iShares by BLACKROCK

KEY INVESTOR INFORMATION

This document provides you with key investor information about this Fund. It is not marketing material. The information is required by law to help you understand the nature and risks of investing in this Fund. You are advised to read it so you can make an informed decision about whether to invest.

iShares Core UK Gilts UCITS ETF

A sub-fund of iShares II plc

Exchange Traded Fund (ETF)

ISIN: IE00B1FZSB30

Manager: BlackRock Asset Management Ireland Limited

Objectives and Investment Policy

- The Fund aims to achieve a return on your investment, through a combination of capital growth and income on the Fund's assets, which reflects the return of the FTSE Actuaries UK Conventional Gilts All Stocks Index, the Fund's benchmark index (Index).
- The Fund aims to invest so far as possible and practicable in the fixed income (FI) securities (such as bonds) that make up the Index and comply with its credit rating requirements. If the credit ratings of the FI securities are downgraded, the Fund may continue to hold them until they cease to form part of the Index and it is practicable to sell them.
- The Index measures the performance of the United Kingdom (UK) Government gilt market (i.e. UK Government bond market) with a diversified spread of maturity dates (i.e. repayment dates) and coupon (i.e. interest) payments. The bonds will be denominated in Sterling, and coupons and principal paid in Sterling. The bonds will, at the time of inclusion in the Index, be investment grade (i.e. meet a specified level of creditworthiness) so long as the UK maintains its investment grade credit rating.
- The Fund uses optimising techniques to achieve a similar return to its Index. These may include the strategic selection of certain securities that make up the Index or other FI securities which provide similar performance to certain constituent securities. These may also include the use of financial derivative instruments (FDIs) (i.e. investments the prices of which are based on one or more underlying assets). FDIs may be used for direct investment purposes. The use of FDIs is expected to be limited.
- The Fund may also engage in short-term secured lending of its investments to certain eligible third parties to generate additional income to off-set the costs of the Fund.
- Recommendation: This Fund may not be appropriate for short-term investment.
- Your shares will be distributing shares (i.e. dividend income will be paid on the shares semi-annually).
- The Fund's base currency is Sterling.
- The Fund's shares are listed and traded on one or more stock exchanges. In normal circumstances, only authorised participants (e.g. select financial institutions) may buy and sell shares directly with the Fund. Other investors can buy or sell shares daily through an intermediary on stock exchange(s) on which the shares are traded.

Risk and Reward Profile

Lower risk — Higher risk

Typically lower rewards — Typically higher rewards



- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed and may change over time.
- The lowest category does not mean risk free.
- The Fund is rated four due to the nature of its investments which include the risks listed below. These factors may impact the value of the Fund's investments or expose the Fund to losses.
  - 'Credit Risk', changes to interest rates and/or issuer defaults will have a significant impact on the performance of fixed income securities. Potential or actual credit rating downgrades may increase the level of perceived risk.
- Particular risks not adequately captured by the risk indicator include:
  - Counterparty Risk: The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Fund to financial loss.
  - Credit Risk: The issuer of a financial asset held within the Fund may not pay income or repay capital to the Fund when due.
  - Liquidity Risk: Lower liquidity means there are insufficient buyers or sellers to allow the Fund to sell or buy investments readily.

For more information on risks, please see the Fund's prospectus, which is available at www.ishares.com.

The benchmark is the intellectual property of the index provider. The Fund is not sponsored or endorsed by the index provider. Please refer to the Fund's prospectus for full disclaimer.

Charges

The charges are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

* Not applicable to secondary market investors. Investors dealing on a stock exchange will pay fees charged by their stock brokers. Such charges are publicly available on exchanges on which the shares are listed and traded, or can be obtained from stock brokers.

* Authorised participants dealing directly with the Fund will pay related transaction costs. Authorised participants switching between the Fund and other funds within the same umbrella investment company may be subject to a switching fee of up to 3%. However, the switching fee may not be charged and the usual entry and exit charges may apply instead.

The ongoing charges figure is based on the fixed annualised fee charged to the Fund as set out in the Fund's prospectus. This figure excludes portfolio trade-related costs, except costs paid to the custodian and any entry/exit charge paid to an underlying collective investment scheme (if any).

** To the extent the Fund undertakes securities lending to reduce costs, the Fund will receive 62.5% of the associated revenue generated and the remaining 37.5% will be received by BlackRock as the securities lending agent. As securities lending revenue sharing does not increase the costs of running the Fund, this has been excluded from the ongoing charges.

For more information on charges, please see the Fund's prospectus, which is available at www.ishares.com.

One-off charges taken before or after you invest	
Entry Charge	None*
Exit Charge	None*

This is the maximum that might be taken out of your money before it is invested or before proceeds of your investments are paid out.

Charges taken from the Fund over each year	
Ongoing Charges	0.20%**
Charges taken from the Fund under certain conditions	
Performance Fee	None

Past Performance

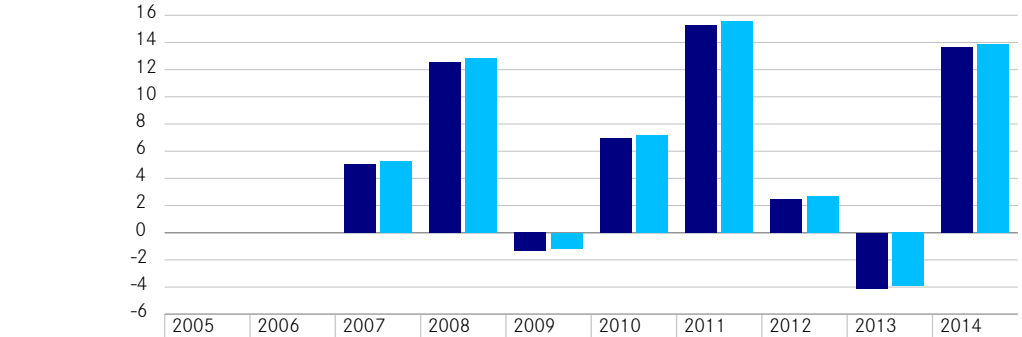
Past performance is not a guide to future performance.

The chart shows the Fund's annual performance in GBP for each full calendar year over the period displayed in the chart. It is expressed as a percentage change of the Fund's net asset value at each year-end. The Fund was launched in 2006.

Performance is shown after deduction of ongoing charges. Any entry/exit charges are excluded from the calculation.

† Benchmark: FTSE Actuaries UK Conventional Gilts All Stocks Index (GBP)

Historic performance to 31 December 2014



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Fund			5.0	12.6	-1.4	7.0	15.3	2.5	-4.1	13.6
Benchmark †			5.3	12.8	-1.2	7.2	15.6	2.7	-3.9	13.9

Practical Information

- The custodian of the Fund is State Street Custodial Services (Ireland) Limited.
- Further information about the Fund can be obtained from the Fund's prospectus and the latest annual report and half-yearly reports of iShares II plc. These documents are available free of charge in English and certain other languages. These can be found, along with other information, such as details of the key underlying investments of the Fund and share prices, on the iShares website at www.ishares.com or by calling +44 (0)845 357 7000 or from your broker or financial adviser.
- Investors should note that the tax legislation that applies to the Fund may have an impact on the personal tax position of your investment in the Fund.
- The Fund is a sub-fund of iShares II plc, an umbrella structure comprising different sub-funds. This document is specific to the Fund stated at the beginning of this document. However, the prospectus, annual and half-yearly reports are prepared for the umbrella.
- iShares II plc may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the Fund's prospectus.
- The indicative intra-day net asset value of the Fund is available at http://deutsche-boerse.com.
- Under Irish law, iShares II plc has segregated liability between its sub-funds (i.e. the Fund's assets will not be used to discharge the liabilities of other sub-funds within iShares II plc). In addition, the Fund's assets are held separately from the assets of other sub-funds.
- Switching of shares between the Fund and other sub-funds within iShares II plc is not available to investors trading on exchange. Switching may be available to authorised participants trading directly with the Fund on the primary market subject to meeting certain conditions. For further information, please refer to the prospectus.