brazilian Government International Bond 2.625% 05/01/2023	179	0.09
100,000 Brazilian Government International Bond 4.875% 22/01/2021	108	0.05
40,000 Brazilian Government International Bond 7.125% 20/01/2037	48	0.02
25,000 Brazilian Government International Bond 8.75% 04/02/2025	35	0.02
100,000 Brazilian Government International Bond 11% 17/08/2040	117	0.06
Total Brazil	532	0.26
Canada		
Corporate bonds - A3 rating		
50,000 Canadian National Railway Co 1.45% 15/12/2016	51	0.03
25,000 Canadian National Railway Co 2.25% 15/11/2022	23	0.01
25,000 Canadian National Railway Co 6.25% 01/08/2034	30	0.02
100,000 Potash Corp of Saskatchewan Inc 4.875% 30/03/2020	110	0.05
25,000 TransCanada PipeLines Ltd 0.75% 15/01/2016	25	0.01
25,000 TransCanada PipeLines Ltd 2.5% 01/08/2022	23	0.01
100,000 TransCanada PipeLines Ltd 3.8% 01/10/2020	105	0.05
50,000 TransCanada PipeLines Ltd 7.625% 15/01/2039	67	0.03
Corporate bonds - Aa1 rating		
100,000 Toronto-Dominion Bank 2.375% 19/10/2016	104	0.05
75,000 Total Capital Canada Ltd 2.75% 15/07/2023	71	0.04
Corporate bonds - Aa2 rating		
100,000 Bank of Nova Scotia 1.375% 18/12/2017	99	0.05
25,000 Bank of Nova Scotia 1.85% 12/01/2015	25	0.01
Corporate bonds - Aa3 rating		
25,000 Bank of Montreal 1.4% 11/09/2017	25	0.01
50,000 Bank of Montreal 2.5% 11/01/2017	52	0.03
50,000 Canadian Imperial Bank of Commerce 0.9% 01/10/2015	50	0.02

iShares US Aggregate Bond UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
Canada (cont)			Canada (cont)		
Corporate bonds - Aa3 rating (cont)			Government bonds - Aa2 rating (cont)		
50,000 Nexen Inc 6.4% 15/05/2037	57	0.03	150,000 Province of Ontario Canada 1.2% 14/02/2018	149	0.07
150,000 Royal Bank of Canada 0.8% 30/10/2015	150	0.07	75,000 Province of Ontario Canada 1.65% 27/09/2019	73	0.04
Corporate bonds - Baa1 rating			125,000 Province of Ontario Canada 2.3% 10/05/2016	130	0.06
25,000 Canadian Natural Resources Ltd 3.45% 15/11/2021	25	0.01	50,000 Province of Quebec Canada 2.75% 25/08/2021	50	0.03
50,000 Canadian Natural Resources Ltd 6.25% 15/03/2038	57	0.03	75,000 Province of Quebec Canada 4.625% 14/05/2018	85	0.04
50,000 Petro-Canada 6.05% 15/05/2018	59	0.03	Government bonds - Aaa rating		
50,000 Rogers Communications Inc 7.5% 15/03/2015	55	0.03	80,000 Canada Government International Bond 0.875% 14/02/2017	80	0.04
65,000 Suncor Energy Inc 6.85% 01/06/2039	80	0.04	25,000 Export Development Canada 0.5% 15/09/2015	25	0.01
Corporate bonds - Baa2 rating			25,000 Export Development Canada 1.25% 26/10/2016	26	0.02
25,000 Agrium Inc 3.15% 01/10/2022	24	0.01	25,000 Province of British Columbia 1.2% 25/04/2017	25	0.01
25,000 Barrick Gold Corp 3.85% 01/04/2022	23	0.01	25,000 Province of British Columbia 2% 23/10/2022	23	0.01
50,000 Barrick Gold Corp 5.25% 01/04/2042	40	0.02	Total Canada	2,646	1.30
50,000 Barrick Gold Corp 6.95% 01/04/2019	58	0.03			
25,000 Cenovus Energy Inc 3% 15/08/2022	24	0.01	Cayman Islands		
25,000 Cenovus Energy Inc 6.75% 15/11/2039	30	0.02	Corporate bonds - Baa1 rating		
50,000 Encana Corp 3.9% 15/11/2021	50	0.02	200,000 Petrobras International Finance Co - Pifco 3.5% 06/02/2017	203	0.10
15,000 Encana Corp 5.15% 15/11/2041	14	0.01	25,000 Petrobras International Finance Co - Pifco 5.375% 27/01/2021	26	0.01
25,000 Talisman Energy Inc 5.5% 15/05/2042	22	0.01	50,000 Petrobras International Finance Co - Pifco 6.75% 27/01/2041	49	0.03
25,000 Teck Resources Ltd 3.75% 01/02/2023	23	0.01	Corporate bonds - Baa2 rating		
25,000 Teck Resources Ltd 4.75% 15/01/2022	25	0.01	15,000 Noble Holding International Ltd 5.25% 15/03/2042	14	0.01
25,000 Teck Resources Ltd 5.2% 01/03/2042	22	0.01	100,000 Vale Overseas Ltd 5.625% 15/09/2019	110	0.05
25,000 Thomson Reuters Corp 4.5% 23/05/2043	22	0.01	25,000 Vale Overseas Ltd 6.875% 21/11/2036	26	0.01
10,000 Thomson Reuters Corp 5.7% 01/10/2014	10	0.01	25,000 Transocean Inc 2.5% 15/10/2017	25	0.01
Corporate bonds - Baa3 rating			25,000 Transocean Inc 5.05% 15/12/2016	27	0.01
50,000 Canadian Pacific Railway Co 4.45% 15/03/2023	53	0.03	50,000 Transocean Inc 6.8% 15/03/2038	55	0.03
Government bonds - Aa1 rating			Total Cayman Islands	535	0.26
50,000 Province of Manitoba Canada 1.125% 01/06/2018	50	0.02			
25,000 Province of Manitoba Canada 2.1% 06/09/2022	23	0.01	Chile		
Government bonds - Aa2 rating			Corporate bonds - Baa3 rating		
25,000 Hydro-Quebec 1.375% 19/06/2017	25	0.01	25,000 Celulosa Arauco y Constitucion SA 4.75% 11/01/2022	25	0.01
100,000 Province of Ontario Canada 1.1% 25/10/2017	99	0.05			

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Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
Chile (cont)			Germany (cont)		
Government bonds - Aa3 rating			Corporate bonds - Aaa rating (cont)		
100,000 Chile Government International Bond 3.875% 05/08/2020	106	0.05	200,000 KFW 0.5% 19/04/2016	200	0.10
Total Chile	131	0.06	100,000 KFW 1% 11/06/2018	98	0.05
			300,000 KFW 1.25% 15/02/2017	305	0.15
Colombia			50,000 KFW 2% 04/10/2022	47	0.02
Corporate bonds - Baa2 rating			100,000 KFW 2.125% 17/01/2023	95	0.05
75,000 Ecopetrol SA 4.25% 18/09/2018	79	0.04	90,000 KFW 2.625% 25/01/2022	90	0.05
Government bonds - Baa3 rating			200,000 KFW 2.75% 01/10/2020	207	0.10
100,000 Colombia Government International Bond 6.125% 18/01/2041	112	0.05	100,000 Landwirtschaftliche Rentenbank 0.875% 12/09/2017	99	0.05
100,000 Colombia Government International Bond 7.375% 18/03/2019	122	0.06	50,000 Landwirtschaftliche Rentenbank 1.375% 23/10/2019	49	0.02
Total Colombia	313	0.15	25,000 Landwirtschaftliche Rentenbank 2.125% 15/07/2016	26	0.01
			Total Germany	1,601	0.79
Curacao					
Corporate bonds - A3 rating			Israel		
100,000 Teva Pharmaceutical Finance Co BV 2.95% 18/12/2022	93	0.05	Government bonds - A1 rating		
25,000 Teva Pharmaceutical Finance IV BV 3.65% 10/11/2021	25	0.01	100,000 Israel Government International Bond 5.125% 26/03/2019	114	0.06
Total Curacao	118	0.06	Total Israel	114	0.06
France			Italy		
Corporate bonds - A1 rating			Government bonds - Baa2 rating		
20,000 Sanofi 2.625% 29/03/2016	21	0.01	100,000 Italy Government International Bond 4.5% 21/01/2015	104	0.05
50,000 Sanofi 4% 29/03/2021	53	0.03	75,000 Italy Government International Bond 6.875% 27/09/2023	91	0.05
Corporate bonds - A2 rating			Total Italy	195	0.10
75,000 BNP Paribas SA 3.25% 03/03/2023	72	0.03			
75,000 BNP Paribas SA 3.6% 23/02/2016	79	0.04	Japan		
Corporate bonds - A3 rating			Corporate bonds - Aa3 rating		
25,000 Orange SA 5.375% 08/07/2019	28	0.02	250,000 Sumitomo Mitsui Banking Corp 0.9% 18/01/2016	249	0.12
75,000 Orange SA 8.75% 01/03/2031	103	0.05	Corporate bonds - Baa3 rating		
Corporate bonds - Aa1 rating			50,000 Nomura Holdings Inc 2% 13/09/2016	50	0.03
25,000 Total Capital International SA 1.5% 17/02/2017	25	0.01	25,000 Nomura Holdings Inc 6.7% 04/03/2020	29	0.01
100,000 Total Capital SA 2.3% 15/03/2016	104	0.05	Government bonds - Aa3 rating		
Total France	485	0.24	200,000 Japan Bank for International Cooperation 1.125% 19/07/2017	199	0.10
			Total Japan	527	0.26
Germany					
Corporate bonds - A2 rating			Luxembourg		
175,000 Deutsche Bank AG 3.25% 11/01/2016	183	0.09	Corporate bonds - Ba1 rating		
Corporate bonds - Aaa rating			50,000 Telecom Italia Capital SA 7.175% 18/06/2019	56	0.03
200,000 FMS Wertmanagement AoER 1.125% 14/10/2016	202	0.10			

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Schedule of investments (continued)

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Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
Luxembourg (cont)			Netherlands (cont)		
Corporate bonds - Ba1 rating (cont)			Corporate bonds - Aa1 rating (cont)		
50,000 Telecom Italia Capital SA 7.2% 18/07/2036	48	0.02	50,000 Shell International Finance BV 3.625% 21/08/2042	43	0.02
Corporate bonds - Baa1 rating			25,000 Shell International Finance BV 5.5% 25/03/2040	28	0.01
50,000 Covidien International Finance SA 1.35% 29/05/2015	50	0.02	Corporate bonds - Aa2 rating		
15,000 Covidien International Finance SA 3.2% 15/06/2022	15	0.01	190,000 Cooperatieve Centrale Raiffeisen- Boerenleenbank BA 3.375% 19/01/2017	202	0.10
Corporate bonds - Baa2 rating			50,000 Cooperatieve Centrale Raiffeisen- Boerenleenbank BA 4.5% 11/01/2021	53	0.03
20,000 Tyco Electronics Group SA 3.5% 03/02/2022	19	0.01	Corporate bonds - Baa1 rating		
Total Luxembourg	188	0.09	40,000 Deutsche Telekom International Finance BV 8.75% 15/06/2030	57	0.03
Mexico			200,000 LyondellBasell Industries NV 5% 15/04/2019	223	0.11
Corporate bonds - A2 rating			100,000 Petrobras Global Finance BV 4.375% 20/05/2023	92	0.04
200,000 America Movil SAB de CV 3.125% 16/07/2022	188	0.09	Total Netherlands	913	0.45
Corporate bonds - Baa1 rating			Norway		
100,000 Petroleos Mexicanos 3.5% 30/01/2023	93	0.05	Corporate bonds - Aa2 rating		
25,000 Petroleos Mexicanos 4.875% 24/01/2022	26	0.01	100,000 Statoil ASA 1.15% 15/05/2018	98	0.05
175,000 Petroleos Mexicanos 5.5% 21/01/2021	191	0.09	50,000 Statoil ASA 1.2% 17/01/2018	49	0.02
70,000 Petroleos Mexicanos 6.5% 02/06/2041	74	0.04	75,000 Statoil ASA 3.15% 23/01/2022	74	0.04
Government bonds - Baa1 rating			Total Norway	221	0.11
140,000 Mexico Government International Bond 3.625% 15/03/2022	141	0.07	Panama		
60,000 Mexico Government International Bond 5.95% 19/03/2019	70	0.03	Government bonds - Baa2 rating		
146,000 Mexico Government International Bond 6.05% 11/01/2040	165	0.08	100,000 Panama Government International Bond 6.7% 26/01/2036	117	0.06
75,000 Mexico Government International Bond 6.75% 27/09/2034	92	0.05	Total Panama	117	0.06
Total Mexico	1,040	0.51	Peru		
Netherlands			Government bonds - Baa2 rating		
Corporate bonds - A3 rating			50,000 Peruvian Government International Bond 5.625% 18/11/2050	53	0.03
15,000 Koninklijke Philips NV 5% 15/03/2042	15	0.01	30,000 Peruvian Government International Bond 8.75% 21/11/2033	44	0.02
Corporate bonds - Aa1 rating			Total Peru	97	0.05
125,000 Shell International Finance BV 0.625% 04/12/2015	125	0.06	Philippines		
75,000 Shell International Finance BV 1.125% 21/08/2017	75	0.04	Government bonds - Baa3 rating		
			200,000 Philippine Government International Bond 5% 13/01/2037	218	0.11

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Schedule of investments (continued)

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Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
Philippines (cont)			Supranational (cont)		
Government bonds - Baa3 rating (cont)			Corporate bonds - Aaa rating (cont)		
100,000 Philippine Government International Bond 8.375% 17/06/2019	129	0.06	100,000 Council Of Europe Development Bank 1% 07/03/2018	98	0.05
Total Philippines	347	0.17	25,000 Council Of Europe Development Bank 1.5% 19/06/2017	25	0.01
Poland			50,000 European Bank for Reconstruction & Development 0.75% 01/09/2017	50	0.02
Government bonds - A2 rating			100,000 European Bank for Reconstruction & Development 1% 16/02/2017	101	0.05
25,000 Poland Government International Bond 3% 17/03/2023	23	0.01	300,000 European Investment Bank 0.5% 15/08/2016	299	0.15
50,000 Poland Government International Bond 3.875% 16/07/2015	53	0.03	200,000 European Investment Bank 0.625% 15/04/2016	201	0.10
100,000 Poland Government International Bond 6.375% 15/07/2019	118	0.06	200,000 European Investment Bank 1% 15/12/2017	198	0.10
Total Poland	194	0.10	300,000 European Investment Bank 1% 15/03/2018	296	0.15
Republic of South Korea			65,000 European Investment Bank 1.625% 15/06/2017	67	0.03
Corporate bonds - Aa3 rating			50,000 European Investment Bank 1.75% 15/03/2017	51	0.02
200,000 Export-Import Bank of Korea 1.25% 20/11/2015	200	0.10	50,000 European Investment Bank 2.125% 15/07/2016	52	0.03
200,000 Korea Development Bank 1% 22/01/2016	198	0.10	10,000 European Investment Bank 4% 16/02/2021	11	0.01
Total Republic of South Korea	398	0.20	100,000 Inter-American Development Bank 0.875% 15/11/2016	101	0.05
South Africa			100,000 Inter-American Development Bank 0.875% 15/03/2018	99	0.05
Government bonds - Baa1 rating			100,000 Inter-American Development Bank 1.125% 15/03/2017	101	0.05
100,000 South Africa Government International Bond 4.665% 17/01/2024	99	0.05	50,000 Inter-American Development Bank 1.125% 12/09/2019	48	0.02
Total South Africa	99	0.05	200,000 International Bank for Reconstruction & Development 0.5% 15/04/2016	200	0.10
Spain			150,000 International Bank for Reconstruction & Development 0.875% 17/04/2017	150	0.07
Corporate bonds - Baa2 rating			50,000 International Bank for Reconstruction & Development 2.125% 15/03/2016	52	0.03
100,000 Telefonica Emisiones SAU 5.462% 16/02/2021	106	0.05	100,000 International Finance Corp 0.5% 16/05/2016	100	0.05
Total Spain	106	0.05	50,000 International Finance Corp 0.625% 21/12/2017	49	0.02
Supranational			25,000 International Finance Corp 1.125% 23/11/2016	25	0.01
Corporate bonds - Aa3 rating			50,000 International Finance Corp 1.75% 04/09/2018	51	0.02
10,000 Corp Andina de Fomento 4.375% 15/06/2022	10	0.01	200,000 Nordic Investment Bank 0.5% 14/04/2016	200	0.10
Corporate bonds - Aaa rating			Total Supranational	2,914	1.44
100,000 Asian Development Bank 0.5% 20/06/2016	100	0.05			
75,000 Asian Development Bank 1.125% 15/03/2017	76	0.04			
100,000 Asian Development Bank 2.625% 09/02/2015	103	0.05			

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Schedule of investments (continued)

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Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Sweden				United Kingdom (cont)			
Corporate bonds - Aa1 rating				Corporate bonds - A3 rating (cont)			
25,000	Svensk Exportkredit AB 1.75% 30/05/2017	26	0.01	100,000	Rio Tinto Finance USA Plc 1.625% 21/08/2017	100	0.05
35,000	Svensk Exportkredit AB 2.125% 13/07/2016	36	0.02	75,000	Rio Tinto Finance USA Plc 2% 22/03/2017	76	0.04
Total Sweden		62	0.03	100,000	Rio Tinto Finance USA Plc 2.875% 21/08/2022	94	0.05
Switzerland				25,000	Rio Tinto Finance USA Plc 4.125% 21/08/2042	21	0.01
Corporate bonds - A2 rating				100,000	Vodafone Group Plc 1.5% 19/02/2018	98	0.05
100,000	UBS AG 5.875% 20/12/2017	115	0.06	50,000	Vodafone Group Plc 1.625% 20/03/2017	50	0.02
Corporate bonds - Baa2 rating				50,000	Vodafone Group Plc 2.95% 19/02/2023	46	0.02
25,000	Credit Suisse 5.4% 14/01/2020	28	0.01	25,000	Vodafone Group Plc 4.375% 16/03/2021	27	0.01
Total Switzerland		143	0.07	Corporate bonds - A3/*- rating			
Turkey				15,000	Royal Bank of Scotland Plc 4.375% 16/03/2016	16	0.01
Government bonds - Baa3 rating				50,000	Royal Bank of Scotland Plc 6.125% 11/01/2021	57	0.02
200,000	Turkey Government International Bond 7.25% 05/03/2038	231	0.12	Corporate bonds - Aa3 rating			
200,000	Turkey Government International Bond 7.5% 14/07/2017	229	0.11	50,000	HSBC Holdings Plc 4% 30/03/2022	51	0.03
Total Turkey		460	0.23	25,000	HSBC Holdings Plc 5.1% 05/04/2021	28	0.01
United Kingdom				Corporate bonds - Baa1 rating			
Corporate bonds - A1 rating				50,000	EnSCO Plc 4.7% 15/03/2021	54	0.03
75,000	GlaxoSmithKline Capital Plc 2.85% 08/05/2022	73	0.04	Corporate bonds - Baa1/*- rating			
Corporate bonds - A2 rating				75,000	Royal Bank of Scotland Group Plc 2.55% 18/09/2015	76	0.04
25,000	AstraZeneca Plc 4% 18/09/2042	22	0.01	Corporate bonds - Baa2 rating			
75,000	AstraZeneca Plc 5.9% 15/09/2017	87	0.04	25,000	Aon Plc 4.45% 24/05/2043	23	0.01
100,000	Barclays Bank Plc 2.75% 23/02/2015	103	0.05	25,000	British Telecommunications Plc 9.625% 15/12/2030	37	0.02
50,000	BP Capital Markets Plc 1.375% 06/11/2017	50	0.03	25,000	WPP Finance 2010 3.625% 07/09/2022	24	0.01
50,000	BP Capital Markets Plc 1.375% 10/05/2018	49	0.02	Corporate bonds - Baa3 rating			
125,000	BP Capital Markets Plc 2.5% 06/11/2022	115	0.06	100,000	Barclays Bank Plc 5.14% 14/10/2020	107	0.05
50,000	BP Capital Markets Plc 3.561% 01/11/2021	51	0.03	Total United Kingdom		1,796	0.89
25,000	Lloyds Bank Plc 4.2% 28/03/2017	27	0.01	United States			
Corporate bonds - A3 rating				Corporate bonds - A1 rating			
100,000	Diageo Capital Plc 1.125% 29/04/2018	97	0.05	10,000	Abbott Laboratories 4.125% 27/05/2020	11	0.01
15,000	Diageo Capital Plc 1.5% 11/05/2017	15	0.01	39,000	Abbott Laboratories 5.125% 01/04/2019	45	0.02
100,000	HSBC Holdings Plc 6.8% 01/06/2038	122	0.06				

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Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
United States (cont)			United States (cont)		
Corporate bonds - A1 rating (cont)			Corporate bonds - A1 rating (cont)		
25,000 Brown-Forman Corp 2.25% 15/01/2023	23	0.01	15,000 Merck Sharp & Dohme Corp 5.85% 30/06/2039	18	0.01
25,000 Cisco Systems Inc 4.45% 15/01/2020	28	0.01	25,000 National Rural Utilities Cooperative Finance Corp 1% 02/02/2015	25	0.01
100,000 Cisco Systems Inc 4.95% 15/02/2019	114	0.06	25,000 NIKE Inc 2.25% 01/05/2023	23	0.01
25,000 Cisco Systems Inc 5.5% 15/01/2040	28	0.01	125,000 Northern States Power Co 3.4% 15/08/2042	104	0.05
25,000 ConocoPhillips 4.6% 15/01/2015	26	0.01	100,000 Occidental Petroleum Corp 1.75% 15/02/2017	101	0.05
25,000 ConocoPhillips 5.75% 01/02/2019	29	0.02	25,000 Occidental Petroleum Corp 2.7% 15/02/2023	24	0.01
100,000 ConocoPhillips 6.5% 01/02/2039	129	0.06	150,000 Oracle Corp 1.2% 15/10/2017	148	0.07
50,000 ConocoPhillips Co 1.05% 15/12/2017	49	0.02	75,000 Oracle Corp 3.875% 15/07/2020	81	0.04
25,000 ConocoPhillips Co 2.4% 15/12/2022	23	0.01	25,000 Oracle Corp 5.375% 15/07/2040	27	0.01
75,000 Costco Wholesale Corp 1.7% 15/12/2019	73	0.04	25,000 Oracle Corp 5.75% 15/04/2018	29	0.01
150,000 Credit Suisse USA Inc 4.875% 15/01/2015	158	0.08	25,000 PepsiCo Inc 0.7% 13/08/2015	25	0.01
50,000 Credit Suisse USA Inc 7.125% 15/07/2032	66	0.03	100,000 PepsiCo Inc 1.25% 13/08/2017	99	0.05
50,000 DTE Electric Co 4% 01/04/2043	46	0.02	25,000 PepsiCo Inc 2.5% 10/05/2016	26	0.01
50,000 EMC Corp 1.875% 01/06/2018	50	0.03	75,000 PepsiCo Inc 2.75% 05/03/2022	72	0.04
50,000 EMC Corp 3.375% 01/06/2023	50	0.03	50,000 PepsiCo Inc 2.75% 01/03/2023	47	0.02
100,000 General Electric Capital Corp 1% 08/01/2016	100	0.05	25,000 Pfizer Inc 5.35% 15/03/2015	27	0.01
100,000 General Electric Capital Corp 1.5% 12/07/2016	101	0.05	150,000 Pfizer Inc 6.2% 15/03/2019	181	0.09
225,000 General Electric Capital Corp 2.3% 27/04/2017	232	0.11	75,000 Pfizer Inc 7.2% 15/03/2039	102	0.05
100,000 General Electric Capital Corp 3.15% 07/09/2022	98	0.05	50,000 Public Service Electric & Gas Co 2.375% 15/05/2023	47	0.02
25,000 General Electric Capital Corp 3.5% 29/06/2015	26	0.01	25,000 Public Service Electric & Gas Co 3.65% 01/09/2042	22	0.01
125,000 General Electric Capital Corp 4.625% 07/01/2021	137	0.07	100,000 Southern California Edison Co 3.875% 01/06/2021	107	0.05
75,000 General Electric Capital Corp 4.875% 04/03/2015	79	0.04	25,000 Southern California Edison Co 4.05% 15/03/2042	23	0.01
200,000 General Electric Capital Corp 6.75% 15/03/2032	244	0.12	50,000 State Street Corp 2.875% 07/03/2016	52	0.03
25,000 General Electric Capital Corp 6.875% 10/01/2039	32	0.02	100,000 Sysco Corp 2.6% 12/06/2022	95	0.05
50,000 GlaxoSmithKline Capital Inc 0.7% 18/03/2016	50	0.03	25,000 Texas Instruments Inc 0.45% 03/08/2015	25	0.01
50,000 GlaxoSmithKline Capital Inc 4.2% 18/03/2043	47	0.02	25,000 Tosco Corp 8.125% 15/02/2030	35	0.02
10,000 GlaxoSmithKline Capital Inc 5.65% 15/05/2018	12	0.01	100,000 Unilever Capital Corp 0.85% 02/08/2017	98	0.05
50,000 Intel Corp 1.95% 01/10/2016	52	0.03	50,000 US Bancorp 2.45% 27/07/2015	52	0.03
100,000 Intel Corp 4% 15/12/2032	94	0.05	25,000 US Bancorp 3% 15/03/2022	25	0.01
			Corporate bonds - A1/*- rating		
			250,000 Wachovia Bank NA 6% 15/11/2017	290	0.14
			Corporate bonds - A2 rating		
			25,000 ABB Finance USA Inc 1.625% 08/05/2017	25	0.01

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Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
United States (cont)			United States (cont)		
Corporate bonds - A2 rating (cont)			Corporate bonds - A2 rating (cont)		
50,000 Alabama Power Co 0.55% 15/10/2015	50	0.03	50,000 Halliburton Co 1% 01/08/2016	50	0.03
50,000 American Express Credit Corp 1.75% 12/06/2015	51	0.03	15,000 Halliburton Co 3.25% 15/11/2021	15	0.01
200,000 American Express Credit Corp 2.375% 24/03/2017	206	0.10	50,000 Halliburton Co 4.5% 15/11/2041	49	0.02
25,000 Baker Hughes Inc 3.2% 15/08/2021	25	0.01	25,000 Honeywell International Inc 4.25% 01/03/2021	27	0.01
50,000 BB&T Corp 1.6% 15/08/2017	50	0.03	75,000 Honeywell International Inc 5% 15/02/2019	85	0.04
50,000 Boeing Capital Corp 2.125% 15/08/2016	52	0.03	200,000 HSBC USA Inc 1.625% 16/01/2018	196	0.10
15,000 Boeing Co 6% 15/03/2019	18	0.01	50,000 Illinois Tool Works Inc 3.375% 15/09/2021	51	0.03
50,000 Boeing Co 6.875% 15/03/2039	68	0.03	25,000 John Deere Capital Corp 0.95% 29/06/2015	25	0.01
20,000 Bristol-Myers Squibb Co 0.875% 01/08/2017	20	0.01	150,000 John Deere Capital Corp 1.3% 12/03/2018	148	0.07
75,000 Bristol-Myers Squibb Co 7.15% 15/06/2023	97	0.05	15,000 John Deere Capital Corp 2.25% 17/04/2019	15	0.01
25,000 Broadcom Corp 2.5% 15/08/2022	23	0.01	20,000 Kimberly-Clark Corp 2.4% 01/03/2022	19	0.01
25,000 Campbell Soup Co 2.5% 02/08/2022	23	0.01	50,000 Kimberly-Clark Corp 5.3% 01/03/2041	56	0.03
50,000 Caterpillar Financial Services Corp 0.7% 26/02/2016	50	0.03	50,000 Loews Corp 2.625% 15/05/2023	46	0.02
50,000 Caterpillar Financial Services Corp 1.25% 06/11/2017	49	0.02	100,000 Louisville Gas & Electric Co 1.625% 15/11/2015	102	0.05
100,000 Caterpillar Financial Services Corp 1.3% 01/03/2018	98	0.05	50,000 McDonald's Corp 1.875% 29/05/2019	50	0.03
25,000 Caterpillar Inc 2.6% 26/06/2022	24	0.01	75,000 McDonald's Corp 2.625% 15/01/2022	73	0.04
25,000 Caterpillar Inc 3.803% 15/08/2042	22	0.01	50,000 Medtronic Inc 1.375% 01/04/2018	49	0.02
50,000 CenterPoint Energy Houston Electric LLC 3.55% 01/08/2042	43	0.02	25,000 Medtronic Inc 3.125% 15/03/2022	25	0.01
50,000 Danaher Corp 5.4% 01/03/2019	58	0.03	50,000 Medtronic Inc 4% 01/04/2043	45	0.02
50,000 Deere & Co 2.6% 08/06/2022	48	0.02	10,000 Medtronic Inc 4.5% 15/03/2042	10	0.01
50,000 Duke Energy Carolinas LLC 6.45% 15/10/2032	60	0.03	100,000 Merck & Co Inc 1.1% 31/01/2018	98	0.05
25,000 Duke Energy Florida Inc 0.65% 15/11/2015	25	0.01	25,000 Merck & Co Inc 2.25% 15/01/2016	26	0.01
20,000 eBay Inc 1.35% 15/07/2017	20	0.01	50,000 Merck & Co Inc 2.4% 15/09/2022	47	0.02
100,000 El du Pont de Nemours & Co 2.8% 15/02/2023	95	0.05	25,000 Merck & Co Inc 2.8% 18/05/2023	24	0.01
25,000 El du Pont de Nemours & Co 6% 15/07/2018	30	0.02	50,000 Merck & Co Inc 4.15% 18/05/2043	47	0.02
50,000 Emerson Electric Co 5.25% 15/10/2018	57	0.03	25,000 National Oilwell Varco Inc 3.95% 01/12/2042	23	0.01
50,000 Estee Lauder Cos Inc 3.7% 15/08/2042	43	0.02	50,000 NSTAR Electric Co 2.375% 15/10/2022	47	0.02
25,000 General Dynamics Corp 1% 15/11/2017	24	0.01	75,000 PacifiCorp 2.95% 01/02/2022	74	0.04
25,000 General Dynamics Corp 3.875% 15/07/2021	26	0.01	25,000 PacifiCorp 4.1% 01/02/2042	23	0.01
			50,000 PacifiCorp 5.65% 15/07/2018	58	0.03
			25,000 Philip Morris International Inc 2.5% 16/05/2016	26	0.01

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Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
United States (cont)			United States (cont)		
Corporate bonds - A2 rating (cont)			Corporate bonds - A2/*- rating (cont)		
50,000 Philip Morris International Inc 2.5% 22/08/2022	46	0.02	50,000 JPMorgan Chase & Co 3.25% 23/09/2022	48	0.02
25,000 Philip Morris International Inc 4.125% 04/03/2043	22	0.01	50,000 JPMorgan Chase & Co 3.7% 20/01/2015	52	0.03
75,000 Philip Morris International Inc 5.65% 16/05/2018	87	0.04	25,000 JPMorgan Chase & Co 4.5% 24/01/2022	27	0.01
25,000 Praxair Inc 0.75% 21/02/2016	25	0.01	25,000 JPMorgan Chase & Co 5.4% 06/01/2042	27	0.01
25,000 Praxair Inc 2.2% 15/08/2022	23	0.01	25,000 JPMorgan Chase & Co 5.6% 15/07/2041	28	0.01
25,000 Precision Castparts Corp 2.5% 15/01/2023	23	0.01	125,000 JPMorgan Chase & Co 6.4% 15/05/2038	151	0.07
50,000 Public Service Co of Colorado 2.25% 15/09/2022	47	0.02	100,000 Northern Trust Corp 3.95% 30/10/2025	101	0.05
50,000 Simon Property Group LP 2.15% 15/09/2017	51	0.03	100,000 Wells Fargo & Co 2.1% 08/05/2017	103	0.05
25,000 Simon Property Group LP 2.75% 01/02/2023	24	0.01	25,000 Wells Fargo & Co 2.625% 15/12/2016	26	0.01
25,000 Simon Property Group LP 6.125% 30/05/2018	29	0.02	150,000 Wells Fargo & Co 3.5% 08/03/2022	152	0.08
50,000 Simon Property Group LP 10.35% 01/04/2019	69	0.03	35,000 Wells Fargo & Co 4.6% 01/04/2021	38	0.02
90,000 Target Corp 2.9% 15/01/2022	88	0.04	Corporate bonds - A3 rating		
100,000 Travelers Cos Inc 3.9% 01/11/2020	107	0.05	100,000 ACE INA Holdings Inc 2.7% 13/03/2023	95	0.05
25,000 Travelers Cos Inc 5.35% 01/11/2040	28	0.01	25,000 ACE INA Holdings Inc 5.6% 15/05/2015	27	0.01
50,000 United Technologies Corp 1.8% 01/06/2017	51	0.03	25,000 Aflac Inc 8.5% 15/05/2019	32	0.02
50,000 United Technologies Corp 3.1% 01/06/2022	49	0.03	50,000 Allergan Inc 1.35% 15/03/2018	49	0.03
125,000 United Technologies Corp 5.7% 15/04/2040	144	0.07	25,000 Allstate Corp 3.15% 15/06/2023	25	0.01
50,000 US Bancorp 2.95% 15/07/2022	48	0.02	50,000 Allstate Corp 7.45% 16/05/2019	63	0.03
130,000 Walt Disney Co 1.35% 16/08/2016	132	0.07	50,000 Ameren Illinois Co 2.7% 01/09/2022	48	0.02
50,000 Walt Disney Co 2.35% 01/12/2022	47	0.02	28,000 American Express Co 2.65% 02/12/2022	26	0.01
15,000 Walt Disney Co 2.55% 15/02/2022	14	0.01	25,000 Analog Devices Inc 2.875% 01/06/2023	24	0.01
Corporate bonds - A2/*- rating			250,000 Anheuser-Busch InBev Finance Inc 1.25% 17/01/2018	247	0.12
15,000 Archer-Daniels-Midland Co 4.535% 26/03/2042	14	0.01	50,000 Anheuser-Busch InBev Finance Inc 4% 17/01/2043	46	0.02
100,000 Archer-Daniels-Midland Co 5.45% 15/03/2018	115	0.06	50,000 Anheuser-Busch InBev Worldwide Inc 0.8% 15/07/2015	50	0.03
75,000 JPMorgan Chase & Co 1.8% 25/01/2018	74	0.04	20,000 Anheuser-Busch InBev Worldwide Inc 2.5% 15/07/2022	19	0.01
300,000 JPMorgan Chase & Co 2% 15/08/2017	303	0.15	25,000 Anheuser-Busch InBev Worldwide Inc 3.75% 15/07/2042	22	0.01
25,000 JPMorgan Chase & Co 3.15% 05/07/2016	26	0.01	25,000 Anheuser-Busch InBev Worldwide Inc 5.375% 15/01/2020	29	0.01
100,000 JPMorgan Chase & Co 3.2% 25/01/2023	96	0.05	25,000 Apache Corp 2.625% 15/01/2023	23	0.01

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Schedule of investments (continued)

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Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
United States (cont)			United States (cont)		
Corporate bonds - A3 rating (cont)			Corporate bonds - A3 rating (cont)		
25,000 Apache Corp 3.25% 15/04/2022	25	0.01	50,000 Georgia Power Co 2.85% 15/05/2022	48	0.02
100,000 Apache Corp 4.25% 15/01/2044	90	0.05	15,000 Georgia Power Co 4.3% 15/03/2042	14	0.01
100,000 AT&T Inc 1.4% 01/12/2017	98	0.05	50,000 Georgia Power Co 4.3% 15/03/2043	46	0.02
100,000 AT&T Inc 2.4% 15/08/2016	103	0.05	50,000 Home Depot Inc 3.75% 15/02/2024	51	0.03
25,000 AT&T Inc 2.625% 01/12/2022	22	0.01	50,000 Home Depot Inc 4.2% 01/04/2043	46	0.02
100,000 AT&T Inc 3% 15/02/2022	94	0.05	50,000 Home Depot Inc 5.4% 01/03/2016	55	0.03
150,000 AT&T Inc 4.35% 15/06/2045	125	0.06	25,000 Home Depot Inc 5.95% 01/04/2041	30	0.02
75,000 AT&T Inc 5.35% 01/09/2040	73	0.04	250,000 KeyBank NA 1.65% 01/02/2018	247	0.12
75,000 AT&T Inc 6.55% 15/02/2039	84	0.04	25,000 Lowe's Cos Inc 1.625% 15/04/2017	25	0.01
25,000 AT&T Mobility LLC 7.125% 15/12/2031	31	0.02	50,000 Lowe's Cos Inc 2.125% 15/04/2016	52	0.03
115,000 Baxter International Inc 1.85% 15/01/2017	116	0.06	65,000 Lowe's Cos Inc 4.65% 15/04/2042	64	0.03
25,000 Becton Dickinson and Co 1.75% 08/11/2016	25	0.01	50,000 MetLife Inc 1.756% 15/12/2017	50	0.03
25,000 Burlington Northern Santa Fe LLC 3% 15/03/2023	24	0.01	25,000 MetLife Inc 3.048% 15/12/2022	24	0.01
25,000 Burlington Northern Santa Fe LLC 3.05% 01/09/2022	24	0.01	50,000 MetLife Inc 4.125% 13/08/2042	45	0.02
100,000 Burlington Northern Santa Fe LLC 4.45% 15/03/2043	93	0.05	50,000 MetLife Inc 6.817% 15/08/2018	61	0.03
25,000 Burlington Northern Santa Fe LLC 4.95% 15/09/2041	25	0.01	25,000 MetLife Inc 7.717% 15/02/2019	32	0.02
75,000 Cellco Partnership / Verizon Wireless Capital LLC 8.5% 15/11/2018	97	0.05	50,000 National Rural Utilities Cooperative Finance Corp 4.75% 30/04/2043	47	0.02
50,000 Chubb Corp 6.375% 29/03/2067	54	0.03	50,000 NBCUniversal Media LLC 2.875% 15/01/2023	48	0.02
50,000 Comcast Corp 3.125% 15/07/2022	49	0.03	35,000 NBCUniversal Media LLC 5.15% 30/04/2020	40	0.02
175,000 Comcast Corp 4.25% 15/01/2033	168	0.08	100,000 Nevada Power Co 6.5% 01/08/2018	121	0.06
50,000 Comcast Corp 4.5% 15/01/2043	48	0.02	100,000 Pacific Gas & Electric Co 2.45% 15/08/2022	91	0.05
50,000 Comcast Corp 6.3% 15/11/2017	59	0.03	25,000 Pacific Gas & Electric Co 4.45% 15/04/2042	23	0.01
25,000 Comcast Corp 6.95% 15/08/2037	32	0.02	50,000 Pacific Gas & Electric Co 4.6% 15/06/2043	48	0.02
50,000 Consolidated Edison Co of New York Inc 3.95% 01/03/2043	45	0.02	25,000 PNC Financial Services Group Inc* 2.854% 09/11/2022	23	0.01
25,000 Consolidated Edison Co of New York Inc 4.2% 15/03/2042	24	0.01	25,000 PNC Funding Corp* 3.3% 08/03/2022	25	0.01
50,000 Consolidated Edison Co of New York Inc 7.125% 01/12/2018	62	0.03	25,000 Principal Financial Group Inc 4.625% 15/09/2042	24	0.01
25,000 Corning Inc 1.45% 15/11/2017	25	0.01	50,000 Raytheon Co 2.5% 15/12/2022	46	0.02
75,000 Diageo Investment Corp 2.875% 11/05/2022	73	0.04	25,000 Raytheon Co 3.125% 15/10/2020	25	0.01
25,000 Entergy Arkansas Inc 3.75% 15/02/2021	26	0.01	25,000 Sherwin-Williams Co 1.35% 15/12/2017	25	0.01
25,000 EOG Resources Inc 2.625% 15/03/2023	23	0.01	50,000 South Carolina Electric & Gas Co 6.5% 01/11/2018	61	0.03
50,000 General Mills Inc 0.875% 29/01/2016	50	0.03	50,000 Stryker Corp 4.1% 01/04/2043	46	0.02
15,000 General Mills Inc 3.15% 15/12/2021	15	0.01	50,000 TJX Cos Inc 2.5% 15/05/2023	47	0.02
			50,000 United Airlines 2013-1 Class A Pass Through Trust 4.3% 15/08/2025	49	0.03

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Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
United States (cont)			United States (cont)		
Corporate bonds - A3 rating (cont)			Corporate bonds - Aa2 rating (cont)		
100,000 UnitedHealth Group Inc 1.4% 15/10/2017	100	0.05	100,000 Berkshire Hathaway Inc 1.55% 09/02/2018	99	0.05
50,000 UnitedHealth Group Inc 2.875% 15/03/2023	47	0.02	50,000 Berkshire Hathaway Inc 3% 11/02/2023	49	0.02
50,000 UnitedHealth Group Inc 4.25% 15/03/2043	46	0.02	25,000 Berkshire Hathaway Inc 3.2% 11/02/2015	26	0.01
25,000 UnitedHealth Group Inc 6.875% 15/02/2038	32	0.02	25,000 Google Inc 2.125% 19/05/2016	26	0.01
100,000 Virginia Electric and Power Co 1.2% 15/01/2018	98	0.05	50,000 Wal-Mart Stores Inc 1.5% 25/10/2015	51	0.03
50,000 Virginia Electric and Power Co 4% 15/01/2043	46	0.02	100,000 Wal-Mart Stores Inc 1.95% 15/12/2018	101	0.05
Corporate bonds - A3/*- rating			50,000 Wal-Mart Stores Inc 2.55% 11/04/2023	47	0.02
25,000 Applied Materials Inc 4.3% 15/06/2021	26	0.01	25,000 Wal-Mart Stores Inc 3.25% 25/10/2020	26	0.01
100,000 Bear Stearns Cos LLC 5.55% 22/01/2017	111	0.06	50,000 Wal-Mart Stores Inc 5% 25/10/2040	53	0.03
250,000 Goldman Sachs Group Inc 2.375% 22/01/2018	251	0.12	25,000 Wal-Mart Stores Inc 5.625% 15/04/2041	29	0.02
100,000 Goldman Sachs Group Inc 3.625% 07/02/2016	106	0.05	100,000 Wal-Mart Stores Inc 6.2% 15/04/2038	121	0.06
100,000 Goldman Sachs Group Inc 3.625% 22/01/2023	98	0.05	Corporate bonds - Aa3 rating		
25,000 Goldman Sachs Group Inc 6.125% 15/02/2033	28	0.01	25,000 Coca-Cola Co 0.75% 13/03/2015	25	0.01
250,000 Goldman Sachs Group Inc 6.15% 01/04/2018	289	0.14	50,000 Coca-Cola Co 1.15% 01/04/2018	49	0.02
25,000 Goldman Sachs Group Inc 6.25% 01/02/2041	29	0.02	70,000 Coca-Cola Co 1.65% 14/03/2018	70	0.04
50,000 JPMorgan Chase & Co 6.125% 27/06/2017	57	0.03	50,000 Coca-Cola Co 3.2% 01/11/2023	50	0.03
75,000 Murray Street Investment Trust I 4.647% 09/03/2017	81	0.04	25,000 Colgate-Palmolive Co 2.3% 03/05/2022	24	0.01
100,000 Wachovia Corp 5.5% 01/08/2035	104	0.05	100,000 Duke Energy Carolinas LLC 4% 30/09/2042	93	0.05
Corporate bonds - Aa1 rating			100,000 Duke Energy Carolinas LLC 5.3% 01/10/2015	109	0.05
50,000 Apple Inc 1% 03/05/2018	48	0.02	25,000 Duke Energy Carolinas LLC 5.3% 15/02/2040	28	0.01
50,000 Apple Inc 2.4% 03/05/2023	46	0.02	50,000 Florida Power & Light Co 4.05% 01/06/2042	47	0.02
50,000 Apple Inc 3.85% 04/05/2043	42	0.02	25,000 General Electric Co 2.7% 09/10/2022	24	0.01
50,000 Chevron Corp 1.104% 05/12/2017	49	0.02	75,000 General Electric Co 4.125% 09/10/2042	69	0.04
50,000 Chevron Corp 1.718% 24/06/2018	50	0.03	100,000 International Business Machines Corp 0.75% 11/05/2015	100	0.05
50,000 Chevron Corp 2.427% 24/06/2020	50	0.03	100,000 International Business Machines Corp 4% 20/06/2042	90	0.05
Corporate bonds - Aa2 rating			100,000 International Business Machines Corp 5.7% 14/09/2017	115	0.06
50,000 3M Co 1.375% 29/09/2016	51	0.03	25,000 Novartis Capital Corp 2.9% 24/04/2015	26	0.01
25,000 3M Co 2% 26/06/2022	23	0.01			
25,000 Berkshire Hathaway Finance Corp 3% 15/05/2022	24	0.01			

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Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
United States (cont)			United States (cont)		
Corporate bonds - Aa3 rating (cont)			Corporate bonds - Ba1 rating (cont)		
75,000 Novartis Capital Corp 3.7% 21/09/2042	66	0.03	50,000 Mohawk Industries Inc 3.85% 01/02/2023	48	0.03
125,000 Procter & Gamble Co 1.45% 15/08/2016	127	0.06	25,000 Owens Corning 4.2% 15/12/2022	25	0.01
25,000 Procter & Gamble Co 2.3% 06/02/2022	24	0.01	Corporate bonds - Ba2 rating		
100,000 Southern California Gas Co 3.75% 15/09/2042	90	0.05	25,000 QVC Inc 5.95% 15/03/2043	22	0.01
100,000 Toyota Motor Credit Corp 0.875% 17/07/2015	101	0.05	Corporate bonds - Baa1 rating		
100,000 Toyota Motor Credit Corp 1.375% 10/01/2018	99	0.05	75,000 AbbVie Inc 1.75% 06/11/2017	75	0.04
25,000 Toyota Motor Credit Corp 2.625% 10/01/2023	24	0.01	100,000 AbbVie Inc 4.4% 06/11/2042	94	0.05
25,000 Toyota Motor Credit Corp 3.3% 12/01/2022	25	0.01	25,000 AGL Capital Corp 4.4% 01/06/2043	23	0.01
25,000 United Parcel Service Inc 1.125% 01/10/2017	25	0.01	75,000 Altria Group Inc 4.25% 09/08/2042	64	0.03
65,000 United Parcel Service Inc 3.125% 15/01/2021	67	0.03	25,000 Altria Group Inc 4.75% 05/05/2021	27	0.01
Corporate bonds - Aa3/*- rating			100,000 Altria Group Inc 9.25% 06/08/2019	135	0.07
50,000 Bank of New York Mellon Corp 1.969% 20/06/2017	51	0.02	25,000 Amazon.com Inc 1.2% 29/11/2017	25	0.01
50,000 Bank of New York Mellon Corp 2.1% 01/08/2018	50	0.02	100,000 American International Group Inc 4.875% 01/06/2022	109	0.05
50,000 Bank of New York Mellon Corp 2.95% 18/06/2015	52	0.03	50,000 American International Group Inc 5.85% 16/01/2018	58	0.03
15,000 Bank of New York Mellon Corp 3.55% 23/09/2021	16	0.01	100,000 American International Group Inc 6.25% 01/05/2036	118	0.06
Corporate bonds - Aaa rating			25,000 Amgen Inc 2.125% 15/05/2017	26	0.01
25,000 Johnson & Johnson 4.5% 01/09/2040	26	0.01	50,000 Amgen Inc 5.15% 15/11/2041	50	0.03
100,000 Johnson & Johnson 5.15% 15/07/2018	116	0.06	50,000 Amgen Inc 5.375% 15/05/2043	52	0.03
50,000 Microsoft Corp 1.625% 25/09/2015	51	0.03	25,000 Amgen Inc 5.65% 15/06/2042	27	0.01
50,000 Microsoft Corp 2.125% 15/11/2022	45	0.02	50,000 Amgen Inc 6.15% 01/06/2018	59	0.03
50,000 Microsoft Corp 2.375% 01/05/2023	46	0.02	75,000 Atmos Energy Corp 5.5% 15/06/2041	84	0.04
25,000 Microsoft Corp 2.5% 08/02/2016	26	0.01	50,000 AvalonBay Communities Inc 2.85% 15/03/2023	46	0.02
25,000 Microsoft Corp 3.5% 15/11/2042	21	0.01	25,000 Baltimore Gas & Electric Co 3.5% 15/11/2021	26	0.01
Corporate bonds - Ba1 rating			100,000 Capital One Financial Corp 1% 06/11/2015	100	0.05
25,000 Alcoa Inc 5.4% 15/04/2021	25	0.01	25,000 Capital One Financial Corp 4.75% 15/07/2021	27	0.01
50,000 Alcoa Inc 5.95% 01/02/2037	47	0.02	100,000 CVS Caremark Corp 2.75% 01/12/2022	94	0.05
25,000 El Paso Pipeline Partners Operating Co LLC 4.7% 01/11/2042	22	0.01	25,000 CVS Caremark Corp 5.75% 15/05/2041	28	0.01
25,000 Expedia Inc 7.456% 15/08/2018	29	0.02	25,000 Delta Air Lines 2012-1 Class A Pass Through Trust 4.75% 07/05/2020	26	0.01
25,000 Jabil Circuit Inc 4.7% 15/09/2022	25	0.01	75,000 Devon Energy Corp 1.875% 15/05/2017	76	0.04
			35,000 Devon Energy Corp 4.75% 15/05/2042	33	0.02
			25,000 Dr Pepper Snapple Group Inc 2.7% 15/11/2022	23	0.01

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Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
United States (cont)			United States (cont)		
Corporate bonds - Baa1 rating (cont)			Corporate bonds - Baa1 rating (cont)		
50,000 Duke Energy Corp 1.625% 15/08/2017	50	0.03	50,000 MidAmerican Energy Holdings Co 6.5% 15/09/2037	59	0.03
25,000 Eaton Corp 1.5% 02/11/2017	25	0.01	50,000 Mondelez International Inc 6.125% 01/02/2018	58	0.03
50,000 Eaton Corp 2.75% 02/11/2022	47	0.02	75,000 Mondelez International Inc 6.5% 09/02/2040	89	0.05
25,000 Ecolab Inc 1.45% 08/12/2017	25	0.01	50,000 National Retail Properties Inc 3.3% 15/04/2023	46	0.02
25,000 Ecolab Inc 3% 08/12/2016	26	0.01	50,000 Newmont Mining Corp 3.5% 15/03/2022	44	0.02
25,000 Ecolab Inc 5.5% 08/12/2041	27	0.01	25,000 Newmont Mining Corp 4.875% 15/03/2042	19	0.01
100,000 Enterprise Products Operating LLC 4.05% 15/02/2022	103	0.05	75,000 News America Inc 3% 15/09/2022	72	0.04
100,000 Enterprise Products Operating LLC 4.85% 15/03/2044	96	0.05	25,000 News America Inc 4.5% 15/02/2021	27	0.01
50,000 Enterprise Products Operating LLC 5.2% 01/09/2020	56	0.03	100,000 News America Inc 6.15% 01/03/2037	111	0.06
100,000 ERP Operating LP 4.625% 15/12/2021	107	0.05	10,000 News America Inc 6.15% 15/02/2041	11	0.01
25,000 FedEx Corp 2.625% 01/08/2022	23	0.01	50,000 NextEra Energy Capital Holdings Inc 4.5% 01/06/2021	53	0.03
50,000 Fifth Third Bancorp 3.5% 15/03/2022	50	0.03	100,000 NextEra Energy Capital Holdings Inc 7.875% 15/12/2015	113	0.06
25,000 Gilead Sciences Inc 4.4% 01/12/2021	27	0.01	50,000 Nordstrom Inc 6.25% 15/01/2018	58	0.03
25,000 Gilead Sciences Inc 5.65% 01/12/2041	28	0.01	50,000 Norfolk Southern Corp 3% 01/04/2022	48	0.02
25,000 Gulf South Pipeline Co LP 4% 15/06/2022	25	0.01	50,000 Norfolk Southern Corp 3.95% 01/10/2042	43	0.02
50,000 HCP Inc 2.625% 01/02/2020	48	0.02	50,000 Nucor Corp 4% 01/08/2023	50	0.03
25,000 HCP Inc 3.15% 01/08/2022	23	0.01	25,000 Oglethorpe Power Corp 4.2% 01/12/2042	22	0.01
175,000 Hewlett-Packard Co 2.6% 15/09/2017	178	0.09	25,000 Omnicom Group Inc 3.625% 01/05/2022	24	0.01
25,000 Hewlett-Packard Co 6% 15/09/2041	24	0.01	125,000 Phillips 66 2.95% 01/05/2017	130	0.07
25,000 HSBC Finance Corp 5% 30/06/2015	27	0.01	150,000 PNC Funding Corp* 5.25% 15/11/2015	162	0.08
25,000 Johnson Controls Inc 5.25% 01/12/2041	25	0.01	100,000 Prudential Financial Inc 5.375% 21/06/2020	113	0.06
25,000 Kellogg Co 1.75% 17/05/2017	25	0.01	25,000 Prudential Financial Inc 6.625% 01/12/2037	31	0.02
25,000 Kellogg Co 2.75% 01/03/2023	23	0.01	25,000 Prudential Financial Inc 7.375% 15/06/2019	31	0.02
50,000 Kellogg Co 4% 15/12/2020	53	0.03	50,000 Realty Income Corp 4.65% 01/08/2023	52	0.03
50,000 Kohl's Corp 3.25% 01/02/2023	47	0.02	50,000 Ryder System Inc 2.5% 01/03/2017	50	0.03
50,000 Lincoln National Corp 4% 01/09/2023	51	0.03	50,000 Sempra Energy 6.5% 01/06/2016	56	0.03
25,000 Lincoln National Corp 4.2% 15/03/2022	26	0.01	50,000 St Jude Medical Inc 4.75% 15/04/2043	48	0.02
25,000 Lockheed Martin Corp 3.35% 15/09/2021	25	0.01			
75,000 Lockheed Martin Corp 5.5% 15/11/2039	81	0.04			
100,000 Marathon Oil Corp 0.9% 01/11/2015	100	0.05			
25,000 Marathon Oil Corp 2.8% 01/11/2022	24	0.01			

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Schedule of investments (continued)

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Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
United States (cont)			United States (cont)		
Corporate bonds - Baa1 rating (cont)			Corporate bonds - Baa2 rating (cont)		
25,000 Transcontinental Gas Pipe Line Co LLC 4.45% 01/08/2042	23	0.01	25,000 Aetna Inc 2.75% 15/11/2022	23	0.01
50,000 Union Pacific Corp 2.95% 15/01/2023	48	0.02	50,000 Aetna Inc 4.125% 01/06/2021	53	0.03
25,000 Union Pacific Corp 4.25% 15/04/2043	23	0.01	25,000 Agilent Technologies Inc 3.2% 01/10/2022	23	0.01
50,000 Ventas Realty LP / Ventas Capital Corp 2% 15/02/2018	49	0.03	25,000 Airgas Inc 2.95% 15/06/2016	26	0.01
125,000 Verizon Communications Inc 2% 01/11/2016	128	0.06	100,000 American Electric Power Co Inc 1.65% 15/12/2017	98	0.05
100,000 Verizon Communications Inc 3.65% 14/09/2018	106	0.05	25,000 American International Group Inc 8.175% 15/05/2058	31	0.02
75,000 Verizon Communications Inc 3.85% 01/11/2042	61	0.03	100,000 Assurant Inc 4% 15/03/2023	98	0.05
50,000 Verizon Communications Inc 4.6% 01/04/2021	53	0.03	25,000 AutoZone Inc 3.7% 15/04/2022	25	0.01
25,000 Verizon Communications Inc 4.75% 01/11/2041	23	0.01	25,000 Bank of America Corp 3.3% 11/01/2023	24	0.01
250,000 Verizon Communications Inc 5.15% 15/09/2023	271	0.13	50,000 Bank of America Corp 3.7% 01/09/2015	52	0.03
75,000 Verizon Communications Inc 6.4% 15/09/2033	85	0.04	50,000 Bank of America Corp 5% 13/05/2021	55	0.03
175,000 Verizon Communications Inc 6.55% 15/09/2043	203	0.10	350,000 Bank of America Corp 5.65% 01/05/2018	398	0.20
100,000 Verizon Communications Inc 7.75% 01/12/2030	126	0.06	150,000 Bank of America Corp 5.7% 24/01/2022	172	0.09
50,000 Verizon Communications Inc 8.75% 01/11/2018	64	0.03	75,000 Bank of America Corp 5.875% 07/02/2042	86	0.04
25,000 Walgreen Co 3.1% 15/09/2022	24	0.01	100,000 Bank of America Corp 6.5% 01/08/2016	114	0.06
25,000 Walgreen Co 4.4% 15/09/2042	23	0.01	50,000 Barrick North America Finance LLC 5.75% 01/05/2043	43	0.02
25,000 Western Union Co 2.875% 10/12/2017	26	0.01	50,000 Boston Properties LP 3.7% 15/11/2018	53	0.03
Corporate bonds - Baa1/*- rating			25,000 Boston Properties LP 3.85% 01/02/2023	25	0.01
125,000 Goldman Sachs Group Inc 6.75% 01/10/2037	136	0.07	50,000 Bunge Ltd Finance Corp 4.1% 15/03/2016	53	0.03
150,000 Morgan Stanley 4.75% 22/03/2017	164	0.08	100,000 Cardinal Health Inc 3.2% 15/03/2023	95	0.05
100,000 Morgan Stanley 5.45% 09/01/2017	111	0.06	100,000 CBS Corp 1.95% 01/07/2017	101	0.05
200,000 Morgan Stanley 5.5% 24/07/2020	226	0.11	15,000 CBS Corp 4.85% 01/07/2042	14	0.01
25,000 Morgan Stanley 5.5% 28/07/2021	28	0.01	50,000 Celgene Corp 1.9% 15/08/2017	50	0.03
150,000 Morgan Stanley 5.75% 25/01/2021	171	0.08	50,000 CF Industries Inc 4.95% 01/06/2043	47	0.02
50,000 Morgan Stanley 7.25% 01/04/2032	62	0.03	150,000 Citigroup Inc 1.25% 15/01/2016	150	0.07
50,000 Thermo Fisher Scientific Inc 1.85% 15/01/2018	50	0.02	150,000 Citigroup Inc 1.3% 01/04/2016	150	0.07
10,000 Thermo Fisher Scientific Inc 3.6% 15/08/2021	10	0.01	50,000 Citigroup Inc 3.375% 01/03/2023	48	0.02
Corporate bonds - Baa2 rating			125,000 Citigroup Inc 4.45% 10/01/2017	136	0.07
25,000 Aetna Inc 1.75% 15/05/2017	25	0.01	125,000 Citigroup Inc 5.875% 30/01/2042	143	0.07
			25,000 Citigroup Inc 8.125% 15/07/2039	35	0.02
			50,000 Cigna Corp 4% 15/02/2022	52	0.03

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Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
United States (cont)			United States (cont)		
Corporate bonds - Baa2 rating (cont)			Corporate bonds - Baa2 rating (cont)		
50,000 Computer Sciences Corp 6.5% 15/03/2018	58	0.03	100,000 Health Care REIT Inc 4.7% 15/09/2017	109	0.05
25,000 ConAgra Foods Inc 1.35% 10/09/2015	25	0.01	25,000 Health Care REIT Inc 4.95% 15/01/2021	27	0.01
100,000 ConAgra Foods Inc 1.9% 25/01/2018	99	0.05	50,000 Hess Corp 5.6% 15/02/2041	54	0.03
25,000 ConAgra Foods Inc 4.65% 25/01/2043	23	0.01	50,000 Historic TW Inc 6.875% 15/06/2018	60	0.03
25,000 Continental Airlines 2012-2 Class A Pass Through Trust 4% 29/10/2024	24	0.01	25,000 HSBC Finance Corp 6.676% 15/01/2021	29	0.02
25,000 CSX Corp 5.5% 15/04/2041	27	0.01	75,000 International Game Technology 5.35% 15/10/2023	77	0.04
100,000 CSX Corp 5.6% 01/05/2017	113	0.06	25,000 Juniper Networks Inc 4.6% 15/03/2021	26	0.01
25,000 Digital Realty Trust LP 3.625% 01/10/2022	23	0.01	50,000 Kansas City Power & Light Co 5.3% 01/10/2041	52	0.03
50,000 DirecTV Holdings LLC / DirecTV Financing Co Inc 1.75% 15/01/2018	49	0.02	100,000 Kinder Morgan Energy Partners LP 2.65% 01/02/2019	100	0.05
145,000 DirecTV Holdings LLC / DirecTV Financing Co Inc 2.4% 15/03/2017	147	0.07	25,000 Kinder Morgan Energy Partners LP 3.45% 15/02/2023	24	0.01
25,000 DirecTV Holdings LLC / DirecTV Financing Co Inc 3.8% 15/03/2022	24	0.01	50,000 Kinder Morgan Energy Partners LP 3.5% 01/03/2016	53	0.03
25,000 DirecTV Holdings LLC / DirecTV Financing Co Inc 5.15% 15/03/2042	22	0.01	50,000 Kinder Morgan Energy Partners LP 3.5% 01/09/2023	47	0.02
50,000 Discovery Communications LLC 4.875% 01/04/2043	47	0.02	100,000 Kinder Morgan Energy Partners LP 5% 01/03/2043	95	0.05
10,000 Discovery Communications LLC 5.05% 01/06/2020	11	0.01	50,000 Kraft Foods Group Inc 3.5% 06/06/2022	50	0.03
25,000 Dominion Resources Inc 1.4% 15/09/2017	25	0.01	50,000 Kraft Foods Group Inc 6.875% 26/01/2039	62	0.03
25,000 Dominion Resources Inc 8.875% 15/01/2019	32	0.02	25,000 Kroger Co 3.4% 15/04/2022	24	0.01
25,000 Dow Chemical Co 3% 15/11/2022	24	0.01	100,000 Kroger Co 6.4% 15/08/2017	116	0.06
25,000 Dow Chemical Co 4.125% 15/11/2021	26	0.01	25,000 Laboratory Corp of America Holdings 2.2% 23/08/2017	25	0.01
100,000 Dow Chemical Co 4.375% 15/11/2042	90	0.04	25,000 Lorillard Tobacco Co 2.3% 21/08/2017	25	0.01
25,000 Dow Chemical Co 8.55% 15/05/2019	32	0.02	25,000 Magellan Midstream Partners LP 4.2% 01/12/2042	22	0.01
25,000 Duke Realty LP 3.875% 15/10/2022	24	0.01	25,000 Marathon Petroleum Corp 5.125% 01/03/2021	27	0.01
100,000 Dun & Bradstreet Corp 3.25% 01/12/2017	102	0.05	50,000 Markel Corp 3.625% 30/03/2023	48	0.02
25,000 Eastman Chemical Co 3.6% 15/08/2022	24	0.01	25,000 Marriott International Inc 3.25% 15/09/2022	24	0.01
100,000 Exelon Corp 4.9% 15/06/2015	106	0.05	25,000 Marsh & McLennan Cos Inc 2.3% 01/04/2017	25	0.01
50,000 Exelon Generation Co LLC 4.25% 15/06/2022	49	0.02	25,000 Molson Coors Brewing Co 3.5% 01/05/2022	25	0.01
25,000 Exelon Generation Co LLC 5.6% 15/06/2042	24	0.01	25,000 Motorola Solutions Inc 3.75% 15/05/2022	24	0.01
25,000 Fiserv Inc 6.8% 20/11/2017	29	0.02			

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Schedule of investments (continued)

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Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
United States (cont)				United States (cont)			
Corporate bonds - Baa2 rating (cont)				Corporate bonds - Baa2 rating (cont)			
15,000	Nabors Industries Inc 4.625% 15/09/2021	15	0.01	25,000	Valero Energy Corp 6.625% 15/06/2037	29	0.01
75,000	Nabors Industries Inc 6.15% 15/02/2018	85	0.04	50,000	Viacom Inc 2.5% 01/09/2018	51	0.03
25,000	Noble Energy Inc 6% 01/03/2041	29	0.01	25,000	Viacom Inc 3.25% 15/03/2023	23	0.01
75,000	Northrop Grumman Corp 3.25% 01/08/2023	72	0.04	25,000	Viacom Inc 3.5% 01/04/2017	26	0.01
50,000	Oneok Partners LP 3.25% 01/02/2016	52	0.03	25,000	Viacom Inc 4.375% 15/03/2043	21	0.01
25,000	Oneok Partners LP 3.375% 01/10/2022	24	0.01	25,000	Viacom Inc 4.875% 15/06/2043	23	0.01
50,000	Pitney Bowes Inc 6.25% 15/03/2019	56	0.03	25,000	Vornado Realty LP 4.25% 01/04/2015	26	0.01
25,000	Plains All American Pipeline LP / PAA Finance Corp 3.65% 01/06/2022	25	0.01	100,000	WellPoint Inc 1.25% 10/09/2015	101	0.05
50,000	Plains All American Pipeline LP / PAA Finance Corp 3.85% 15/10/2023	50	0.03	50,000	WellPoint Inc 3.125% 15/05/2022	48	0.02
50,000	ProLogis LP 6.625% 15/05/2018	59	0.03	50,000	WellPoint Inc 4.65% 15/01/2043	47	0.02
25,000	Prudential Financial Inc 5.625% 15/06/2043	25	0.01	25,000	Williams Partners LP 3.35% 15/08/2022	24	0.01
100,000	Quest Diagnostics Inc 5.45% 01/11/2015	108	0.05	50,000	Williams Partners LP 6.3% 15/04/2040	55	0.03
25,000	Reynolds American Inc 4.75% 01/11/2042	22	0.01	85,000	Xerox Corp 2.95% 15/03/2017	87	0.04
25,000	Reynolds American Inc 7.75% 01/06/2018	31	0.02	25,000	Zoetis Inc 1.875% 01/02/2018	25	0.01
50,000	Santander Holdings USA Inc 3.45% 27/08/2018	51	0.03	Corporate bonds - Baa2/*- rating			
50,000	Southern Copper Corp 5.25% 08/11/2042	41	0.02	50,000	Avon Products Inc 6.95% 15/03/2043	52	0.03
50,000	Spectra Energy Capital LLC 3.3% 15/03/2023	45	0.02	50,000	McKesson Corp 2.7% 15/12/2022	46	0.02
25,000	Starwood Hotels & Resorts Worldwide Inc 6.75% 15/05/2018	30	0.02	Corporate bonds - Baa3 rating			
50,000	Symantec Corp 2.75% 15/06/2017	51	0.03	50,000	Actavis Inc 1.875% 01/10/2017	50	0.03
50,000	Time Warner Cable Inc 4% 01/09/2021	47	0.02	100,000	American Tower Corp 4.5% 15/01/2018	107	0.05
125,000	Time Warner Cable Inc 4.5% 15/09/2042	93	0.05	25,000	American Tower Corp 4.7% 15/03/2022	25	0.01
100,000	Time Warner Cable Inc 5.85% 01/05/2017	110	0.05	50,000	Anadarko Petroleum Corp 6.375% 15/09/2017	58	0.03
15,000	Time Warner Cable Inc 6.75% 15/06/2039	14	0.01	100,000	Anadarko Petroleum Corp 6.45% 15/09/2036	118	0.06
100,000	Time Warner Inc 4.75% 29/03/2021	109	0.05	25,000	Arrow Electronics Inc 4.5% 01/03/2023	25	0.01
50,000	Time Warner Inc 6.25% 29/03/2041	56	0.03	25,000	Avnet Inc 6% 01/09/2015	27	0.01
50,000	Time Warner Inc 7.7% 01/05/2032	64	0.03	25,000	CC Holdings GS V LLC / Crown Castle GS III Corp 3.849% 15/04/2023	24	0.01
75,000	Valero Energy Corp 6.125% 01/02/2020	87	0.04	50,000	Citigroup Inc 6% 31/10/2033	52	0.03
				25,000	Cliffs Natural Resources Inc 3.95% 15/01/2018	25	0.01
				25,000	Cliffs Natural Resources Inc 6.25% 01/10/2040	22	0.01
				50,000	CMS Energy Corp 4.25% 30/09/2015	53	0.03
				50,000	CMS Energy Corp 4.7% 31/03/2043	47	0.02
				100,000	Countrywide Financial Corp 6.25% 15/05/2016	111	0.06

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Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
United States (cont)			United States (cont)		
Corporate bonds - Baa3 rating (cont)			Corporate bonds - Baa3 rating (cont)		
50,000 Domtar Corp 10.75% 01/06/2017	62	0.03	50,000 L-3 Communications Corp 3.95% 15/11/2016	53	0.03
15,000 Energizer Holdings Inc 4.7% 24/05/2022	15	0.01	25,000 Life Technologies Corp 6% 01/03/2020	29	0.01
75,000 Energy Transfer Partners LP 4.65% 01/06/2021	78	0.04	25,000 Macy's Retail Holdings Inc 3.875% 15/01/2022	25	0.01
50,000 Energy Transfer Partners LP 5.15% 01/02/2043	47	0.02	25,000 Macy's Retail Holdings Inc 4.3% 15/02/2043	21	0.01
50,000 Entergy Corp 4.7% 15/01/2017	54	0.03	25,000 Macy's Retail Holdings Inc 7.45% 15/07/2017	30	0.02
50,000 Express Scripts Holding Co 3.125% 15/05/2016	52	0.03	50,000 Newell Rubbermaid Inc 2.05% 01/12/2017	50	0.02
50,000 Express Scripts Holding Co 3.5% 15/11/2016	53	0.03	25,000 Nisource Finance Corp 3.85% 15/02/2023	25	0.01
50,000 Express Scripts Holding Co 6.125% 15/11/2041	57	0.03	50,000 Nisource Finance Corp 4.8% 15/02/2044	46	0.02
50,000 Fidelity National Information Services Inc 5% 15/03/2022	51	0.03	75,000 Oncor Electric Delivery Co LLC 5% 30/09/2017	84	0.04
25,000 Ford Motor Co 7.45% 16/07/2031	31	0.02	50,000 Oncor Electric Delivery Co LLC 5.3% 01/06/2042	52	0.03
100,000 Ford Motor Credit Co LLC 3.984% 15/06/2016	106	0.05	25,000 Petrohawk Energy Corp 7.25% 15/08/2018	27	0.01
200,000 Ford Motor Credit Co LLC 4.25% 03/02/2017	216	0.11	50,000 Pioneer Natural Resources Co 3.95% 15/07/2022	51	0.03
100,000 Ford Motor Credit Co LLC 8.125% 15/01/2020	126	0.06	50,000 PPL Capital Funding Inc 3.4% 01/06/2023	48	0.02
100,000 Freeport-McMoRan Copper & Gold Inc 2.375% 15/03/2018	99	0.05	25,000 PPL Capital Funding Inc 3.5% 01/12/2022	24	0.01
25,000 Freeport-McMoRan Copper & Gold Inc 3.875% 15/03/2023	24	0.01	50,000 Qwest Corp 6.75% 01/12/2021	55	0.03
75,000 Freeport-McMoRan Copper & Gold Inc 5.45% 15/03/2043	70	0.03	25,000 Republic Services Inc 3.8% 15/05/2018	27	0.01
50,000 Genworth Holdings Inc 6.515% 22/05/2018	58	0.03	50,000 Republic Services Inc 5.7% 15/05/2041	54	0.03
25,000 Hartford Financial Services Group Inc 5.125% 15/04/2022	28	0.01	50,000 Safeway Inc 3.95% 15/08/2020	49	0.02
50,000 Hartford Financial Services Group Inc 5.5% 30/03/2020	57	0.03	50,000 Southwestern Electric Power Co 3.55% 15/02/2022	49	0.02
13,000 Host Hotels & Resorts LP 6.75% 01/06/2016	13	0.01	50,000 Sunoco Inc 5.75% 15/01/2017	55	0.03
25,000 Humana Inc 3.15% 01/12/2022	24	0.01	25,000 Waste Management Inc 2.6% 01/09/2016	26	0.01
50,000 International Paper Co 4.75% 15/02/2022	53	0.03	25,000 Waste Management Inc 2.9% 15/09/2022	23	0.01
25,000 International Paper Co 6% 15/11/2041	27	0.01	25,000 Waste Management Inc 6.125% 30/11/2039	29	0.01
25,000 International Paper Co 7.5% 15/08/2021	31	0.02	100,000 Western Gas Partners LP 2.6% 15/08/2018	100	0.05
100,000 Jefferies Group LLC 5.125% 20/01/2023	102	0.05	25,000 Westvaco Corp 7.95% 15/02/2031	30	0.01
50,000 Kilroy Realty LP 3.8% 15/01/2023	47	0.02			

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Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
United States (cont)			United States (cont)		
Corporate bonds - Baa3 rating (cont)			Government bonds - Aa2 rating		
25,000 Weyerhaeuser Co 7.375% 15/03/2032	31	0.02	50,000 City of New York NY 6.271% 01/12/2037	59	0.03
50,000 Whirlpool Corp 3.7% 01/03/2023	49	0.02	25,000 City Public Service Board of San Antonio TX 5.808% 01/02/2041	28	0.02
25,000 Williams Cos Inc 3.7% 15/01/2023	23	0.01	50,000 Dallas Area Rapid Transit 5.999% 01/12/2044	60	0.03
50,000 Wyndham Worldwide Corp 2.5% 01/03/2018	50	0.02	25,000 Los Angeles Unified School District 5.75% 01/07/2034	28	0.01
50,000 Yum! Brands Inc 3.875% 01/11/2023	50	0.03	50,000 New York City Water & Sewer System 6.011% 15/06/2042	59	0.03
50,000 Yum! Brands Inc 6.25% 15/03/2018	59	0.03	Government bonds - Aa3 rating		
50,000 Zions Bancorporation 4.5% 13/06/2023	50	0.03	75,000 City of San Francisco CA Public Utilities Commission Water Revenue 6% 01/11/2040	85	0.04
Government bonds - A1 rating			50,000 Denver City & County School District No 1 4.242% 15/12/2037	46	0.02
50,000 Bay Area Toll Authority 6.918% 01/04/2040	62	0.03	50,000 Los Angeles Department of Water & Power 5.716% 01/07/2039	55	0.03
15,000 Chicago Transit Authority 6.2% 01/12/2040	16	0.01	50,000 Port Authority of New York & New Jersey 6.04% 01/12/2029	59	0.03
65,000 New Jersey Economic Development Authority 0% 15/02/2023	42	0.02	25,000 State Board of Administration Finance Corp 2.995% 01/07/2020	24	0.01
50,000 New Jersey Transportation Trust Fund Authority 6.561% 15/12/2040	59	0.03	50,000 State of Connecticut 5.632% 01/12/2029	55	0.03
75,000 State of California 7.5% 01/04/2034	98	0.05	Government bonds - Aaa rating		
100,000 State of California 7.55% 01/04/2039	135	0.06	175,000 Federal Home Loan Banks 1% 21/06/2017	175	0.09
Government bonds - A2 rating			310,000 Federal Home Loan Banks 5% 17/11/2017	358	0.18
25,000 Metropolitan Transportation Authority 6.548% 15/11/2031	29	0.02	750,000 Federal Home Loan Mortgage Corp 0.5% 13/05/2016	750	0.37
25,000 Municipal Electric Authority of Georgia 6.637% 01/04/2057	27	0.01	500,000 Federal Home Loan Mortgage Corp 0.75% 25/11/2014	503	0.25
50,000 North Texas Tollway Authority 6.718% 01/01/2049	61	0.03	550,000 Federal Home Loan Mortgage Corp 0.875% 07/03/2018	541	0.27
Government bonds - A3 rating			120,000 Federal Home Loan Mortgage Corp 1% 29/09/2017	120	0.06
50,000 American Municipal Power Inc 7.834% 15/02/2041	64	0.03	100,000 Federal Home Loan Mortgage Corp 1.25% 02/10/2019	96	0.05
30,000 New Jersey State Turnpike Authority 7.414% 01/01/2040	40	0.02	250,000 Federal Home Loan Mortgage Corp 1.375% 01/05/2020	239	0.12
115,000 State of Illinois 5.1% 01/06/2033	104	0.05	150,000 Federal Home Loan Mortgage Corp 1.75% 10/09/2015	154	0.08
50,000 State of Illinois 5.665% 01/03/2018	54	0.03	27,000 Federal Home Loan Mortgage Corp 1.75% 30/05/2019	27	0.01
Government bonds - Aa1 rating			250,000 Federal Home Loan Mortgage Corp 2.375% 13/01/2022	245	0.12
50,000 Commonwealth of Massachusetts 4.5% 01/08/2031	51	0.02			
25,000 Los Angeles Community College District 6.6% 01/08/2042	31	0.02			
25,000 Metropolitan Water Reclamation District of Greater Chicago 5.72% 01/12/2038	27	0.01			
25,000 Ohio State University 4.91% 01/06/2040	26	0.01			
75,000 University of California 1.796% 01/07/2019	74	0.04			

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Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
United States (cont)			United States (cont)		
Government bonds - Aaa rating (cont)			Government bonds - Aaa rating (cont)		
40,000 Federal Home Loan Mortgage Corp 2.5% 27/05/2016	42	0.02	100,000 United States Treasury Note/Bond 0.25% 15/08/2015	100	0.05
200,000 Federal Home Loan Mortgage Corp 6.25% 15/07/2032	262	0.13	750,000 United States Treasury Note/Bond 0.25% 15/09/2015	749	0.37
150,000 Federal National Mortgage Association 0.375% 16/03/2015	150	0.07	350,000 United States Treasury Note/Bond 0.25% 15/12/2015	349	0.17
550,000 Federal National Mortgage Association 0.375% 21/12/2015	550	0.27	1,800,000 United States Treasury Note/Bond 0.25% 15/05/2016	1,791	0.88
500,000 Federal National Mortgage Association 0.5% 27/05/2015	502	0.25	670,000 United States Treasury Note/Bond 0.375% 15/11/2014	672	0.33
500,000 Federal National Mortgage Association 0.5% 28/09/2015	502	0.25	200,000 United States Treasury Note/Bond 0.375% 15/04/2015	200	0.10
1,700,000 Federal National Mortgage Association 0.5% 30/03/2016	1,701	0.84	430,000 United States Treasury Note/Bond 0.375% 15/06/2015	431	0.21
600,000 Federal National Mortgage Association 0.625% 26/08/2016	600	0.30	950,000 United States Treasury Note/Bond 0.375% 15/01/2016	950	0.47
90,000 Federal National Mortgage Association 0.875% 20/12/2017	89	0.04	1,000,000 United States Treasury Note/Bond 0.375% 15/02/2016	1,000	0.49
400,000 Federal National Mortgage Association 0.875% 08/02/2018	394	0.19	1,900,000 United States Treasury Note/Bond 0.375% 15/03/2016	1,899	0.94
200,000 Federal National Mortgage Association 0.875% 21/05/2018	196	0.10	250,000 United States Treasury Note/Bond 0.5% 15/10/2014	251	0.12
140,000 Federal National Mortgage Association 5% 15/04/2015	150	0.07	1,500,000 United States Treasury Note/Bond 0.5% 15/06/2016	1,501	0.74
90,000 Federal National Mortgage Association 5% 11/05/2017	103	0.05	500,000 United States Treasury Note/Bond 0.625% 30/04/2018	488	0.24
270,000 Federal National Mortgage Association 6.625% 15/11/2030	363	0.18	80,000 United States Treasury Note/Bond 0.75% 30/06/2017	80	0.04
10,000 Federal National Mortgage Association 7.25% 15/05/2030	14	0.01	1,900,000 United States Treasury Note/Bond 0.75% 28/02/2018	1,872	0.92
50,000 New York State Dormitory Authority 5.5% 15/03/2030	56	0.03	1,100,000 United States Treasury Note/Bond 0.75% 31/03/2018	1,082	0.53
40,000 State of Georgia 4.503% 01/11/2025	44	0.02	1,800,000 United States Treasury Note/Bond 0.875% 15/09/2016	1,817	0.90
25,000 State of Texas 5.517% 01/04/2039	29	0.01	120,000 United States Treasury Note/Bond 0.875% 30/11/2016	121	0.06
10,000 Tennessee Valley Authority 3.5% 15/12/2042	8	0.00	120,000 United States Treasury Note/Bond 0.875% 31/01/2017	121	0.06
50,000 Texas Transportation Commission 5.028% 01/04/2026	55	0.03	1,100,000 United States Treasury Note/Bond 0.875% 31/01/2018	1,091	0.54
10,000,000 United States Treasury Bill 0% 12/12/2013	10,000	4.93	30,000 United States Treasury Note/Bond 0.875% 31/07/2019	29	0.01
1,000,000 United States Treasury Note/Bond 0.125% 31/12/2014	1,000	0.49	1,600,000 United States Treasury Note/Bond 1% 31/08/2016	1,620	0.80
1,500,000 United States Treasury Note/Bond 0.25% 30/11/2014	1,502	0.74	180,000 United States Treasury Note/Bond 1% 30/06/2019	175	0.09
1,500,000 United States Treasury Note/Bond 0.25% 15/12/2014	1,502	0.74	1,440,000 United States Treasury Note/Bond 1% 31/08/2019	1,391	0.69
1,000,000 United States Treasury Note/Bond 0.25% 31/01/2015	1,001	0.49			

iShares US Aggregate Bond UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
United States (cont)			United States (cont)		
Government bonds - Aaa rating (cont)			Government bonds - Aaa rating (cont)		
2,250,000 United States Treasury Note/Bond 1% 30/09/2019	2,170	1.07	880,000 United States Treasury Note/Bond 2% 15/02/2023	845	0.42
100,000 United States Treasury Note/Bond 1.125% 31/05/2019	98	0.05	2,500,000 United States Treasury Note/Bond 2.125% 30/11/2014	2,553	1.26
2,100,000 United States Treasury Note/Bond 1.125% 31/12/2019	2,028	1.00	125,000 United States Treasury Note/Bond 2.125% 31/05/2015	129	0.06
750,000 United States Treasury Note/Bond 1.125% 31/03/2020	719	0.35	1,000,000 United States Treasury Note/Bond 2.125% 29/02/2016	1,040	0.51
1,100,000 United States Treasury Note/Bond 1.125% 30/04/2020	1,053	0.52	600,000 United States Treasury Note/Bond 2.125% 31/08/2020	609	0.30
130,000 United States Treasury Note/Bond 1.25% 31/10/2015	132	0.06	300,000 United States Treasury Note/Bond 2.25% 30/11/2017	315	0.15
200,000 United States Treasury Note/Bond 1.25% 31/10/2019	196	0.10	250,000 United States Treasury Note/Bond 2.25% 31/07/2018	262	0.13
1,530,000 United States Treasury Note/Bond 1.25% 29/02/2020	1,482	0.73	1,330,000 United States Treasury Note/Bond 2.375% 31/10/2014	1,360	0.67
1,000,000 United States Treasury Note/Bond 1.375% 30/11/2015	1,021	0.50	300,000 United States Treasury Note/Bond 2.375% 31/07/2017	316	0.16
600,000 United States Treasury Note/Bond 1.375% 30/06/2018	604	0.30	2,000,000 United States Treasury Note/Bond 2.5% 31/03/2015	2,064	1.02
840,000 United States Treasury Note/Bond 1.375% 30/09/2018	843	0.42	30,000 United States Treasury Note/Bond 2.5% 30/04/2015	31	0.01
100,000 United States Treasury Note/Bond 1.375% 28/02/2019	100	0.05	100,000 United States Treasury Note/Bond 2.5% 30/06/2017	106	0.05
400,000 United States Treasury Note/Bond 1.375% 31/01/2020	391	0.19	100,000 United States Treasury Note/Bond 2.5% 15/08/2023	100	0.05
1,120,000 United States Treasury Note/Bond 1.375% 31/05/2020	1,087	0.54	2,000,000 United States Treasury Note/Bond 2.625% 30/04/2016	2,109	1.04
160,000 United States Treasury Note/Bond 1.5% 30/06/2016	164	0.08	200,000 United States Treasury Note/Bond 2.75% 31/05/2017	214	0.10
1,460,000 United States Treasury Note/Bond 1.5% 31/07/2016	1,499	0.74	300,000 United States Treasury Note/Bond 2.75% 15/02/2019	320	0.16
170,000 United States Treasury Note/Bond 1.5% 31/08/2018	172	0.08	180,000 United States Treasury Note/Bond 2.75% 15/08/2042	151	0.07
2,100,000 United States Treasury Note/Bond 1.625% 15/11/2022	1,961	0.97	750,000 United States Treasury Note/Bond 2.75% 15/11/2042	628	0.31
260,000 United States Treasury Note/Bond 1.75% 31/10/2018	266	0.13	100,000 United States Treasury Note/Bond 2.875% 15/05/2043	86	0.04
100,000 United States Treasury Note/Bond 1.875% 31/08/2017	104	0.05	70,000 United States Treasury Note/Bond 3% 15/05/2042	62	0.03
1,170,000 United States Treasury Note/Bond 1.875% 30/09/2017	1,211	0.60	1,100,000 United States Treasury Note/Bond 3.125% 31/10/2016	1,182	0.58
500,000 United States Treasury Note/Bond 2% 31/01/2016	518	0.26	220,000 United States Treasury Note/Bond 3.125% 15/11/2041	201	0.10
400,000 United States Treasury Note/Bond 2% 31/07/2020	403	0.20	570,000 United States Treasury Note/Bond 3.125% 15/02/2042	519	0.26
20,000 United States Treasury Note/Bond 2% 15/02/2022	20	0.01	1,110,000 United States Treasury Note/Bond 3.125% 15/02/2043	1,005	0.50

iShares US Aggregate Bond UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
United States (cont)			Total bonds	146,169	72.07
Government bonds - Aaa rating (cont)			Mortgage backed securities		
850,000 United States Treasury Note/Bond 3.625% 15/02/2020	949	0.47	United States		
245,000 United States Treasury Note/Bond 3.625% 15/08/2043	245	0.12	Mortgage backed securities - A3 rating		
3,000,000 United States Treasury Note/Bond 4.125% 15/05/2015	3,179	1.57	180,000 GS Mortgage Securities Trust 5.799% 10/08/2045	199	0.10
300,000 United States Treasury Note/Bond 4.25% 15/08/2015	321	0.16	150,000 JP Morgan Chase Commercial Mortgage Securities Trust 5.813% 15/06/2049	168	0.08
20,000 United States Treasury Note/Bond 4.25% 15/11/2040	22	0.01	Mortgage backed securities - Aa1 rating		
650,000 United States Treasury Note/Bond 4.375% 15/02/2038	744	0.37	100,000 Morgan Stanley Capital I Trust 5.809% 12/12/2049	113	0.06
400,000 United States Treasury Note/Bond 4.375% 15/11/2039	458	0.23	Mortgage backed securities - Aa2 rating		
420,000 United States Treasury Note/Bond 4.5% 15/11/2015	456	0.22	150,000 Commercial Mortgage Trust 5.224% 10/04/2037	159	0.08
110,000 United States Treasury Note/Bond 4.5% 15/02/2036	128	0.06	160,000 Wachovia Bank Commercial Mortgage Trust 5.509% 15/04/2047	177	0.09
100,000 United States Treasury Note/Bond 4.625% 15/02/2040	119	0.06	Mortgage backed securities - Aaa rating		
1,770,000 United States Treasury Note/Bond 4.75% 15/02/2037	2,137	1.05	162,000 Banc of America Merrill Lynch Commercial Mortgage Inc 5.185% 10/09/2047	174	0.09
590,000 United States Treasury Note/Bond 5% 15/05/2037	737	0.36	150,000 Bear Stearns Commercial Mortgage Securities Trust 4.825% 11/11/2041	155	0.08
45,000 United States Treasury Note/Bond 5.25% 15/02/2029	57	0.03	450,000 Citigroup Commercial Mortgage Trust 5.431% 15/10/2049	496	0.24
110,000 United States Treasury Note/Bond 5.375% 15/02/2031	141	0.07	365,000 Commercial Mortgage Trust 4.238% 10/07/2045	388	0.19
700,000 United States Treasury Note/Bond 6% 15/02/2026	931	0.46	89,032 Commercial Mortgage Trust 5.828% 10/07/2038	98	0.05
625,000 United States Treasury Note/Bond 6.125% 15/11/2027	849	0.42	77,051 Fannie Mae Pool 2.5% 01/05/2027	78	0.04
80,000 United States Treasury Note/Bond 6.125% 15/08/2029	110	0.05	76,844 Fannie Mae Pool 2.5% 01/10/2027	78	0.04
10,000 United States Treasury Note/Bond 6.25% 15/08/2023	13	0.01	169,290 Fannie Mae Pool 2.5% 01/11/2027	171	0.08
100,000 United States Treasury Note/Bond 6.25% 15/05/2030	140	0.07	74,603 Fannie Mae Pool 2.5% 01/02/2028	75	0.04
150,000 United States Treasury Note/Bond 6.375% 15/08/2027	208	0.10	66,788 Fannie Mae Pool 3% 01/01/2027	69	0.03
50,000 University of Texas System 4.794% 15/08/2046	51	0.03	21,868 Fannie Mae Pool 3% 01/08/2027	23	0.01
Total United States	128,782	63.50	22,797 Fannie Mae Pool 3% 01/11/2027	24	0.01
Uruguay			22,705 Fannie Mae Pool 3% 01/11/2027	24	0.01
Government bonds - Baa3 rating			21,617 Fannie Mae Pool 3% 01/11/2027	22	0.01
50,000 Uruguay Government International Bond 4.125% 20/11/2045	41	0.02	80,221 Fannie Mae Pool 3% 01/05/2033	81	0.04
Total Uruguay	41	0.02	333,269 Fannie Mae Pool 3% 01/11/2042	329	0.16
			100,974 Fannie Mae Pool 3% 01/05/2043	100	0.05
			199,270 Fannie Mae Pool 3% 01/08/2043	197	0.10
			60,339 Fannie Mae Pool 3.5% 01/12/2042	62	0.03
			114,530 Fannie Mae Pool 3.5% 01/12/2042	118	0.06
			529,303 Fannie Mae Pool 3.5% 01/01/2043	544	0.27
			241,084 Fannie Mae Pool 3.5% 01/02/2043	247	0.12
			866,364 Fannie Mae Pool 3.5% 01/05/2043	889	0.44

iShares US Aggregate Bond UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
United States (cont)				United States (cont)			
Mortgage backed securities - Aaa rating (cont)				Mortgage backed securities - Aaa rating (cont)			
137,848	Fannie Mae Pool 3.5% 01/06/2043	141	0.07	1,501,582	Freddie Mac Gold Pool 3% 01/04/2043	1,476	0.73
145,623	Fannie Mae Pool 3.5% 01/06/2043	149	0.07	38,052	Freddie Mac Gold Pool 3.5% 01/10/2042	39	0.02
227,515	Fannie Mae Pool 3.5% 01/06/2043	234	0.11	100,000	Freddie Mac Gold Pool 3.5% 01/11/2042	102	0.05
17,650	Fannie Mae Pool 4% 01/09/2041	19	0.01	128,102	Freddie Mac Gold Pool 3.5% 01/06/2043	131	0.06
222,897	Fannie Mae Pool 4% 01/01/2042	235	0.12	39,729	Freddie Mac Gold Pool 4% 01/11/2041	42	0.02
24,567	Fannie Mae Pool 4% 01/09/2042	26	0.01	24,033	Freddie Mac Gold Pool 4% 01/12/2041	25	0.01
523,418	Fannie Mae Pool 4% 01/09/2042	552	0.27	65,676	Freddie Mac Gold Pool 4% 01/01/2042	69	0.03
337,455	Fannie Mae Pool 4% 01/10/2042	356	0.18	91,881	Freddie Mac Gold Pool 4% 01/10/2042	96	0.05
1,583,510	Fannie Mae Pool 4.5% 01/12/2040	1,697	0.84	246,664	Freddie Mac Gold Pool 4.5% 01/09/2040	263	0.13
659,962	Fannie Mae Pool 4.5% 01/02/2042	707	0.35	437,170	Freddie Mac Gold Pool 5% 01/08/2039	475	0.23
40,318	Fannie Mae Pool 5% 01/12/2039	44	0.02	215,576	Freddie Mac Gold Pool 5.5% 01/06/2035	234	0.12
78,552	Fannie Mae Pool 5% 01/04/2040	85	0.04	27,967	Freddie Mac Gold Pool 6% 01/09/2038	31	0.02
10,223	Fannie Mae Pool 5% 01/05/2040	11	0.01	87,287	Freddie Mac Non Gold Pool FRN 01/06/2043	88	0.04
14,790	Fannie Mae Pool 5% 01/06/2040	16	0.01	21,410	Ginnie Mae I pool 3.5% 15/08/2042	22	0.01
259,402	Fannie Mae Pool 5% 01/08/2040	283	0.14	17,092	Ginnie Mae I pool 3.5% 15/09/2042	18	0.01
22,548	Fannie Mae Pool 5% 01/10/2040	25	0.01	14,022	Ginnie Mae I pool 3.5% 15/09/2042	15	0.01
72,114	Fannie Mae Pool 5% 01/05/2041	79	0.04	11,258	Ginnie Mae I pool 3.5% 15/10/2042	12	0.01
268,841	Fannie Mae Pool 5% 01/05/2041	294	0.14	135,895	Ginnie Mae I pool 3.5% 15/01/2043	141	0.07
62,195	Fannie Mae Pool 5.5% 01/04/2036	68	0.03	24,706	Ginnie Mae I pool 3.5% 15/03/2043	26	0.01
35,193	Fannie Mae Pool 5.5% 01/05/2036	38	0.02	97,780	Ginnie Mae I pool 3.5% 15/03/2043	102	0.05
74,019	Fannie Mae Pool 5.5% 01/08/2037	81	0.04	83,176	Ginnie Mae I pool 3.5% 15/05/2043	86	0.04
1,948,451	Fannie Mae Pool 5.5% 01/09/2040	2,142	1.06	40,346	Ginnie Mae I pool 4% 15/12/2040	43	0.02
411,395	Fannie Mae Pool 6% 01/10/2038	450	0.22	504,130	Ginnie Mae I pool 4.5% 15/08/2039	544	0.27
180,352	Fannie Mae Pool FRN 01/04/2043	183	0.09	313,978	Ginnie Mae I pool 4.5% 15/08/2040	340	0.17
383,430	Fannie Mae Pool FRN 01/06/2043	386	0.19	415,021	Ginnie Mae II pool 3% 20/12/2042	415	0.20
1,113	Freddie Mac Gold Pool 3% 01/04/2027	1	0.00	931,928	Ginnie Mae II pool 3% 20/06/2043	931	0.46
2,422	Freddie Mac Gold Pool 3% 01/05/2027	2	0.00	44,742	Ginnie Mae II pool 3.5% 20/09/2042	47	0.02
1,522	Freddie Mac Gold Pool 3% 01/09/2027	2	0.00	270,718	Ginnie Mae II pool 3.5% 20/11/2042	282	0.14
1,140	Freddie Mac Gold Pool 3% 01/09/2027	1	0.00	156,436	Ginnie Mae II pool 4% 20/08/2041	167	0.08
1,236	Freddie Mac Gold Pool 3% 01/11/2027	1	0.00	76,654	Ginnie Mae II pool 5.5% 20/07/2040	84	0.04
84,591	Freddie Mac Gold Pool 3% 01/05/2033	85	0.04				
188,179	Freddie Mac Gold Pool 3% 01/05/2033	190	0.09				
39,638	Freddie Mac Gold Pool 3% 01/05/2033	40	0.02				
190,925	Freddie Mac Gold Pool 3% 01/12/2042	188	0.09				

iShares US Aggregate Bond UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value
United States (cont)			United States (cont)		
Mortgage backed securities - Aaa rating (cont)			To be announced contracts - Aaa rating (cont)		
186,000 GS Mortgage Securities Trust 3.314% 10/01/2045	194	0.10	1,834,000 Freddie Mac Gold Pool 3.5% 01/12/2099	1,876	0.92
90,000 JP Morgan Chase Commercial Mortgage Securities Trust 5.42% 15/01/2049	100	0.05	1,402,000 Freddie Mac Gold Pool 4% 01/12/2099	1,471	0.73
350,000 ML-CFC Commercial Mortgage Trust 5.889% 12/06/2046	385	0.19	428,000 Freddie Mac Gold Pool 4% 01/12/2099	452	0.22
375,000 Morgan Stanley Capital I Trust 5.465% 12/03/2044	408	0.20	1,562,221 Freddie Mac Gold Pool 4.5% 01/11/2041	1,668	0.82
Mortgage backed securities - Baa3 rating			360,000 Freddie Mac Gold Pool 4.5% 01/12/2099	379	0.19
330,000 ML-CFC Commercial Mortgage Trust 5.856% 12/09/2049	369	0.18	859,511 Freddie Mac Gold Pool 5% 01/11/2041	927	0.46
Total United States	21,871	10.77	491,000 Freddie Mac Gold Pool 5% 01/12/2099	521	0.26
Total mortgage backed securities			104,000 Freddie Mac Gold Pool 5.5% 01/12/2099	113	0.06
To be announced contracts			79,630 Freddie Mac Gold Pool 6% 01/12/2099	87	0.04
United States			200,000 Ginnie Mae I pool 3% 01/12/2099	199	0.10
To be announced contracts - Aaa rating			123,521 Ginnie Mae I pool 3.5% 01/12/2099	128	0.06
1,845,851 Fannie Mae Pool 2.5% 01/12/2099	1,865	0.92	700,000 Ginnie Mae I pool 4% 01/12/2099	744	0.37
250,000 Fannie Mae Pool 2.5% 01/12/2099	235	0.12	389,518 Ginnie Mae I pool 4.5% 01/12/2099	420	0.21
1,171,000 Fannie Mae Pool 3% 01/11/2026	1,216	0.60	1,540,000 Ginnie Mae I pool 5% 01/12/2099	1,675	0.83
4,100,000 Fannie Mae Pool 3% 01/12/2099	4,046	1.98	950,000 Ginnie Mae II pool 3% 01/12/2099	948	0.47
1,900,000 Fannie Mae Pool 3.5% 01/12/2099	2,005	0.99	2,450,000 Ginnie Mae II pool 3.5% 20/11/2033	2,544	1.26
1,606,000 Fannie Mae Pool 3.5% 01/12/2099	1,648	0.81	1,150,000 Ginnie Mae II pool 4% 01/12/2099	1,226	0.60
1,950,000 Fannie Mae Pool 4% 01/12/2099	2,054	1.01	1,497,000 Ginnie Mae II pool 4.5% 20/12/2099	1,621	0.80
974,000 Fannie Mae Pool 4% 01/12/2099	1,033	0.51	Total United States	40,247	19.86
500,000 Fannie Mae Pool 4.5% 01/12/2099	535	0.26	Total to be announced contracts		
585,000 Fannie Mae Pool 4.5% 01/12/2099	621	0.31	40,247	19.86	
1,400,000 Fannie Mae Pool 5% 01/11/2041	1,522	0.75	UCITS collective investment schemes		
110,000 Fannie Mae Pool 5% 01/12/2099	117	0.06	Ireland		
224,000 Fannie Mae Pool 5.5% 01/11/2026	235	0.12	18,000,000 Institutional Cash Series Plc - Institutional US Dollar Liquidity Fund*	18,000	8.87
500,000 Fannie Mae Pool 5.5% 01/11/2041	546	0.27	Total Ireland	18,000	8.87
2,398,000 Fannie Mae Pool 6% 01/12/2099	2,626	1.29	Total UCITS collective investment schemes	18,000	8.87
1,160,000 Freddie Mac Gold Pool 2.5% 01/12/2099	1,172	0.58			
891,821 Freddie Mac Gold Pool 3% 01/12/2099	924	0.46			
250,000 Freddie Mac Gold Pool 3% 01/12/2099	246	0.12			
572,000 Freddie Mac Gold Pool 3.5% 01/12/2099	602	0.30			

iShares US Aggregate Bond UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value
Total value of investments	226,287	111.57
Cash [†]	15,664	7.72
Other net liabilities	(39,130)	(19.29)
Net asset value attributable to redeemable participating shareholders at the end of the year	202,821	100.00

[†] Substantially all cash positions are held with State Street Bank and Trust Company.

* Investment in related party

All credit ratings are shown as at 31 October 2013.

Analysis of total current assets gross of all liabilities (unaudited)	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	208,287	83.61
UCITS collective investment scheme	18,000	7.23
Other assets	22,822	9.16
Total current assets	249,109	100.00

iShares US Aggregate Bond UCITS ETF

Schedule of material purchases and sales

For the year ended 31 October 2013

The 20 largest sales

Holding Investments	Proceeds \$'000
8,300,000 Fannie Mae Pool 3% 12/01/2099	8,102
8,000,000 United States Treasury Bill 0% 10/10/2013	8,000
8,300,000 Fannie Mae Pool 3% 12/01/2099	7,839
7,100,000 Fannie Mae Pool 3% 12/01/2099	6,865
5,696,000 Fannie Mae Pool 6% 12/01/2099	6,240
5,696,000 Fannie Mae Pool 6% 09/01/2041	6,222
5,696,000 Fannie Mae Pool 6% 05/01/2041	6,219
5,096,000 Fannie Mae Pool 6% 10/01/2041	5,564
5,600,000 Fannie Mae Pool 3% 12/01/2099	5,383
5,100,000 Ginnie Mae II pool 3.5% 12/01/2099	5,224
4,900,000 Fannie Mae Pool 3.5% 12/01/2099	4,942
4,400,000 Fannie Mae Pool 4% 10/01/2041	4,614
4,300,000 Fannie Mae Pool 3% 12/01/2099	4,471
4,400,000 Ginnie Mae II pool 3.5% 12/01/2099	4,453
4,200,000 Fannie Mae Pool 3.5% 12/01/2099	4,419
4,300,000 Ginnie Mae II pool 3.5% 12/01/2099	4,392
4,100,000 Fannie Mae Pool 3.5% 12/01/2099	4,231
3,800,000 Fannie Mae Pool 3.5% 10/01/2026	4,005
3,700,000 Ginnie Mae II pool 3.5% 12/01/2099	3,975
3,594,000 Ginnie Mae II pool 4.5% 12/01/2099	3,938

The 20 largest purchases

Holding Investments	Cost \$'000
13,500,000 Institutional Cash Series Plc - Institutional US Dollar Liquidity Fund*	13,500
10,000,000 United States Treasury Bill 0% 12/12/2013	10,000
8,000,000 United States Treasury Bill 0% 10/10/2013	7,999
8,300,000 Fannie Mae Pool 3% 12/01/2099	7,964
8,300,000 Fannie Mae Pool 3% 12/01/2099	7,915
7,100,000 Fannie Mae Pool 3% 12/01/2099	6,840
5,696,000 Fannie Mae Pool 6% 09/01/2041	6,231
5,696,000 Fannie Mae Pool 6% 05/01/2041	6,230
5,696,000 Fannie Mae Pool 6% 12/01/2099	6,216
5,096,000 Fannie Mae Pool 6% 10/01/2041	5,565
5,600,000 Fannie Mae Pool 3% 12/01/2099	5,486
5,100,000 Ginnie Mae II pool 3.5% 12/01/2099	5,191
5,000,000 United States Treasury Bill 0% 07/11/2013	5,000
4,900,000 Fannie Mae Pool 3.5% 12/01/2099	4,973
4,400,000 Fannie Mae Pool 4% 10/01/2041	4,563
4,650,000 Fannie Mae Pool 3% 12/01/2099	4,527
4,400,000 Ginnie Mae II pool 3.5% 12/01/2099	4,478
4,300,000 Fannie Mae Pool 3% 12/01/2099	4,461
4,200,000 Fannie Mae Pool 3.5% 12/01/2099	4,433
4,300,000 Ginnie Mae II pool 3.5% 12/01/2099	4,363

* Investment in related party.

The UCITS notices issued by the Central Bank of Ireland require a Schedule of Portfolio changes during the year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the year is available, upon request, at no cost from the Administrator.

iShares US Property Yield UCITS ETF

Income statement

For the year ended 31 October 2013

	Notes	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Operating income	2	21,229	10,989
Net gains on financial assets/liabilities at fair value through profit or loss	3	11,056	26,856
Total gains		32,285	37,845
Operating expenses	4	(2,259)	(1,162)
Net operating profit		30,026	36,683
Finance costs:			
Distributions to redeemable participating shareholders	6	(15,455)	(8,438)
Interest expense	7	(2)	-
Total finance costs		(15,457)	(8,438)
Net profit for the financial year before tax		14,569	28,245
Non-reclaimable withholding tax		(2,890)	(1,398)
Net profit for the financial year after tax		11,679	26,847
Adjustment to align to the valuation methodology as set out in the prospectus	8	(270)	68
Increase in net assets attributable to redeemable participating shareholders from operations		11,409	26,915

There are no recognised gains or losses arising in the year other than those dealt with in the income statement. In arriving at the results of the financial year, all amounts relate to continuing operations.

Statement of changes in net assets attributable to redeemable participating shareholders

For the year ended 31 October 2013

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the year	325,868	215,732
Increase in net assets attributable to redeemable participating shareholders from operations	11,409	26,915
Share transactions:		
Proceeds from issue of redeemable participating shares	447,583	191,002
Payments on redemption of redeemable participating shares	(134,946)	(107,781)
Increase in net assets resulting from share transactions	312,637	83,221
Net assets attributable to redeemable participating shareholders at the end of the year	649,914	325,868

The accompanying notes form an integral part of these financial statements.

iShares US Property Yield UCITS ETF

Balance sheet

As at 31 October 2013

	Notes	31 October 2013 \$'000	31 October 2012 \$'000
CURRENT ASSETS			
Cash and cash equivalents		1,279	3,020
Margin cash account		5	177
Receivables	12	9,993	2,428
Financial assets at fair value through profit or loss	13	648,436	322,327
Total current assets		659,713	327,952
CURRENT LIABILITIES			
Payables	14	(5,188)	(105)
Distributions payable to redeemable participating shareholders	6	(4,598)	(2,204)
Financial liabilities at fair value through profit or loss	13	-	(32)
Total current liabilities		(9,786)	(2,341)
Net assets attributable to redeemable participating shareholders		649,927	325,611
Adjustment to align to the valuation methodology as set out in the prospectus	8	(13)	257
Net asset value attributable to redeemable participating shareholders at the end of the year		649,914	325,868

The accompanying notes form an integral part of these financial statements. Details of the NAV per share are set out in note 11.

iShares US Property Yield UCITS ETF

Notes to the financial statements

For the year ended 31 October 2013

1. ACCOUNTING POLICIES, FINANCIAL INSTRUMENTS AND RISKS, TAX, SOFT COMMISSIONS AND EXCHANGE RATES

The accounting policies are set out on pages 54 to 58. The financial instruments and risks are set out on pages 59 to 98. The notes relating to tax, soft commissions and exchange rates are set out in the notes on pages 101 to 109.

2. OPERATING INCOME

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Deposit interest income	2	2
Dividend income	21,222	10,987
Securities lending income	5	-
	21,229	10,989

3. NET GAINS ON FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Net gains on investments in securities held at fair value through profit or loss	9,782	26,856
Net gains on futures contracts	1,274	-
	11,056	26,856

4. OPERATING EXPENSES

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Management fees	(2,259)	(1,162)
	(2,259)	(1,162)

5. MANAGEMENT FEES

Fees earned by the Manager during the year and balances outstanding as at 31 October 2013 and 31 October 2012 are disclosed in note 4 and note 14 respectively.

Please refer to page 101 for each Fund's management fee rate.

The Manager is responsible for discharging, from this fee, all fees of the Investment Manager, the Administrator and the Custodian and any distributing agent appointed by the distributor through whom the shares will be marketed, together with all reasonable out of pocket expenses of such service providers, (including sub-custodial fees and expenses, (which will be at normal commercial rates) and transaction related charges of the Administrator and Custodian). The Manager will also be responsible for discharging from its fee for each share class an attributable proportion of the organisational and operating expenses, including audit and Directors fees, of the Company. The fee will be accrued daily based on the daily net asset value of the share classes and will be paid monthly in arrears. Where the actual fees and costs incurred exceed the amount paid to the Manager, the excess will be discharged by the Manager from its own assets.

6. DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay distributions to Redeemable Participating Shareholders on any distributing class of Shares in the Company. The Company intends to declare distributions to redeemable participating shareholders for each distributing Fund, in respect of each financial year, which are generally equal to the total income of the Fund net of expenses for that financial year.

Distributions declared during the year were as follows:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
January 2012	-	2,103
April 2012	-	2,274
July 2012	-	2,138
October 2012	-	2,204
January 2013	3,168	-
April 2013	4,462	-
July 2013	4,756	-
October 2013	4,598	-
	16,984	8,719
Equalisation income	(1,977)	(797)
Equalisation expense	448	516
	15,455	8,438

iShares US Property Yield UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

7. INTEREST EXPENSE

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Bank interest	(2)	-
	(2)	-

8. ADJUSTMENT TO ALIGN TO THE VALUATION METHODOLOGY AS SET OUT IN THE PROSPECTUS

The adjustment between the financial statements net asset value and the valuation methodology set out in the prospectus is shown below:

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Balance brought forward	257	189
Adjustment to align to the valuation methodology as set out in the prospectus	(270)	68
Total adjustment for the year	(270)	68
Balance carried forward	(13)	257

Further details are set out in the accounting policies note m) on page 58.

9. TRANSACTION COSTS

Disclosed in the table below are separately identifiable transaction costs incurred by the Fund for the years ended 31 October 2013 and 31 October 2012. Please refer to note 10 on page 103 for further details.

	Year ended 31 October 2013 \$'000	Year ended 31 October 2012 \$'000
Transactions costs	106	64

10. SHARE CAPITAL

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities.

	31 October 2013 No. of Shares	31 October 2012 No. of Shares
Number of redeemable participating shares:		
Balance at the beginning of year	14,800,000	10,800,000
Issued during the year	18,600,000	9,000,000
Redeemed during the year	(5,800,000)	(5,000,000)
Balance at the end of year	27,600,000	14,800,000

11. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	No. of Shares
Shares in issue	
As at 31 October 2013	27,600,000
As at 31 October 2012	14,800,000
As at 31 October 2011	10,800,000

	\$'000
Net asset value	
As at 31 October 2013	649,914
As at 31 October 2012	325,868
As at 31 October 2011	215,732

	\$'000
Net asset value per share	
As at 31 October 2013	\$23.55
As at 31 October 2012	\$22.02
As at 31 October 2011	\$19.98

12. RECEIVABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Sale of securities awaiting settlement	4,609	-
Dividend income receivable	784	224
Securities lending income receivable	2	-
Distributions payable held with Registrar*	4,598	2,204
	9,993	2,428

* Further details are set out in note 12 on page 104.

13. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2013 \$'000	31 October 2012 \$'000
Financial assets:		
Investment in equities	648,425	322,327
Unrealised gains on futures contracts	11	-
	648,436	322,327

Financial liabilities:		
Unrealised losses on futures contracts	-	(32)
	-	(32)

iShares US Property Yield UCITS ETF

Notes to the financial statements (continued)

For the year ended 31 October 2013

14. PAYABLES

	31 October 2013 \$'000	31 October 2012 \$'000
Redemption of shares awaiting settlement	(4,755)	-
Management fees payable	(433)	(105)
	(5,188)	(105)

15. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the years ended 31 October 2013 and 31 October 2012 other than those disclosed in note 17 on page 105.

16. RELATED PARTIES

The related parties are set out on pages 106 to 108.

17. EFFICIENT PORTFOLIO MANAGEMENT

The Company may, subject to the conditions and within the limits from time to time laid down by the Central Bank of Ireland and the prospectus, engage in securities lending and employ techniques and instruments relating to transferable securities for efficient portfolio management purposes.

During the year the Company engaged in securities lending. The Company receives either cash collateral or securities as collateral, as determined within the schedule, for a value in excess of the market value of the securities loaned. As at the 31 October 2013 the collateral consists of securities admitted to or dealt on a regulated market.

The collateral is registered and held in the name of BlackRock Advisors (UK) Limited on behalf of the Funds in any or all of the following collateral agents and central securities depositories: JP Morgan Chase, Bank of New York Mellon Corporation, Euroclear or CREST, depending on the type of collateral the counterparty needs to give as per the schedule in order to cover the required value of exposure. Further details can be seen on page 81.

The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary.

The securities lending agent appointed pursuant to the stock lending agreement is BlackRock Advisors (UK) Limited. Securities lending income is split between the Fund and the securities lending agent in a ratio of 60:40 in favour of the Fund, with all operational costs borne out of the securities lending agents share.

	31 October 2013 \$'000	31 October 2012 \$'000
Income earned during year	5	-
Value of securities on loan at year end	7,343	-
Value of collateral held by the Company at year end	8,321	-

Please see note 18 for more information on financial derivative instruments.

18. FINANCIAL DERIVATIVE INSTRUMENTS

The Fund may buy and sell financial derivative instruments. See further details in the Fund's Schedule of Investments and note 3 to the financial statements.

19. SIGNIFICANT EVENTS DURING THE YEAR

Please refer to note 22 on pages 108 and 109.

20. SUBSEQUENT EVENTS

Please refer to note 23 on page 109.

iShares US Property Yield UCITS ETF

Schedule of investments

As at 31 October 2013

Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market			
Equities			
United States			
Real estate investment trusts			
73,201	Acadia Realty Trust Reits USD 0.001	1,953	0.30
17,601	Agree Realty Corp Reits USD 0.0001	556	0.09
2,700	Alexander's Inc Reits USD 1.00	869	0.13
94,509	Alexandria Real Estate Equities Inc Reits USD 0.01	6,215	0.96
46,566	American Assets Trust Inc Reits USD 0.01	1,550	0.24
138,444	American Campus Communities Inc Reits USD 0.01	4,785	0.74
244,641	American Realty Capital Properties Inc Reits USD 0.01	3,246	0.50
192,575	Apartment Investment & Management Co Reits USD 0.01	5,390	0.83
84,596	Ashford Hospitality Trust Inc Reits USD 0.01	1,106	0.17
66,944	Associated Estates Realty Corp Reits NPV	1,028	0.16
171,176	AvalonBay Communities Inc Reits USD 0.01	21,406	3.29
254,323	BioMed Realty Trust Inc Reits USD 0.01	5,069	0.78
200,640	Boston Properties Inc Reits USD 0.01	20,772	3.20
207,552	Brandywine Realty Trust Reits USD 0.01	2,953	0.45
101,481	BRE Properties Inc Reits USD 0.01	5,540	0.85
112,252	Camden Property Trust Reits USD 0.01	7,207	1.11
85,797	Campus Crest Communities Inc Reits USD 0.01	859	0.13
118,085	CapLease Inc Reits USD 0.01	1,004	0.15
224,811	CBL & Associates Properties Inc Reits USD 0.01	4,451	0.69
95,418	Cedar Realty Trust Inc Reits USD 0.06	545	0.08
313,019	Chambers Street Properties Reits USD 0.01	2,917	0.45
64,558	Chesapeake Lodging Trust Reits USD 0.01	1,522	0.23
156,533	CommonWealth REIT USD 0.01	3,815	0.59
108,650	Corporate Office Properties Trust Reits USD 0.01	2,673	0.41
178,784	CubeSmart Reits USD 0.01	3,266	0.50
418,601	DCT Industrial Trust Inc Reits USD 0.01	3,248	0.50
404,006	DDR Corp Reits USD 0.10	6,852	1.05
258,201	DiamondRock Hospitality Co Reits USD 0.01	2,944	0.45
169,907	Digital Realty Trust Inc Reits USD 0.01	8,096	1.25
175,319	Douglas Emmett Inc Reits USD 0.01	4,367	0.67
430,068	Duke Realty Corp Reits USD 0.01	7,118	1.10

Holding	Investment	Fair value \$'000	% of net asset value
United States (cont)			
Real estate investment trusts (cont)			
85,533	DuPont Fabros Technology Inc Reits USD 0.001	2,125	0.33
40,033	EastGroup Properties Inc Reits NPV	2,549	0.39
152,598	Education Realty Trust Inc Reits USD 0.01	1,393	0.21
62,241	EPR Properties Reits USD 0.01	3,194	0.49
99,480	Equity Lifestyle Properties Inc Reits USD 0.01	3,777	0.58
78,659	Equity One Inc Reits USD 0.01	1,895	0.29
471,552	Equity Residential Reits USD 0.01	24,690	3.80
50,277	Essex Property Trust Inc Reits USD 0.0001	8,095	1.25
60,397	Excel Trust Inc Reits USD 0.01	730	0.11
138,032	Extra Space Storage Inc Reits USD 0.01	6,348	0.98
86,924	Federal Realty Investment Trust Reits USD 0.01	9,000	1.39
145,494	First Industrial Realty Trust Inc Reits USD 0.01	2,629	0.40
78,076	First Potomac Realty Trust Reits USD 0.001	960	0.15
117,180	Franklin Street Properties Corp Reits USD 0.0001	1,547	0.24
729,212	General Growth Properties Inc Reits USD 0.01	15,467	2.38
33,288	Getty Realty Corp Reits USD 0.01	638	0.10
191,907	Glimcher Realty Trust Reits USD 0.01	1,967	0.30
72,826	Government Properties Income Trust Reits USD 0.01	1,779	0.27
599,226	HCP Inc Reits USD 1.00	24,874	3.83
376,344	Health Care REIT Inc USD 1.00	24,406	3.76
126,837	Healthcare Realty Trust Inc Reits USD 0.01	3,045	0.47
228,832	Hersha Hospitality Trust Reits USD 0.01	1,297	0.20
118,877	Highwoods Properties Inc Reits USD 0.01	4,586	0.71
75,212	Home Properties Inc Reits USD 0.01	4,537	0.70
184,892	Hospitality Properties Trust Reits USD 0.01	5,430	0.84
985,376	Host Hotels & Resorts Inc Reits USD 0.01	18,289	2.81
56,518	Hudson Pacific Properties Inc Reits USD 0.01	1,168	0.18
113,666	Inland Real Estate Corp Reits USD 0.01	1,215	0.19
137,619	Investors Real Estate Trust Reits NPV	1,188	0.18
99,844	Kilroy Realty Corp Reits USD 0.01	5,306	0.82
536,975	Kimco Realty Corp Reits USD 0.01	11,529	1.77

iShares US Property Yield UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Holding Investment	Fair value \$'000	% of net asset value	Holding Investment	Fair value \$'000	% of net asset value	
United States (cont)			United States (cont)			
Real estate investment trusts (cont)			Real estate investment trusts (cont)			
122,928 Kite Realty Group Trust Reits USD 0.01	787	0.12	124,222 Tanger Factory Outlet Centers Reits USD 0.01	4,328	0.67	
126,308 LaSalle Hotel Properties Reits USD 0.01	3,918	0.60	84,255 Taubman Centers Inc Reits USD 0.01	5,543	0.85	
288,375 Lexington Realty Trust Reits USD 0.0001	3,377	0.52	331,057 UDR Inc Reits USD 0.01	8,210	1.26	
189,040 Liberty Property Trust Reits USD 0.001	7,030	1.08	12,832 Universal Health Realty Income Trust Reits USD 0.01	563	0.09	
46,188 LTC Properties Inc Reits USD 0.01	1,822	0.28	30,793 Urstadt Biddle Properties Inc Reits USD 0.01	607	0.09	
185,951 Macerich Co Reits USD 0.01	11,014	1.69	389,306 Ventas Inc Reits USD 0.25	25,398	3.91	
116,172 Mack-Cali Realty Corp Reits USD 0.01	2,389	0.37	221,664 Vornado Realty Trust Reits USD 0.04	19,741	3.04	
213,782 Medical Properties Trust Inc Reits USD 0.001	2,790	0.43	87,189 Washington Real Estate Investment Trust USD 0.01	2,285	0.35	
98,517 Mid-America Apartment Communities Inc Reits USD 0.01	6,540	1.01	143,895 Weingarten Realty Investors Reits USD 0.03	4,564	0.70	
32,470 National Health Investors Inc Reits USD 0.01	2,032	0.31	39,802 Winthrop Realty Trust Reits USD 1.00	468	0.07	
160,353 National Retail Properties Inc Reits USD 0.01	5,516	0.85	76,641 WP Carey Inc Reits USD 0.001	5,112	0.79	
153,689 Omega Healthcare Investors Inc Reits USD 0.10	5,109	0.79	Total United States	648,425	99.77	
57,577 Parkway Properties Inc Reits USD 0.001	1,043	0.16	Total equities	648,425	99.77	
81,257 Pebblebrook Hotel Trust Reits USD 0.01	2,455	0.38	Financial derivative instruments			
86,951 Pennsylvania Real Estate Investment Trust USD 1.00	1,576	0.24	Futures contracts			
220,148 Piedmont Office Realty Trust Inc Reits USD 0.01	4,066	0.63	No. of contracts	Underlying exposure \$'000	Unrealised gain \$'000	% of net asset value
71,708 Post Properties Inc Reits USD 0.01	3,280	0.50	15 S&P 500 E Mini Index Futures December 2013	1,302	11	0.00
659,220 Prologis Inc Reits USD 0.01	26,336	4.05	Total unrealised gains on futures contracts		11	0.00
24,052 PS Business Parks Inc Reits USD 0.01	1,961	0.30	Total value of investments		648,436	99.77
189,138 Public Storage Reits USD 0.10	31,586	4.86	Cash†		1,284	0.20
80,247 Ramco-Gershenson Properties Trust Reits USD 0.01	1,305	0.20	Other net assets		207	0.03
261,451 Realty Income Corp Reits USD 1.00	10,884	1.67	Net assets attributable to redeemable participating shareholders		649,927	100.00
121,205 Regency Centers Corp Reits USD 0.01	6,258	0.96	Adjustment to align to the valuation methodology as set out in the prospectus		(13)	(0.00)
95,494 Retail Opportunity Investments Corp Reits USD 0.0001	1,413	0.22	Net asset value attributable to redeemable participating shareholders at the end of the year		649,914	100.00
162,391 RLJ Lodging Trust Reits USD 0.01	4,102	0.63	† Cash holdings of \$1,279,202 are held with State Street Bank and Trust			
30,344 Rouse Properties Inc Reits USD 0.01	614	0.09				
49,609 Sabra Health Care REIT Inc USD 0.01	1,334	0.21				
17,267 Saul Centers Inc Reits USD 0.01	811	0.12				
37,060 Select Income REIT USD 0.01	1,021	0.16				
248,822 Senior Housing Properties Trust Reits USD 0.01	6,128	0.94				
406,316 Simon Property Group Inc Reits USD 0.0001	62,829	9.67				
41,555 Sovran Self Storage Inc Reits USD 0.01	3,181	0.49				
470,202 Spirit Realty Capital Inc Reits USD 0.01	4,918	0.76				
56,115 STAG Industrial Inc Reits USD 0.01	1,175	0.18				
45,554 Sun Communities Inc Reits USD 0.01	2,031	0.31				

[†] Cash holdings of \$1,279,202 are held with State Street Bank and Trust Company. \$4,980 is held as security for futures contracts with Barclays Plc.

iShares US Property Yield UCITS ETF

Schedule of investments (continued)

As at 31 October 2013

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

Analysis of total current assets gross of all liabilities (unaudited)	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	648,425	98.29
Exchange traded financial derivative instruments	11	0.00
Other assets	11,277	1.71
Total current assets	659,713	100.00

iShares US Property Yield UCITS ETF

Schedule of material purchases and sales

For the year ended 31 October 2013

The 20 largest sales

Holding Investments	Proceeds \$'000
101,229 Simon Property Group Inc Reits USD 0.0001	15,841
55,098 Public Storage Reits USD 0.10	8,631
137,973 Equity Residential Reits USD 0.01	7,685
175,706 HCP Inc Reits USD 1.00	7,665
113,334 Ventas Inc Reits USD 0.25	7,484
85,896 Vornado Realty Trust Reits USD 0.04	7,176
187,034 Prologis Inc Reits USD 0.01	7,101
106,581 Health Care REIT Inc USD 1.00	6,833
48,035 AvalonBay Communities Inc Reits USD 0.01	6,392
57,618 Boston Properties Inc Reits USD 0.01	6,119
282,343 Host Hotels & Resorts Inc Reits USD 0.01	4,916
205,907 General Growth Properties Inc Reits USD 0.01	4,180
160,247 Kimco Realty Corp Reits USD 0.01	3,405
284,946 Cousins Properties Inc Reits USD 1.00	2,966
48,356 Macerich Co Reits USD 0.01	2,924
165,636 DDR Corp Reits USD 0.10	2,804
47,246 Digital Realty Trust Inc Reits USD 0.01	2,780
23,942 Federal Realty Investment Trust Reits USD 0.01	2,450
14,210 Essex Property Trust Inc Reits USD 0.0001	2,210
31,879 Camden Property Trust Reits USD 0.01	2,154

The 20 largest purchases

Holding Investments	Cost \$'000
269,641 Simon Property Group Inc Reits USD 0.0001	44,206
145,541 Public Storage Reits USD 0.10	22,348
377,060 Equity Residential Reits USD 0.01	21,509
442,908 HCP Inc Reits USD 1.00	21,448
275,121 Ventas Inc Reits USD 0.25	19,720
144,274 AvalonBay Communities Inc Reits USD 0.01	19,216
491,322 Prologis Inc Reits USD 0.01	19,158
282,627 Health Care REIT Inc USD 1.00	18,845
142,409 Boston Properties Inc Reits USD 0.01	15,237
165,093 Vornado Realty Trust Reits USD 0.04	13,794
711,617 Host Hotels & Resorts Inc Reits USD 0.01	12,165
572,343 General Growth Properties Inc Reits USD 0.01	11,734
383,400 Kimco Realty Corp Reits USD 0.01	8,418
132,299 Macerich Co Reits USD 0.01	8,347
122,993 Digital Realty Trust Inc Reits USD 0.01	8,075
156,366 Realty Income Corp Reits USD 1.00	7,013
61,534 Federal Realty Investment Trust Reits USD 0.01	6,674
150,424 Liberty Property Trust Reits USD 0.001	5,840
333,370 DDR Corp Reits USD 0.10	5,648
36,200 Essex Property Trust Inc Reits USD 0.0001	5,569

The UCITS notices issued by the Central Bank of Ireland require a Schedule of Portfolio changes during the year. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the year is available, upon request, at no cost from the Administrator.

Disclaimers

Regulatory Information

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iShares II plc

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FOR MORE INFORMATION

BlackRock Advisors (UK) Limited,
12 Throgmorton Avenue,
London, EC2N 2DL,
England.

■ Tel: +44 (0) 207 743 3000 ■ Website: ishares.com