



BlackRock Investment Management (Australia) Limited

PRODUCT DISCLOSURE STATEMENT
for iShares MSCI Australia 200 Index Fund

Supplementary Product Disclosure Statement No. 3

iShares MSCI Australia 200 ETF (ASX: IOZ)

ARSN 146 083 141

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

Date: 1 July 2014

This Supplementary Product Disclosure Statement No. 3 is dated 1 July 2014 (“SPDS No. 3”) and updates the Product Disclosure Statement dated 26 November 2010 (“PDS”), as amended by Supplementary Product Disclosure Statement dated 24 December 2012 (“SPDS No. 1”) and Supplementary Product Disclosure Statement No. 2 dated 4 February 2014 (“SPDS No. 2”) for the iShares MSCI Australia 200 ETF (the “Fund”). This SPDS No. 3 must be read in conjunction with the PDS, SPDS No. 1 and SPDS No. 2.

A copy of this SPDS No. 3 has been lodged with the Australian Securities and Investments Commission (“ASIC”) and released to the Australian Securities Exchange (“ASX”). Neither ASIC nor ASX take any responsibility for the contents of this SPDS No. 3.

This SPDS No. 3 sets out the following changes to the Fund:

Purpose of this SPDS No. 3

1. Changes to fee disclosure

Effective from 1 July 2014, the following amendments are made to the PDS:

- i. the “Consumer Advisory Warning” within section 7.1, titled “Consumer Advisory Warning” (on page 15 of the PDS), is deleted and replaced with the Consumer Advisory Warning as shown below.

DID YOU KNOW?

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

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

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

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

Type of fee or cost	Amount		How and when paid
	If you are no an Authorised Participant	If you are an Authorised Participant	
Fees when your money moves in or out of the Fund.			
Establishment Fee. The fee to open your investment.	Nil	Nil	Not applicable.
Contribution Fee. The fee on each amount contributed to your investment.	Nil	\$2,050 to create units in the Fund	The \$2,050 fixed fee to create Units in the Fund is applicable only to Authorised Participants at the time of creation as only Authorised Participants are able to apply for Units in the Fund. If you are not an Authorised Participant, you will not be charged a contribution fee for your initial or any additional investments.
Withdrawal Fee. The fee on each amount you take out of your investment.	Nil	\$2,050 to redeem units in the Fund	The \$2,050 fixed fee to redeem Units in the Fund is applicable only to Authorised Participants at the time of redemption as only Authorised Participants are able to redeem for Units in the Fund. If you are not an Authorised Participant, you will not be charged a withdrawal fee for your initial or any subsequent redemption of investments.
Exit Fee. The fee to close your investment.	Nil	Nil	Not applicable.
Management costs. The fees and costs for managing your investment.			
Management Fee. Until Unitholders receive notice to the contrary, this will be charged as one management fee	Current Management Fee: 0.19% p.a.	Current Management Fee: 0.19% p.a.	The management fee is calculated on the NAV of the Fund on a daily basis and is payable monthly or as otherwise incurred by the Fund. The deduction of the management fee is reflected in the unit price of the Fund.
Service fees.			
Switching Fee. The fee for changing investment options.	Nil	Nil	No specific switching fee is applicable.

- ii. the fee table within section 7.2, titled “Fees and other costs” (on page 16 of the PDS), is deleted and replaced with the fee table as shown above.
- iii. the “Alternative forms of remuneration” subsection within section 7.3, titled “Additional explanation of fees and costs” (on page 18 of the PDS), is amended by adding the following paragraph to the end of the subsection:
“BlackRock will only make these payments to the extent that they are permitted by law.”
- iv. the example of annual fees and costs table and the paragraph immediately below it within the “Example of annual fees and costs for the Fund” subsection of section 7.3, titled “Additional explanation of fees and costs” (on page 19 of the PDS), are deleted and replaced with the example of annual fees and costs table as shown below.

Example of annual fees and costs for the Fund		
Balance of \$50,000 with a contribution of \$5,000 during year		
Contribution Fee	<ul style="list-style-type: none"> ▶ Nil (if you are not an Authorised Participant); or ▶ \$2,050 (if you are an Authorised Participant) 	For every additional \$5,000 you put in, you will be charged: <ul style="list-style-type: none"> ▶ \$0 if you are not an Authorised Participant; or ▶ \$2,050 if you are an Authorised Participant creating units in the Fund.
PLUS		
Management Costs	0.19% per year	And, for every \$50,000 you have in the Fund you will be charged \$95 each year.
EQUALS		
Cost of Fund	<p>If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year you would be charged fees of:</p> <p style="text-align: center;">\$2,050 + \$95 = \$2,145.</p> <p>What it costs you will depend on whether you are an Authorised Participant and the fees you negotiate.</p>	
<p>Please note this is an example. In practice, the actual investment balance of an investor will vary and the actual fees we charge are based on the value of the Fund, which also fluctuates. The amounts assume a constant investment of \$50,000 throughout the year and do not take into account any additional contributions made during the year. Management Fees will also be charged in relation to additional contributions.</p>		

2. Change to Privacy Policy

A number of changes to Australia's privacy laws have come into effect designed to set standards, rights and obligations in connection with personal information we hold about you.

As a result of these changes, effective from 1 July 2014, the text under section 11.14 of the PDS, titled "Privacy Policy" (on page 31), is deleted and replaced with the following:

"We collect your personal information for the primary purpose of establishing and administering your investments with us, communicating with you and providing you with access to protected areas of our websites. We also collect some personal information to meet our obligations, under the Anti-Money Laundering and Counter-Terrorism Financing Act and the Corporations Act. We use and disclose personal information to administer your investment, conduct product and market research, and deal with your concerns. We collect personal information through our interactions with you, as well as in some instances from your financial adviser or other authorised representative, your organisation, public sources and information brokers. BlackRock may take steps to verify information collected.

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

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

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

BlackRock operates as a global organisation and to this end, functions generally operate from dedicated centres which also provide shared services around the globe. Typically, personal information collected in relation to an investment in our funds may be disclosed to our related body corporate located offshore currently in Singapore. Personal information (generally other than personal information held in relation to individual investors) may be held within applications on our portfolio management system or client relationship management system which are potentially accessible by our related body corporates in any country in which the BlackRock Group has an office. A list of those countries is available through a link found in our Privacy Policy. Key data is held at locations in Australia, the United States and the United Kingdom either at a BlackRock related party site or third party site.

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

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

If you wish to opt out, update or request access to your information, obtain a copy of our Privacy Policy or raise any queries or concerns regarding privacy, you may contact our Privacy Officer by contacting our Client Services Centre on 1300 366 100 or emailing clientservices@blackrock.com.au."

3. ASIC Relief

Effective from 1 July 2014, the relief disclosure, as detailed within section 11.17 of the PDS, titled "ASIC Relief" (on pages 32 and 33), is amended by deleting the text under the subsection titled "Periodic Statements" (as previously inserted by SPDS No. 1) and replacing it with the following:

"Under ASIC Class Order [CO 13/1200], if BlackRock is not aware of the price at which a Unitholder bought or sold Units on the ASX, periodic statements are not required to include details of the transaction price, nor the return on investment during the period, provided that the periodic statement explains why this information is not included and describes how it can be obtained or calculated."

4. Corporate Directory

Effective from 1 July 2014, section 12 of the PDS, titled "Corporate Directory" (on page 34), is amended by deleting the contact details of the iShares Australia Capital Markets Desk and replacing them with the following:

"BlackRock Investment Management (Australia) Limited
Level 43, Grosvenor Place
225 George Street
Sydney NSW 2000"

Terms used in this SPDS No. 3 have the same meaning as in the PDS, SPDS No. 1 and SPDS No. 2. Prior to investing in the Fund, a prospective investor must take into account and accept the foregoing information, as well as the information disclosed in the PDS, SPDS No. 1 and SPDS No. 2.



Supplementary Product Disclosure Statement No. 2 dated 4 February 2014

iShares MSCI Australia 200 ETF (ASX: IOZ)

Dated 4 February 2014

iShares MSCI Australia 200 ETF (known prior to 4 February 2014 as iShares MSCI Australia 200 Index Fund)
ARSN 146 083 141
BlackRock Investment Management (Australia) Limited
ABN 13 006 165 975
Australian Financial Services Licence No 230523

This Supplementary Product Disclosure Statement No. 2 is dated 4 February 2014 (“SPDS No. 2”) and updates the Product Disclosure Statement dated 26 November 2010 (“PDS”), as amended by Supplementary Product Disclosure Statement dated 24 December 2012 (“SPDS No. 1”) for the iShares MSCI Australia 200 ETF (the “Fund” known prior to 4 February 2014 as iShares MSCI Australia 200 Index Fund). This SPDS No. 2 must be read in conjunction with the PDS and SPDS No. 1.

A copy of this SPDS No. 2 has been lodged with the Australian Securities and Investments Commission (“ASIC”) and released to the Australian Securities Exchange (“ASX”). Neither ASIC nor ASX take any responsibility for the contents of this SPDS No. 2.

This SPDS No. 2 sets out the following change to the Fund:

Purpose of this SPDS No. 2

Fund name change

Effective from 4 February 2014 the Fund’s name changed from “iShares MSCI Australia 200 Index Fund” to “iShares MSCI Australia 200 ETF”.

As a result, effective from 4 February 2014, all references in the PDS to “iShares MSCI Australia 200 Index Fund” are deleted and replaced with “iShares MSCI Australia 200 ETF”.

Terms used in this SPDS No. 2 have the same meanings as in the PDS and SPDS No. 1. Prior to investing in the Fund, a prospective investor must take into account and accept the foregoing information, as well as the information disclosed in the PDS and SPDS No. 1.

iShares MSCI Australia 200 Index Fund (ASX: IOZ)

Supplementary Product Disclosure Statement

Dated 24 December 2012

iShares MSCI Australia 200 Index Fund
ARSN 146 083 141
BlackRock Investment Management (Australia) Limited
ABN 13 006 165 975
Australian Financial Services Licence No 230523

This Supplementary Product Disclosure Statement (“SPDS”) is dated 24 December 2012 and updates the Product Disclosure Statement dated 26 November 2010 (“PDS”) for the iShares MSCI Australia 200 Index Fund (the “Fund”). This SPDS must be read in conjunction with the PDS.

A copy of this SPDS has been lodged with the Australian Securities and Investments Commission (“ASIC”) and released to the Australian Securities Exchange (“ASX”). Neither ASIC nor ASX take any responsibility for the contents of this SPDS.

This SPDS sets out the following changes to the Fund:

Purpose of this SPDS

1. Change in registered trademark ownership

Ownership of the iShares[®] trademark has been transferred within the BlackRock Group of companies from BlackRock Institutional Trust Company, N.A to BlackRock Fund Advisors.

The sentence referencing iShares[®] as being a registered trademark of BlackRock Institutional Trust Company, N.A., as disclosed at the end of the “About iShares[®] ETFs” section on page 6 of the PDS is deleted in its entirety and replaced with the following:

“iShares[®] is a registered trademark of BlackRock Fund Advisors or its affiliates.”

2. Risk disclosure

The Fund’s risk disclosure, as detailed within the “Risks” section on pages 13 to 14 of the PDS is amended by adding the following paragraph immediately after the final paragraph in the Risks section on page 14 of the PDS:

“Index-Related Risks

In order to meet its investment objective, the Fund will seek to achieve a return which reflects the return of the Index, as published by the index provider. While index providers do provide a description of what each index is designed to achieve, index providers do not generally provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of the their indices, nor any guarantee that the published index will be in line with their described benchmark index methodologies. Errors in respect of the quality, accuracy and completeness of the data may occur from time to time and may not be identified and corrected for a period of time, in particular where an index is less commonly used. During a period where an index contains incorrect constituents, the Fund would have market exposure to such constituents. As such, errors may potentially result in a negative or positive performance impact to the Fund and to Unitholders.

Apart from scheduled rebalances, index providers may carry out additional ad hoc rebalances to their benchmark indices in order, for example, to correct an error in the selection of index constituents. Where the index is rebalanced and the Fund in turn rebalances its portfolio to bring it in line with the Index, any transaction costs and market exposure arising from such portfolio rebalancing will be borne by the Fund and, by extension, Unitholders.

Therefore, errors and additional ad hoc rebalances carried out by an index provider may increase the costs and market exposure risk of the Fund.”

3. ASIC Relief

The relief disclosure, as detailed within the “ASIC Relief” section on pages 32 to 33 of the PDS is amended by adding the following paragraph immediately after the final paragraph in the ASIC Relief section on page 33 of the PDS:

“Periodic Statements

ASIC has granted relief under the Corporations Act so that BlackRock is not required to provide periodic statements to Unitholders under section 1017D(1) of the Corporations Act for each reporting period ending on or before 1 March 2013.

For subsequent reporting periods ending before 1 January 2014, ASIC has granted relief under the Corporations Act so that periodic statements may disclose opening balances, closing balances, termination values, transaction details, increases in contributions, returns on investments and amounts paid by a Unitholder that are based on the unit net asset value for units or the last market price for Units as at the relevant transaction date, the date of settlement of the transaction or other relevant date.

The ASIC relief commenced on 19 November 2012 and applies to the Fund while Units are able to be traded on AQUA Market of the ASX.”

Terms used in this SPDS have the same meanings as in the PDS. Prior to investing in the Fund, a prospective investor must take into account and accept the foregoing information, as well as the information disclosed in the PDS.

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IMPORTANT INFORMATION: Neither the performance of the Fund offered in this Product Disclosure Statement nor the repayment of capital or any income from the Fund is guaranteed by BlackRock Investment Management (Australia) Limited, or any member of the BlackRock Group of Companies. Investment products are subject to investment risk, and possible delays in repayment and loss of income and principal invested. This Product Disclosure Statement can only be used by investors receiving it (electronically or otherwise) in Australia.

1. Before you start

1.1 The issuer of this PDS

Investment in the iShares MSCI Australia 200 Index Fund (referred to in this Product Disclosure Statement ("PDS") as "the Fund") is offered and managed by BlackRock Investment Management (Australia) Limited ABN 13 006 165 975 (referred to in this PDS as "BlackRock", "the Responsible Entity", "the Manager", "we", "our" or "us").

We are the issuer of this PDS and of Units in the Fund. Neither BlackRock nor any of our associates or subsidiaries guarantees the success of the Fund, the achievement of the investment objective, or the repayment of capital or particular rates of return on income or capital. An investor in the Fund could lose all or a substantial part of its investment in the Fund. In particular, the performance of the Fund will depend on the performance and market value of the assets held by the Fund as a result of tracking its index.

1.2 Offer eligibility

The offer in this PDS is only available to stockbrokers acting as principal. That is, persons who have been authorised as trading participants under the ASX Operating Rules ("Authorised Participants") and, where required, have entered into a relevant Authorised Participant Agreement.

The minimum investment for Units in the Fund is an aggregate of 75,000 Units, and in multiples of 75,000 Units thereafter ("Creation Unit").

Investors who are not Authorised Participants cannot invest through this PDS but may do so through the ASX. Please consult your stockbroker or financial adviser.

Investors who are not Authorised Participants may use this PDS for informational purposes only and may obtain further information in relation to the Fund by contacting the Registrar (refer to page 33 for details of how to contact the Registrar).

1.3 Index provider

The MSCI Australia 200 Index is a trademark of MSCI Inc. ("MSCI") and has been licensed for use by BlackRock Institutional Trust Company, N.A and its affiliates including BlackRock Investment Management (Australia) Limited.

iShares funds are not sponsored, endorsed, issued, sold or promoted by MSCI. MSCI does not make any representation regarding the advisability of investing in an iShares fund (including the Fund).

2. About this PDS

This PDS describes the main features of the Fund. This PDS is dated 26 November 2010 and is issued by BlackRock Investment Management (Australia) Limited ABN 13 006 165 975, AFS Licence No. 230523, the Responsible Entity of the Fund.

A copy of this PDS has been lodged with the Australian Securities and Investments Commission ("ASIC") and the Australian Securities Exchange ("ASX"). Neither ASIC nor the ASX take any responsibility for the contents of this PDS. As at the date of this PDS, the Units are yet to be quoted and an application for quotation has been made to the ASX. No applications for Units will be accepted until the exposure period for the Fund as required by the Corporations Act 2001 has expired. Once the exposure period has expired BlackRock may determine when applications for Units will be able to be accepted.

In preparing this PDS, we did not take into account your particular investment objectives, financial situation or needs. As investors' needs and aspirations differ, you should consider whether investing in the Fund is appropriate for you in light of your particular needs, objectives and financial circumstances. You may also wish to obtain independent advice.

2.1 Changes to this PDS and access to additional information

Certain information in this PDS is subject to change. We will notify you of any changes that have a materially adverse impact on you or other significant events that affect the information in this PDS.

Updated performance information, fund size, current unit prices and other general information relating to the Fund are available:

- at iShares.com.au
- from your financial adviser
- by calling our iShares Call Centre on 1300 iShares (1300 474 2737) between 8:30am and 7:00pm Monday to Friday AEST
- by emailing ishares.australia@blackrock.com

A paper copy of updated Fund information is available free of charge upon request.

The offer or invitation to subscribe for Units in the Fund under this PDS is subject to the terms and conditions described in this PDS. We reserve the right to accept or decline applications in full or in part and reserve the right to change these terms and conditions. Notice would be provided before or as soon as practicable after the change occurs.

This PDS can only be used by investors receiving it (electronically or otherwise) in Australia. It is not available in any other country.

In addition, certain Fund portfolio information will only be made available to Authorised Participants in relation to their activities as Authorised Participants.

2.2 Incorporation by Reference

The Corporations Act 2001 allows us to provide certain information to you separately to the PDS, which is taken to be incorporated into the PDS, provided that the PDS identifies this additional information and how you can access it.

The following incorporated information forms part of the PDS and is only relevant for Authorised Participants investing in the Fund:

- Fund's current cut-off times for applications and redemptions
- Business Days that the Fund is open for applications and redemptions
- After your initial investment in the Fund details on how to make subsequent applications and redemptions from the Fund.

This information is contained in a document entitled “Operating Procedures” which is available to Authorised Participants via the link entitled “Incorporation by Reference” through iShares.com.au or can be obtained free of charge by contacting us (see page 33 for our details).

2.3 Need help?

If you have questions about the Fund described in this PDS speak to your professional advisers.

Should you require general assistance with respect to an iShares product, please call the iShares Call Centre on 1300 iShares (1300 474 2737).

Further information on the different iShares funds listed on ASX is available at iShares.com.au or from your investment adviser.

3. About iShares® ETFs

iShares exchange traded funds ("ETFs") are managed funds quoted on exchanges around the world (including the ASX) and are designed to give investors the opportunity to buy or sell a diversified portfolio of assets in a single transaction.

The name of each iShares fund generally refers to the relevant index and the provider of that index, who is responsible for choosing the components of the index and the weight of each component in the index. The index provider has licensed the use of their index to the iShares fund. There are many types of indices available and they usually represent a diversified portfolio which enables each iShares ETF to give you the opportunity to achieve an appropriate balance of investments and asset classes to suit your investment objectives and risk profile.

When you invest in the Fund you are allocated a number of Units in the Fund. Each of these Units represents an equal interest in the net assets of the Fund. As a result, each Unit has a value or 'unit price'. The unit price is determined as at the close of trading for each Business Day.

iShares® is a registered trademark of BlackRock Institutional Trust Company, N.A.

4. About BlackRock

BlackRock,® Inc. is a leader in investment management, risk management and advisory services for institutional and retail clients worldwide.

At 30 June 2010, the BlackRock,® Inc. AUM was \$US3.15 trillion. BlackRock,® Inc. offers products that span the risk spectrum to meet clients' needs, including active, enhanced and index strategies across markets and asset classes. Products are offered in a variety of structures including separate accounts, mutual funds, iShares, and other pooled investment vehicles. BlackRock,® Inc. also offers risk management, advisory and enterprise investment system services to a broad base of institutional investors through BlackRock Solutions®.

Headquartered in New York City, the firm has approximately 8,500 employees in 24 countries and a major presence in key global markets, including North and South America, Europe, Asia, Australia and the Middle East and Africa.

BlackRock,® Inc. is the largest provider of ETFs in the world through its iShares ETF family, which consists of over 350 funds and approximately US\$ 300 billion of assets under management. A range of international iShares ETFs have been cross-listed on the ASX since October 2007.

4.1 Responsible Entity

BlackRock Investment Management (Australia) Limited is the manager of the Fund and acts as the Responsible Entity under the Corporations Act 2001. BlackRock Investment Management (Australia) Limited is a wholly owned subsidiary of BlackRock,® Inc. BlackRock Investment Management (Australia) Limited has sufficient financial resources to enable it to operate the Fund as outlined in this PDS.

When you invest with BlackRock, you are gaining the expertise of an experienced team of Australian investment professionals backed by the international resources and knowledge of one of the world's largest investment managers. Within Australia, BlackRock manages across a range of products and services including equities, fixed income and property.

BlackRock Investment Management (Australia) Limited holds an Australian Financial Services Licence and is a member of the Financial Services Council ("FSC").

5. About the Fund

5.1 Investment objective and Fund strategy

The Fund aims to provide investors with the performance of the market, before fees and expenses, as represented by the MSCI Australia 200 Index (the "Index").

The Fund invests in Australian shares and trusts listed on the ASX, and seeks to use a full replication strategy to track the performance of the Index. If we determine that we can achieve a more efficient means of obtaining exposure to the Index, we may do so. The Responsible Entity will not significantly change the Fund's investment objective as described in this PDS unless the change in objective has been approved by a resolution passed by 75% of Units cast on the resolution.

5.2 What the Fund invests in

The Fund invests primarily in Australian listed securities that form the Index.

Whilst the Constitution of the Fund allows the Responsible Entity to borrow, it is not our intention that borrowing arrangements will be entered into by the Fund other than temporary overdrafts which may be used as a means of managing certain cash flows.

Derivatives, such as futures, forwards and options can be used to manage risk and return. When derivative positions are established they will always be backed by cash holdings and/or underlying assets. Derivative securities will not be used to gear the Fund. BlackRock does not intend to use derivatives in relation to the Fund except to equitise cash holdings in order to obtain an investment exposure without physically buying or selling the underlying asset.

As the Fund aims to track the performance of the Index, investment decisions are independent of labour standards or environmental, social or ethical considerations.

5.3 About the Index

MSCI is the provider of the Index of the Fund. The Index is designed to reflect the performance of largest 200 companies of the domestic Australia equity market, excluding foreign companies listed on the ASX. The index uses minimum size, liquidity and float requirements to limit its constituents to the 200 largest and most tradable Australian companies.

Index Construction: The selection universe of the Index is based on constituent securities of the underlying MSCI Australia IMI Index. The constituents of the MSCI Australia IMI Index are ranked in descending order of free float-adjusted market capitalisation available to Australian resident investors. The largest 200 are selected to construct the Index. The resulting Index constituents are weighted according to their free float-adjusted market capitalisations available to Australian resident investors.

The free float-adjustment is applied using an adjustment factor referred to as the Domestic Inclusion Factor (DIF).

More information on the construction, maintenance and calculation of the MSCI Australia IMI Index can be found in the Global Investable Market Indices methodology posted at: mscibarra.com/products/indices/international_equity_indices/gimi/stdindex/methodology.html.

Quarterly Index Review: The composition of the Index is fully reviewed on a quarterly basis to coincide with the regular index reviews (Semi-Annual Index Reviews in May and November and Quarterly Index Reviews in February and August) of the MSCI Global Investable Market Indices. The changes are implemented at the end of February, May, August and November.

During each index review, the number of securities is restored to 200. Note that the number of index constituents between the index reviews may differ from this number due to additions and deletions resulting from corporate events on existing index constituents.

Buffer Rules: To minimise index turnover, additions to and deletions from the Index during rebalancings will be controlled by buffer rules.

Non-constituents that satisfy all eligibility criteria and rank 175th and above will be added to the Index and existing constituents which rank below 225th will be deleted from the Index. If the number of securities differs from 200 after applying the buffer rules, the lowest ranked securities within the index will be deleted, or the next highest ranked securities will be added to the index to restore the number of constituents to 200.

Quarterly Index Reviews may also result in changes in Domestic Inclusion Factor (DIF) and updates in number of shares for existing constituents.

Cut-off Date for Market Capitalisation and Prices used for the Rebalancing: The cut-off date for market capitalisation and prices used for the rebalancing of the Index is 9 Business Days before the end of February, May, August and November.

Ongoing Event Related Changes: The Index follows the event maintenance of the MSCI Australia IMI Index. Changes in the MSCI Australia IMI Index are reflected simultaneously in the Index.

Early Inclusions of Non-Index Constituents: A spun-off security from an existing constituent of the Index that qualifies for immediate inclusion to the MSCI Australia IMI Index will be simultaneously included in the Index.

There will be no fast inclusions for IPOs. Securities that are added to the underlying MSCI Australia IMI Index will only be considered for inclusion in the Index during the next index review.

Early Deletions of Non-Index Constituents: If a security is deleted from the underlying MSCI Australia IMI Index due to a corporate event, it will be automatically removed from the Index. Examples are securities of companies that file for bankruptcy and companies that are acquired. When the number of securities in the Index falls below or rises above 200 due to corporate events, no additions or deletions will be made to restore the number of constituents to 200 until the next index review.

End-of-day values for the Index are available at iShares.com.au.

Further information about MSCI and the Index is available at mscibarra.com.

5.4 Changes to the Index

BlackRock has no present intention to make any changes to the Index.

BlackRock will not substitute the Index for another index if to do so would significantly change the Fund's investment objective as described in this PDS, unless the change of investment objective has been approved by a resolution passed by 75% of Units cast on the resolution.

5.5 Benefits of iShares ETFs

Each iShares fund is a managed fund listed or quoted on exchanges (including ASX) providing you with the opportunity to buy a diversified portfolio of assets in a single transaction.

The benefits of investing in iShares funds include:

- **Diversification:** In contrast to a direct investment in a single company, an iShares fund provides as far as practicable and possible exposure to all of the securities underlying the particular index which the iShares fund seeks to track.
- **Liquidity and transparency:** Each iShares fund seeks investment results that correspond generally to the performance (before fees and expenses) of a particular index. As a traded security, an iShares ETF enables you to enter and exit your holding on the ASX. You can easily track performance and can even trade on the same day (subject to ASX rules).
- **Managing risk:** investing in an iShares ETF can assist you in establishing a portfolio appropriate to your investment needs and suit your risk profile.
- **Taxation advantages:** an iShares fund will change in value as the underlying portfolio changes in value and may provide income for you through distributions and franking credits. The turnover of the underlying portfolio is low compared to actively managed funds, which may have the effect of reducing the level of capital gains incurred by you and tax paid. For full details on taxation, please see 'Taxation' on page 24.

- Lower cost: As each iShares fund is passively managed and designed to follow a particular underlying index, the expenses of managing a fund are generally lower compared to other forms of retail managed funds. However, brokerage or adviser fees may still apply when buying or selling an ETF.
- Receipt of income: You will generally receive regular income from your investment in the form of quarterly distributions. Distributions will normally include interest, dividends, other income and any net capital gains, and may also carry franking or other tax credits. There may be periods in which no distributions are made.

5.6 Additional Information

The following information can be obtained from our website at iShares.com.au

- the Fund's daily NAV;
- the Fund's daily NAV per Unit;
- underlying holdings of the fund, at least monthly;
- copies of the latest PDS;
- copies of Annual Financial Reports (the Fund's financial year ends 30 June); and
- distributions (if declared).

5.7 About the AQUA Rules

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

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

ASX Listing Rules	ASX AQUA Rules
Control	
<p>A person:</p> <ul style="list-style-type: none"> ■ controls the value of its own securities and the business it runs, ■ the value of those securities is directly influenced by the equity issuer's performance and conduct. <p>e.g. the management and board generally control the fate of the business and, therefore, have direct influence over the share price.</p>	<p>A person:</p> <ul style="list-style-type: none"> ■ does not control the value of the assets underlying its products, but ■ offers products that give investors exposure to the underlying assets – such as shares, indices, currencies or commodities. <p>The value (price) of products quoted under the AQUA Rules is dependent upon the performance of the underlying assets rather than the financial performance of the issuer itself.</p> <p>e.g. A managed fund issuer does not control the value of the shares it invests in.</p>
Continuous disclosure	
<p>Products under the ASX Listing Rules are subject to the continuous disclosure requirements under ASX Listing Rule 3.1 and section 674 of the Corporations Act 2001.</p>	<p>Issuers of products quoted under the AQUA Rules are not subject to the continuous disclosure requirements under ASX Listing Rule 3.1 and section 674 of the Corporations Act 2001 but must disclose information about:</p> <ul style="list-style-type: none"> ■ the Net Tangible Assets (“NTA”) or the Net Asset Value (“NAV”) of the funds; ■ dividends, distributions and other disbursements; and <p>any other information that is required to be disclosed to ASIC under section 675 of the Corporations Act 2001 must be disclosed to ASX via the ASX Company Announcement Platform at the same time it is disclosed to ASIC.</p>

Periodic disclosure	
Products under the ASX Listing Rules are required to disclose half yearly and annual financial information or annual reports under Chapter 4 of the ASX Listing Rules.	Products under the AQUA Rules are not required to disclose half yearly and annual financial information or annual reports. However, because the Fund is a registered managed investment scheme, we are still required to prepare financial reports under Chapter 2M of the Corporations Act 2001.
Corporate control	
Requirements in the Corporations Act 2001 and the ASX Listing Rules in relation to matters such as takeover bids, share buy-backs, change of capital, new issuers, restricted securities, disclosure of directors' interests and substantial shareholdings apply to companies and schemes.	Certain requirements in the Corporations Act 2001 and the ASX Listing Rules in relation to matters such as takeover bids, buy-backs, change of capital, new issuers, restricted securities, disclosure of directors' interests and substantial shareholdings that apply to companies and listed schemes do not apply to products quoted under the AQUA Rules. Issuers of products quoted under the AQUA Rules are subject to general requirement to provide the ASX with any information concerning itself that may lead to the establishment of a false market or materially affect the price of its products.
Related party transactions	
Chapter 10 of the ASX Listing Rules, which relates to transactions between an entity and persons in a position to influence the entity, specifies controls over related party transactions.	Chapter 10 of the ASX Listing Rules does not apply to AQUA products.
Auditor rotation	
There are specific requirements in relation to auditor rotation under Part 2M.4 Division 5 of the Corporations Act 2001.	Issuers of products under the AQUA Rules are not subject to the requirements under Part 2M.4 Division 5 of the Corporations Act 2001.
Disclosure	
Entities admitted under the ASX Listing Rules are subject to the requirements of the Corporations Act 2001 in relation to the issue of a PDS.	Products quoted under the AQUA Rules will also be subject to these requirements of the Corporations Act 2001.
	Source: ASX Rules Framework

5.8 Announcements to ASX

All announcements (including continuous disclosure notices and distribution information) will be made to the ASX via the ASX Company Announcements Platform which is at asxonline.com.au.

5.9 Securities lending

The Fund does not participate in a securities lending program.

6. Risks

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

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

6.1 Risks associated with investing in the Fund

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

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

Market risk: Economic, technological, political or legislative conditions, and even market sentiment, can (and do) change, and this can mean that changes in the value of investment markets can affect the value of the investments held by the Fund as a result of tracking the Index. If the assets held by the Fund reduce in value, so will the value of the Fund. There is a possibility that Units in the Fund may cease to be quoted and traded on a financial market and in such circumstances Unitholders may not be able to redeem and/or trade their Units.

Settlement risk: The Fund may be exposed to settlement risk as the Fund is reliant on the operation of CHES, including for unit creation and redemption. The Fund is exposed to the extent that there is a risk that the Authorised Participants may fail to fulfil their settlement obligations. The risk is partly mitigated as participants in CHES are subject to rules of participation, which include sanctions if there is a failure to meet their obligations. Where trading in relation to a security is suspended, there may be a delay in settlement in relation to that security.

Trading risk: The Fund is quoted under the AQUA Rules on the ASX and there is a risk that the ASX may under certain circumstances suspend trading or even remove the Fund from quotation on the ASX. The underlying assets held by the Fund may also be suspended or delisted.

Under these circumstances, we may take measures, such as suspending the application and redemption process or potentially terminating the Fund.

To mitigate the risk in relation to the Fund, we will use our best endeavours to meet all ASX requirements to ensure the Units in the Fund remain quoted, including putting in place compliance and monitoring procedures. However, there is no guarantee that these requirements will always be met.

Although the Units in the Fund are quoted on the ASX, there can be no assurance that there will be a liquid market.

There is the risk that the issue price and redemption price applicable to a Unit may differ from the trading price of a Unit on the ASX. The trading price is dependent upon a number of factors, including demand for the Units in the Fund. The risk is mitigated as the application and redemption mechanism is designed to minimise the likelihood that the Units will trade on the ASX at a significantly different price to the issue price or redemption price.

Market making risk: Under the AQUA Rules, BlackRock has certain market making obligations in respect of the Fund. In order to facilitate an orderly and liquid market in the Fund, we will appoint market maker(s) to provide alternate liquidity. Whilst we monitor our market maker(s)' ability to maintain continuous liquidity to the market, there is no guarantee that these requirements will always be met, particularly if there is a failure by a market maker.

Index risk: MSCI is the provider of the Index. MSCI reserves the right, at any time and without notice, to alter, amend, terminate or change the Index and as such may impact upon our ability to manage the Fund in accordance with its stated investment strategy. In the event that the Fund or any

Unitholder suffers a loss due to any error, omission, or interruption arising in relation to the Index, MSCI will not compensate the Fund or any Unitholder for such loss.

Tracking error: The performance of the Fund and its Index may vary due to transaction costs, asset valuations and corporate actions (such as mergers and spin-offs). Consequently, it will not be always possible for the Fund to accurately track the Index and the actual underlying portfolio may differ to the Index. For example, there may be times where we are unable to fully replicate the Index due to market conditions or other factors. In such instances, we may hold a sub-set of the index constituents in order to track the Index to the extent possible. In addition, the Fund may hold cash from time to time. While we will manage the risk through the use of instruments such as futures, there may be instances when the Fund holds a larger than normal cash balance, until such a time that we are able to invest that cash in line with the Index.

Distributions risk: There is no assurance that the Fund will pay a distribution. The Fund is reliant on the receipt of dividends and distributions from the Fund's assets. There is no assurance that the underlying securities will declare dividends or make distributions in the future, or that if declared, the amount of any distribution will remain constant or increase at any time.

Political risk: The Fund's investments may be affected by uncertainties such as political developments or changes in government policies.

Change in law: There may be a change in law affecting the Fund (such as taxation) at any time which may affect your investment in the Fund.

Fund risk: Risks particular to the Fund include that it could terminate, the fees and expenses could change, we could be replaced as manager and our investment professionals could change. There is also a risk that investing in the Fund may give different results than investing individually because of income or capital gains accrued in the Fund. We aim to keep Fund risk to a minimum by monitoring the Fund and acting in your best interests.

BlackRock risk: Several members of the BlackRock group of companies provide services to the Fund. As discussed at page 18, these parties are appointed subject to commercial terms. However, a change in the circumstances of BlackRock (such as the sale of an entity) could have an adverse impact on the operation or performance of the Fund.

Operational risk: The Fund is subject to a number of operational risks; in particular, the Fund relies on a number of internal and external service providers to operate the Fund. The failure of a service provider to deliver such services may adversely impact on the operation and performance of the Fund.

Use of derivatives: The use of derivatives is consistent with the Fund's investment guidelines and objectives. Derivatives may not be used to gear the Fund. An investment in derivatives can cause the Fund to make gains or incur losses.

7. Fees and other costs

7.1 Consumer Advisory Warning

DID YOU KNOW?

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

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

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

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

Government regulation requires all product issuers to include the standard consumer advisory warning as set out in the box above. The information in the box is standardised and does not provide any specific information on the fees and charges in this Fund and therefore, may not reflect what fees investors may be charged. You should refer to the fees in the fee template below for information on the specific fees and charges that apply to this Fund. All fees are in Australian dollars and, unless otherwise indicated, are inclusive of Goods and Services Tax ("GST") and takes into account expected reduced input tax credits in respect of the GST component of the fee.

7.2 Fees and other costs

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Fund assets as a whole.

Information about taxes is set out in another part of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Fees when your money moves in and out of the Fund		
Establishment fee The fee to open your investment	Nil	Not applicable.
Contribution fee The fee on each amount contributed to your investment	Nil	We will not charge a contribution fee for your initial or any additional investments.
Withdrawal fee The fee on each amount you take out of your investment	Nil	We will not charge a withdrawal fee for withdrawals you make from the Fund.
Termination fee The fee to close your investment	Nil	Not applicable.
Management costs		
The fees and costs for managing your investment Until Unitholders receive notice to the contrary, this will be charged as one management fee	Current management fee: 0.19% p.a	The management fee is calculated on the NAV of the fund on a daily basis and is payable monthly or as otherwise incurred by the Fund. The deduction of the management fee is reflected in the unit price of the Fund.
Service fees		
Investment switching fee The fee for changing investment options	Nil	No specific switching fee is applicable.
Transaction fee		
Transaction fee The fixed fee charged for every creation/redemption of Units	\$2,050 to create and redeem Units in the Fund.	Payable by the Authorised Participant at the time of creation and at the time of redemption.

7.3 Additional explanation of fees and costs

Management costs

The management costs incorporate:

- investment management fee (for managing the Fund's investments)
- expense recovery costs (other than abnormal costs and transaction costs)

Management costs are not deducted directly from your account. Instead they are deducted from the assets of the Fund and are generally paid to the Responsible Entity from the Fund at the end of each month.

Management fee

We receive a management fee for managing your investments in the Fund. Although the Fund Constitution allows us to receive a management fee of up to 5 % p.a. of the Fund's NAV, we currently receive a lower management fee. The management fee that we receive forms part of the management costs, which are currently 0.19% p.a.

Expenses recovery costs

We are entitled to be reimbursed for certain expenses in managing and administering the Fund. These expenses cover most of the operational out-of-pocket expenses the Responsible Entity is entitled to recover from the Fund including custody safekeeping fees and other investment related expenses. Unless we indicate otherwise, all Fund expenses, other than abnormal costs (see below) and transaction costs (see below) will be paid for by the Manager and no additional expenses will be recovered.

Abnormal costs

Abnormal costs are expenses not generally incurred during the day to day operations of the Fund and are not necessarily incurred in any given year. They are due to abnormal events such as the cost of running a Unitholder meeting or legal costs incurred by changes in the Fund's Constitution or defending legal proceedings.

We will continue to seek reimbursement from the Fund in relation to these types of expenses should they arise.

Transaction costs

The Fund may incur transaction costs (including custody movement charges, government taxes and charges on the purchase and sale of securities) when transacting to meet investment objectives. The amount of the transaction costs incurred when transacting to meet investment objectives is dependent on a number of different variables, including the level of trading undertaken by the Fund.

Transaction costs are paid for by the Fund and are reflected in the unit price and are not covered by the Management Costs.

Amounts disclosed are exclusive of GST.

Brokerage costs

Where an Authorised Participant applies for a Creation Unit or Redemption Unit by way of a non-standard or cash only basket, any actual brokerage incurred (and GST payable, after taking into account expected reduced input tax credits) in acquiring or realising securities (as the case may be) may be borne by that Authorised Participant. See section 8.9 for details.

Can the fees and charges change?

All fees and charges can change. They may vary over time as a result of changes to the product, changing economic conditions and changes in regulations.

We will give investors 30 days prior notice of any proposed increase to our fees and charges. We may, under special circumstances, elect to vary the frequency of our fee collection.

The current fees applicable to your investment are set out on page 16 in the section entitled “Fees & other costs” and although we have the power to change our fee structure, we have no present intention to do so.

Ongoing Service Commission

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

Transaction fee for Authorised Participants

The transaction fee is payable with every creation/redemption of Units. This fee represents the custody and administration costs associated with the movement of securities in the Creation/Redemption Basket and issuance/cancellation of Units.

The same transaction fee is applied to creations and redemptions and is a separate flat dollar fee regardless of the size of the transaction.

The transaction fee is payable by the Authorised Participant on creation and on redemption. In the case of a creation of Units the transaction fee is payable in addition to the issue price and in the case of a redemption of Units the transaction fee will be deducted from the redemption proceeds.

The transaction fee is GST exclusive.

Stockbroker fees for all other investors

Investors other than Authorised Participants will incur customary brokerage fees and commissions associated with buying and selling Units on the ASX. This fee should be discussed with your stockbroker prior to investing.

Alternative forms of remuneration

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

As a member of the FSC, we keep a public register which details any alternative form of remuneration that has been paid to or by BlackRock worth more than \$300 (for example, to advisers). You may view the register by visiting our office.

Third party arrangements

Brokerage services may be provided by entities related to the Responsible Entity, for which fees are charged. Such brokerage services will only be used where the fees are at, or more favourable than, the prevailing market pricing for such services.

MSCI may receive fees and other amounts in return for granting us a licence to use the Index.

The Responsible Entity and Related Parties

The Responsible Entity may enter into transactions with other related parties. All transactions are conducted on arm's length terms.

Investment management services may be provided to the Responsible Entity by BlackRock's offices overseas, for which fees are charged.

The Responsible Entity pays for these fees from its resources, they are not charged to the Funds. Further, BlackRock's offices overseas may provide services to the Responsible Entity partially through a Sydney branch, which is permitted to conduct regulated financial services business in Australia pursuant to an exemption from the requirement to hold an AFS license issue by ASIC, subject to certain conditions of that exemption.

Example of annual fees and costs for the Fund

This table gives an example of how fees and costs in the Fund can affect your investment (as a Unitholder) over a 1 year period. You should use this table to compare this product with other managed investment products.

EXAMPLE – iShares MSCI Australia 200 Index Fund		BALANCE OF \$50,000 WITH CONTRIBUTIONS OF \$5,000 DURING YEAR
Contribution Fees	0%	For every \$5,000 you put in, you will be charged \$0.
PLUS Management Costs	0.19% per year	For every \$50,000 you have in the Fund you will be charged \$95 each year.
EQUALS Cost of Fund		<p>If you had an investment of \$50,000 and you put in an additional \$5,000 during the year, then for that year you would be charged fees from:</p> <p style="text-align: center;">\$95 to \$105</p> <p style="text-align: center;">What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or financial adviser.</p>

Please note this is an example. The actual investment balance of an investor will vary and the actual fees we charge are based on the value of the Fund, which also fluctuates. The amounts assume a constant investment of \$50,000 throughout the year. Management fees will also be charged in relation to additional contributions.

7.4 Fund performance and size

As at the date of this PDS no performance information is available in relation to the Fund. Please note that past performance is not indicative of future performance of the Fund. Updated performance information can be obtained from iShares.com.au.

8. Primary market matters

8.1 Applications for creations and redemptions

Applications for creations and redemptions from the Fund must be made by an Authorised Participant.

Authorised Participants must complete the Application Form attached to this PDS (or comply with such other ordering method that the Responsible Entity may determine from time to time) to create or redeem Units and return it by the required 'cut-off time'. Please refer to the operating procedures in the Authorised Participant Agreement for more detailed instructions about returning the Application Form to us.

In addition, Authorised Participants will need to complete an Authorised Participant Agreement and will be required to comply with any additional requirements as set out in the agreement. For a copy, please contact the iShares Australia Capital Markets Desk on (02) 9272 2200.

Please note that in certain circumstances we may be entitled to suspend or postpone applications or the payment of redemptions, including where trading on the ASX is closed, suspended or restricted.

Other investors looking to acquire or dispose of Units in the Fund may buy or sell Units on the ASX.

8.2 Minimum creation and redemption size

Except in respect of a distribution reinvestment, the minimum number of Units required for any creation or redemption of Units must be whole multiples of 75,000 Units, where each 75,000 Units represent one Creation Unit or one Redemption Unit.

8.3 Applications for creations

An Authorised Participant must apply for a whole multiple of a Creation Unit by transferring to the Fund a Creation Basket through CHESS with a cash amount (if applicable) representing any residual cash amount and any cash amount in lieu of any non-standard Creation Basket, in return for which we will issue the Authorised Participant with a Creation Unit.

Alternatively, an Authorised Participant may apply for a whole multiple of a Creation Unit by transferring just cash to the Fund for a cash-only creation, in return for which we will issue the Authorised Participant with a Creation Unit. The transfer of the Creation Unit from us to the Authorised Participant is made through CHESS.

Units issued pursuant to an application for creation will be quoted under the AQUA Rules on the ASX with effect from the settlement of the issue of the relevant Units through CHESS. On a monthly basis we will announce to the ASX via the ASX Company Announcements Platform the Fund's total Units on issue no later than 5 Business Days after the month end. As the settlement of the issue of the relevant Units will be made through CHESS, we will not be required to hold application moneys prior to the issue of the Units.

8.4 Applications for redemptions

An Authorised Participant can only apply to redeem a whole multiple of a Redemption Unit by transferring a Redemption Unit to us and receiving in return from the Fund a Redemption Basket through CHESS with a cash amount (if applicable) representing any residual cash amount and any cash amount in lieu of any non-standard Redemption Basket (or just cash for a cash-only redemption).

Alternatively, an Authorised Participant may apply to redeem a whole multiple of a Creation Unit by transferring a Redemption Unit to us and receiving in return cash-only. The transfer of the Redemption Unit from the Authorised Participant is through CHESS.

In certain circumstances we may be required or permitted by the Fund's Constitution to deduct other amounts (e.g. withholding tax) from the redemption proceeds that would otherwise be payable to a Unitholder. For more information please see the "Distribution on Redemption" section on page 23.

8.5 Basket of securities

Prior to the opening of trade for each Business Day, the relevant Creation and Redemption Basket of securities is determined by us. This basket generally corresponds to the composition of the Index but may differ. The transfer of the redemption or Creation Basket to and from an Authorised Participant is through CHESS. Authorised Participants will be provided with information in relation to the Fund's portfolio and in relation to the Creation and Redemption Basket of securities.

8.6 Residual cash amount

The residual cash amount is calculated at the close of every Business Day.

The residual cash amount is a balancing amount to cover the difference between the value of the Creation or Redemption Basket of securities and the aggregate of the NAV per Unit to ensure there is no impact on existing Unitholders from creations or redemptions.

8.7 Processing of applications for creations and redemptions

Generally, applications for creations and redemptions are processed each Business Day. If we receive your completed Application Form or order by the required 'cut-off time' on a Business Day, we will generally process your application for creation or redemption (as the case may be) using the NAV calculated as at the close of trading on that Business Day.

The 'cut-off time' is 4.00pm on each Business Day (except in the case of non-standard and cash-only baskets where the 'cut-off time' is 2:00pm on each Business Day). If your completed Application Form or order is received after the 'cut-off time', or on a non-Business Day, we will generally process your application for creation or redemption (as the case may be) using the NAV calculated at the close of trading on the next Business Day after it has been received.

Settlement in respect of applications for creations and redemptions generally occurs through CHESS on T+3 which is in line with the relevant ASX rules.

The processing of applications for creations and redemptions may be suspended for a period before or after a distribution period end of the Fund. Any applications for creations or redemptions received during a period of suspension will be processed on the next Business Day after the suspension using the issue or redemption price calculated as at the close of trading on that Business Day.

8.8 Calculation of unit prices

When you invest in the Fund you are allocated a number of Units in the Fund. Each of these Units represents an equal interest in the net assets of the Fund. As a result, each Unit has a value or 'unit price'. The unit price is determined as at the close of trading for each Business Day.

The Fund has a unit price based on the NAV of the Fund divided by the number of Units on issue in the Fund adjusted to take account of transaction costs.

The NAV is determined by deducting the liabilities of the relevant fund or class (if applicable) from the market value of the assets of the relevant fund or class (if applicable). Assets and liabilities of the Fund are generally valued at their market value in accordance with the Fund's Constitution. The unit price we apply for an application for creation or redemption received before the cut-off time on a Business Day, as outlined in the Fund's "operating procedures," will be the price based on the value of the assets in the Fund as at the close of that Business Day.

Details of the daily NAV of the Fund and the Fund's NAV per Unit are available at iShares.com.au.

iShares has a formal policy on exercising discretions when calculating unit prices, including details of any discretions we may exercise in various circumstances, free of charge. Please contact the iShares Australia Capital Markets Desk for a copy (see page 33 for our details).

For creations or redemptions involving cash only or non-standard baskets, please also see section 8.9 below.

8.9 Non-standard baskets and cash only creations and redemptions

The Authorised Participant is responsible for notifying us of creations or redemptions involving cash only or non-standard baskets. Non-standard baskets will require the Authorised Participant or the Fund (as the case may be) to deliver additional cash in lieu of the omitted securities.

The Authorised Participant must notify us of any non-standard baskets or cash only creations or redemptions as soon as possible but in any event by 2:00 pm Sydney time on the transaction date. We must approve any non standard baskets or cash only creations or redemptions before any CHES instruction can occur. Please refer to the operating procedures in the Authorised Participant Agreement for further details of how to provide notification for non-standard baskets and cash only creations or redemptions.

Where an Authorised Participant applies for a Creation Unit by way of a non-standard or cash only basket, and the actual cost to the Fund of acquiring the remaining securities required to complete the Creation Basket differs from the value of those securities as at the relevant valuation time, the Authorised Participant will:

- where the actual cost to the Fund of acquiring the securities is less than the value of those securities at the relevant valuation time, receive an amount from the Fund equal to the difference; and
- where the actual cost to the Fund of acquiring the securities is more than the value of those securities at the relevant valuation time, be required to pay an amount to the Fund equal to the difference.

Where an Authorised Participant applies for a Redemption Unit by way of a non-standard basket or cash only proceeds, and the actual proceeds received by the Fund for realising the relevant securities from the Redemption Basket differs from the value of those securities as at the relevant valuation time, the Authorised Participant will:

- where the actual proceeds received by the Fund for realising the securities is more than the value of those securities at the relevant valuation time, receive an amount from the Fund equal to the difference; and
- where the actual proceeds received by the Fund for realising the securities is less than the value of those securities at the relevant valuation time, be required to pay an amount to the Fund equal to the difference.

In determining actual cost and actual proceeds of acquiring and realising securities (as the case may be), the actual brokerage incurred (and GST payable, after taking into account expected reduced input tax credits) is also taken into account.

9. Distributions

9.1 Receipt of income

Any income you receive from your investments will be in the form of distributions. Your distribution may include interest, dividends, other income and realised capital gains.

If you hold Units in a Fund at the close of business on the last day of a distribution period, you are entitled to participate in the distributable income of the Fund.

The Fund distributes quarterly at the end of March, June, September and December or on such other day as is determined by BlackRock.

Distributions (if any) may vary over time depending on distributions received from the Fund's assets in a particular period. There may be periods in which no distributions are made. There may be periods for which distributions are higher than expected.

Distribution of Australian sourced income to non-resident investors may be subject to withholding tax which may further delay distribution payments to you.

Information in relation to distributions by the Fund will be disclosed to the ASX via the ASX Company Announcement Platform.

9.2 Distributions

Details of any distributions declared will be lodged with for release by ASX in respect of the Fund.

You must be a Unitholder in the Fund at the record date of that distribution to be entitled to participate in that distribution. Distributions will be paid to the Registrar for payment to Unitholders and until payment will be held by the Registrar in a bank account. Payment of distributions will only be made by direct credit into a nominated Australian bank account. Investors will receive a payment advice detailing the components of any distribution paid by the Fund. Details of distributions paid by the Fund are made available at iShares.com.au.

9.3 Distribution Reinvestment Plan

A Distribution Reinvestment Plan ("DRP") is available to eligible Unitholders so that distributions are automatically reinvested so you get back additional Units.

Partial and full reinvestment is available. If no election is made, distributions will be automatically paid in cash.

Unitholders can participate in the DRP by registering directly with iShares share registrar. Please refer to section 11.11 for details of the Registrar.

Participation is subject to terms outlined in the DRP rules available on iShares.com.au.

9.4 Distribution on redemption

When an Authorised Participant redeems from the Fund, the withdrawal amount may comprise a distribution of capital gains and/or income in the Fund. We will notify the redeeming Authorised Participant of the amount of distribution included in the withdrawal amount, once that information is available. For more information please see the "Taxation" section on page 24.

For a non-resident Authorised Participant, the Manager may withhold an amount of tax applicable to your distribution. This will reduce the amount of redemption proceeds payable or paid to you.

9.5 Tax statement

Unitholders entitled to income in the Fund will receive an annual tax statement outlining their entitlements and the composition of taxable income in the Fund. We will issue this as soon as practicable after the end of the income year.

10. Taxation

10.1 Overview

The Australian tax commentary below is provided for Unitholders who are resident Australian taxpayers (but not temporary residents).

The commentary assumes that Unitholders will be either:

- stockbrokers, who will acquire or dispose of Units by application, redemption or by acquiring and disposing of Units on the ASX AQUA market; or
- other investors, who will acquire or dispose of Units by buying or selling on the ASX AQUA market.

In the case of stockbrokers, it is assumed that they act as a principal i.e. are authorised as trading participants under the ASX Operating Rules and, where required, have entered into an Authorised Participant Agreement.

It is assumed that stockbrokers hold their Units in the Fund as trading stock as part of a securities trading business, and that other Unitholders hold their Units on capital account.

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

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

10.2 Taxation of the Fund

We do not expect the Responsible Entity to be subject to Australian income tax in relation to the income and gains of the Fund, as it is intended that investors will be presently entitled to all of the income of the Fund in each financial year.

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

For example, an income distribution for the period ending 30 June 2011 is included in the assessable income for 2010/2011, even if the cash is received in July 2011.

It is intended that Unitholders continue to be subject to tax on all of the income of the Fund under the new attribution rules proposed for the Managed Investment Trust ("MIT") regime (legislation yet to be tabled).

If you are not a stockbroker who holds Units as trading stock, you may have to pay tax on all or part of your capital gain (the increase in the value of your investment) when you dispose of your Units. If you hold Units as trading stock and you redeem or otherwise dispose of Units, you may need to include any profit as part of your assessable income for tax purposes.

10.3 Taxable income of the Fund

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

Types of income

Depending on the types of investments made, the Fund can derive income including but not limited to dividends, interest, and gains on the disposal of investments.

Generally speaking, income derived by the Fund is taxable, but tax credits (e.g. franking credits and foreign income tax offsets) may be available to Unitholders to offset part or all of any resulting tax liability, or there may be an entitlement to a refund (for individuals or complying superannuation entities) in respect of the franking credits to the extent that they exceed the Australian income tax payable. Taxpayers must satisfy various eligibility criteria to claim the franking credits including the 45 day holding period rule.

Capital gains tax

Recently, legislation has been enacted that would permit a MIT to make an irrevocable election to hold shares, Units and certain other assets on capital account. The Fund intends to make this election if eligible. The Responsible Entity of the Fund will monitor these rules closely.

Where the election is made, in broad terms, net capital gains arising on the disposal of Fund investments will be included in the Fund's taxable income. Capital losses realised by the Fund can be offset against capital gains and any net capital losses carried forward to subsequent years of income.

The Fund will generally calculate taxable capital gains based on half the nominal gain made on the disposal of an asset, if that asset was held for 12 months or more. Capital gains distributed may include some gains where eligible investors (e.g. individuals, trusts and complying superannuation entities) are able to claim concessional treatment.

10.4 Taxation of financial arrangements

The new Taxation of Financial Arrangements ("TOFA") rules apply from 1 July 2010. Certain securities directly held by the Fund may constitute investments under TOFA. Under the TOFA tax rules, unrealised gains in relation to investments under TOFA may be included in the assessable income of the Fund.

10.5 Taxation of non-resident Unitholders

If a non-resident is entitled to taxable income of the Fund the Manager may be subject to Australian tax. If you are a non-resident, you may be entitled to a credit for Australian income tax paid by the Manager in respect of your tax liability. Distributions to you of amounts attributed to Australian franked dividends will not be subject to withholding tax. Any distribution of unfranked dividends, interest or amounts in the nature of interest will, however, be subject to withholding tax. This is irrespective of whether distributions are paid in cash or reinvested as additional Units. Further, any distribution of other Australian income or capital gains from assets that are taxable Australian real property will be subject to withholding tax. The rate of tax will depend on whether the Fund is eligible for MIT status and your country of residence or address.

You may have to pay tax on all or part of your capital gain (reflecting the increase in the value of your investment) when your Units are disposed of. In addition, the distributable income of the Fund may include non-assessable amounts to Unitholders. Receipt of certain non-assessable amounts may have capital gains tax ("CGT") consequences.

10.6 Tax File Number (TFN), Exemption and Australian Business Number (ABN)

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

10.7 Goods and Services Tax (GST)

Issue and withdrawal of Units are not subject to Goods and Services Tax ("GST"). Fees incurred (e.g. management fees) will attract 10% GST payable. Where under the GST legislation the Fund is entitled to credits for GST paid to another person, the cost of paying GST from the Fund will be reduced

proportionately. Where entitled to do so the Responsible Entity will recover GST on its fees from the assets of the Fund.

10.8 Taxation Reform

The Federal Government is currently reviewing some taxation laws relating, for instance, to the creation of a new tax regime for MITs. This could result in change to the taxation treatment of your investment in the applicable Funds. We strongly recommend that investors monitor reforms closely and seek their own independent professional advice on the potential application of those reforms to their specific circumstances.

10.9 Applications for creations and redemptions by Authorised Participants

This section contains general comments for Authorised Participants/stockbrokers who will apply for creations and redemptions of Units. As the taxation implications are specific to each investor, we strongly recommend that Authorised Participants/stockbrokers seek their own independent professional advice.

Creations

Where an Authorised Participant applies for creation of Units by way of an in specie transfer of securities, the Authorised Participant may be assessed on any profit arising from the transfer of those securities as assessable income, and may be entitled to deduct any losses arising from the transfer.

Redemptions

An Authorised Participant who applies for redemption of Units will be entitled to receive a withdrawal amount, which may comprise an in specie transfer of securities along with a distribution of income from the Fund, together with any balancing cash payment required.

The distribution of income from the Fund may include an entitlement to net capital gains and/or income realised by the Fund on an in specie transfer of securities as a result of the redemption. The income may also include income earned by the Fund up to and including the date of redemption.

For a non-resident Authorised Participant, the Manager may withhold an amount of tax applicable to your distribution. This will reduce the amount of redemption proceeds payable or paid to you.

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

10.10 Acquisition and disposal of Units on the ASX AQUA market

This section contains general comments for Unitholders who will acquire and dispose Units and hold these Units on capital account. As the taxation implications are specific to each investor, we strongly recommend that Unitholders see their own independent professional advice.

Acquisitions

For Units acquired on the ASX AQUA market, the amount paid for the shares (plus incidental acquisition costs) will be included in the tax cost base of the Units. Receipt of tax deferred amounts from the Fund may reduce the cost base of the Units for CGT purposes. If the cost base is reduced to below zero, an immediate capital gain may be realised.

Disposals

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

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

11. Additional information

11.1 No Cooling Off Rights

Authorised Participants entitled to invest as Unitholders in the Fund are not entitled to cooling off rights under the Corporations Act 2001 (please refer to the Application Form warranties). Please contact BlackRock if you have any queries in relation to cooling off rights.

11.2 Reporting requirements

The Fund will be a disclosing entity as defined in the Corporations Act 2001 and will be subject to additional regular reporting obligations. Copies of documents lodged with ASIC to comply with these requirements may be obtained from, or inspected at, an ASIC office. You have the right to request provision from us free of charge, the annual and half-yearly financial account and any continuous disclosure notices lodged with ASIC. The Fund as a disclosing entity is subject to continuous disclosure obligations which require us to make material information available to investors.

Any continuous disclosure notices required pursuant to the Corporations Act 2001 will be available at iShares.com.au. A printed copy of the information will be available free of charge by contacting our iShares Call Centre on 1300 iShares (1300 474 2737).

11.3 Legal relationship with Unitholders

We are the Responsible Entity for the Fund and as such we are licensed by ASIC which is responsible for regulating the operation of managed investment schemes like the Fund. Under the Corporations Act 2001 the Responsible Entity may be changed with a resolution passed by at least 50% of the total votes that may be cast by Unitholders entitled to vote on the resolution.

11.4 Constitution

Our responsibilities and obligations as Responsible Entity of the Fund are governed by a Constitution for the Fund as well as the Corporations Act 2001 and general trust law.

The Constitution contains a number of provisions relating to the rights, terms, conditions and obligations imposed on both you and us. A copy of the Fund's Constitution is available free of charge from us by contacting BlackRock (please see page 33 for our contact details).

Some of the main provisions which relate to Unitholder rights under the Constitution include:

- Unitholder right to share in the Fund income, and how we calculate it;
- Unitholder right to withdraw from the Fund and what Unitholders are entitled to receive when they withdraw or if the Fund is wound up;
- the nature of the Units and classes of Units (if applicable); and
- Unitholder rights to attend and vote at meetings – these mainly reflect the requirements of the Corporations Act 2001 which also deals with Unitholder rights to requisition or call a meeting; and resolutions passed by a requisite majority at a meeting of Unitholders are binding on all Unitholders.

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

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

Others include:

- when we can terminate the Fund or class of Units (if applicable) or reclassify Units (if applicable) and what happens if we do. We can only terminate the Fund in accordance with the Corporations

Act 2001 and only if we provide Unitholders with the required notice, and if we do, Unitholders share pro rata in the net proceeds from us selling the investments;

- when we can amend the Constitution. Generally we can only amend a Constitution where we reasonably believe that the changes will not adversely affect a Unitholder's rights as an investor. Otherwise the Constitution can only be amended if approved by special resolution at a meeting of investors;
- our right to refuse to accept applications for Units or record any transfer of Units without giving any reason;
- our right to determine minimum application, withdrawal and holding amounts and powers in support of these minimums; and
- our right to deduct amounts Unitholders owe us from withdrawal proceeds; and our broad powers to invest, borrow and generally manage the Fund. We do not currently intend to borrow funds to acquire assets for the Fund, although this is permitted under the Fund's Constitution. We may only borrow if we consider it to be in the best interests of Unitholders.

The Constitution also deals with our liabilities in relation to the Fund and when they can be reimbursed to us out of the Fund's assets, for example, subject to the Corporations Act 2001:

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

Amendment of the Fund's Constitution is subject to both the Corporations Act 2001 and the terms of the Constitution itself.

11.5 Termination of the Fund

The Fund will terminate on the earlier of:

- the eightieth anniversary of the day before the Fund commenced;
- the date specified by the Responsible Entity as the date of termination of the Fund in a notice given to Unitholders; or
- the date on which the Fund terminates in accordance with another provision of the Constitution or by law.

11.6 Compliance Plan

We have lodged a compliance plan for the Fund ("Compliance Plan"). The Compliance Plan sets out the measures we will take to ensure we comply with the Corporations Act 2001 and the Constitution of the Fund. To oversee compliance with the Compliance Plan, we have established a Compliance Committee.

The Compliance Committee is required to report breaches of the Constitution and the Corporations Act 2001 to the directors of BlackRock Investment Management (Australia) Limited, and in some circumstances, to ASIC.

A copy of the Fund's Compliance Plan is available free of charge by contacting BlackRock (see page 33 for our details).

11.7 Auditor

We have an obligation under the Corporations Act 2001 to appoint an auditor for the Fund and to lodge a Compliance Plan for the Fund.

11.8 Market maker

Under the AQUA Rules, we have certain obligations in respect of the Fund to ensure the development of an orderly and liquid market in the Fund. We have appointed Citigroup Global Markets Australia Pty Ltd ABN 64 003 114 832 ("Citigroup") to act as the designated market maker for the Fund. Citigroup has experience in making markets in other Australian ETF products. Various other market makers may also be active in maintaining continuous liquidity in the Fund by acting as buyer and seller in the secondary market.

Each day the basket of underlying securities of the Fund is published, allowing the market maker to calculate the total value of the Fund. The market maker applies a buy and sell spread to the value and publishes these prices on the exchange, continuously updating the prices throughout the trading day and trading as orders are submitted.

We understand the importance of the role of the market maker and seek the participation of market makers that have experience in making markets in ETFs and other types of listed securities in both Australia and overseas. Market makers are ASX trading participants and have agreements with the ASX to act as a market maker, and must have the necessary skill and expertise to perform a market making function.

11.9 Related party contracts

We have entered into a number of arrangements with related bodies corporate of BlackRock. In particular, BlackRock Asset Management North Asia Limited will carry out portfolio management for the Fund.

We have appointed the related parties on an arm's length commercial basis. We have also made these appointments after considering the requirements of our conflicts of interest policy and our obligation to manage conflicts of interest under the Corporations Act 2001.

11.10 Index provider disclaimer

The Fund is not sponsored, endorsed, sold or promoted by MSCI or any affiliate of MSCI. Neither MSCI nor any other party makes any representation or warranty, express or implied, to the owners of this Fund or any member of the public regarding advisability of investing in funds generally or in this Fund particularly or the ability of the Index to track general stock market performance. MSCI is the licensor of certain trademarks, service marks and trade names of MSCI and of the Index which is determined, composed and calculated by MSCI without regard to the Fund, BlackRock Institutional Trust Company, N.A, BlackRock Investment Management (Australia) Limited or the Fund. MSCI has no obligation to take the needs of the BlackRock Institutional Trust Company, N.A., BlackRock Investment Management (Australia) Limited or the owners of the Fund into consideration in determining, composing or calculating the Index. MSCI is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the Fund to be issued or in the determination or calculation of the equation by which the Fund is redeemable for cash. Neither MSCI nor any other party has any obligation or liability to owners of the Fund in connection with the administration, marketing or trading of the Fund.

Although MSCI shall obtain information for inclusion in or for use in the calculation of the indexes from sources which MSCI considers reliable, neither MSCI nor any other party guarantees the accuracy and/or the completeness of the indexes or any data included therein. Neither MSCI nor any other party makes any warranty, express or implied, as to results to be obtained by licensee, licensee's customers and counterparties, owners of the Fund, or any other person or entity from the use of the indexes or any data included hereunder or for any other use.

Neither MSCI nor any other party makes any express or implied warranties, and MSCI hereby expressly disclaims all warranties of merchantability or fitness for a particular purpose with respect to the indexes or any data included therein. Without limiting any of the foregoing, in no event shall MSCI or any other party have any liability for direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Please refer to page 8 for information about the Index.

11.11 Registrar

We have appointed Computershare Investors Services Pty Limited ("Computershare") to maintain Unitholder records such as quantity of securities held, tax file number and details of participation in the DRP.

The Registrar can be contacted at:

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnson Street
Abbotsford, Victoria, 3067

Telephone: 1300 iShares (1300 474 2737)

Facsimile: (02) 8235 8209

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

11.12 Custody

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

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

The custodian may change from time to time but must satisfy any relevant regulatory requirements as mentioned above. If you require details of our custodian at any time, you should contact BlackRock (see page 33 for our details).

11.13 Receipt of instructions

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

11.14 Privacy Policy

The information requested on the attached Application Form is used by us for the primary purpose of establishing and administering investment(s) with us. We are unable to process applications and provide you with the requested investment without this information. BlackRock may take steps to verify information collected. We may collect this information from our external service providers.

A Privacy Policy detailing our handling of personal information is available upon request. You may request access to the information held by us about you and your investment(s), and we ask that you advise us of any changes to your information.

We may disclose information about you (or parts thereof) to external parties who act on our behalf in the operation of our business from time to time or as required by law. We, BlackRock,® Inc. and its related bodies corporate may use your information on occasion, to advise you about other services or products offered by us, however you may elect to stop receiving such information at any time.

You may contact our Privacy Officer on (03) 9657 3000 if you wish to update or request access to your information or if you have any queries regarding our Privacy Policy.

11.15 Complaints

If you are an investor in the Fund and you are dissatisfied with any service or product provided by us, you may complain to us and a Complaints Officer will handle your complaint within the guidelines of our Complaints Handling Policy which is in accordance with the Australian Standard on Complaints Handling. This service is free and covers complaints made both orally and in writing. We will acknowledge receipt of a complaint within 14 Business Days of its receipt. If you have a complaint, please contact us at:

Email: clientservices.aus@blackrock.com
 Telephone: 1300 366 100
 Mail: Enquiries and Complaints Officer at BlackRock
 Level 18, 120 Collins Street, Melbourne VIC 3000.

We must deal with a complaint and respond to you as soon as practicable but no longer than 45 days after receiving the complaint. If a complaint is not satisfied within this timeframe, or you are not satisfied with our response, you may refer your complaint to the Financial Ombudsman Service (“FOS”) of which we are a member and which is an independent entity. You may contact FOS at:

Mail: GPO Box 3, Melbourne VIC, 3001
 Telephone: 1300 780 808
 Website: fos.org.au
 Email: info@fos.org.au

11.16 About this Product Disclosure Statement

If you have received this PDS electronically we will provide a paper copy free upon request.

Information in this PDS is subject to change from time to time and where the changes are material, or materially adverse, we will notify Unitholders (and may issue a supplementary or replacement PDS). In that case, a paper copy explaining any changes will be given to Unitholders without charge on request. Where information or changes are not materially adverse to Unitholders, material can be obtained at iShares.com.au or by contacting us on 1300 iShares (1300 474 2737) between 8:30am and 7:00pm Monday to Friday.

As the Responsible Entity of the Fund, we are subject to continuous disclosure obligations that require us to make material information available. We will comply with our continuous disclosure obligations under the law by publishing material information about the Fund on our website in accordance with ASIC’s good practice guidance for website disclosure. You can obtain a copy of the Fund’s continuous disclosure information by visiting iShares.com.au. We encourage you to regularly check our website for new information that may be relevant to your investment. A paper copy of this information will also be given to you, on request, without charge.

11.17 ASIC Relief

Equal Treatment Relief

ASIC has granted relief under section 601QA of the Corporations Act 2001 from the equal treatment requirement in section 601FC(1)(d), to the extent necessary to permit the redemption requirements and procedures for Units and the provision of certain Fund portfolio information to Authorised Participants as described in this PDS.

PDS and Issue of Securities Requirements

ASIC has granted relief under section 1020F(1)(c) of the Corporations Act 2001 from sections 1013H and 1016D, to reflect the continuous offering of Units in the Fund. For the purposes of this relief Units issued pursuant to an application will be quoted under the AQUA Rules on the ASX with effect from the settlement of the issue of the relevant Units through CHESS and on a monthly basis we will announce to the ASX via the ASX Company Announcements Platform the Fund’s total Units on issue

within 5 Business Days of the month end. As the settlement of the issue of the relevant Units will be made through CHESS, we will not be required to hold application monies prior to the issue of Units.

Redemption Facility – Relevant Interest in Fund Assets

ASIC has granted relief under section 655A(1) and 673(1) of the Corporations Act 2001 by modifying section 609 of the Corporations Act 2001 to ensure that the ability to lodge a redemption request under the redemption facility offered by the Fund does not by itself give Unitholders a relevant interest in the securities held by the Fund. The instrument clarifies that those relevant interests do not need to be taken into account by Unitholders in relation to their obligations under the takeover and substantial holder notices regimes in the Corporations Act 2001. The relief will not apply once the relevant Units are redeemed.

Ongoing Disclosure Relief

ASIC has granted relief under section 1020F(1)(a) of the Corporations Act 2001 from the ongoing disclosure requirements in section 1017B on condition that BlackRock complies with the continuous disclosure requirements of the Corporations Act 2001 as if the Fund were an unlisted disclosing entity.

12. Corporate directory

BLACKROCK INVESTMENT MANAGEMENT (AUSTRALIA) LIMITED

Level 18,
120 Collins Street
Melbourne VIC 3000

Telephone: (03) 9657 3000
Facsimile: (03) 9657 3400

FUND REGISTRAR

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford VIC 3067

Telephone: **1300 iShares** (1300 474 2737)
Facsimile: (02) 8235 8209

iSHARES AUSTRALIA CAPITAL MARKETS DESK

BlackRock Asset Management Australia Limited
Level 43, Grosvenor Place
225 George Street
Sydney NSW 2000

Telephone: (02) 9272 2200
Facsimile: (02) 9278 5573

AUSTRALIAN LEGAL ADVISERS

Minter Ellison
Aurora Place
88 Phillip Street
Sydney NSW 2000

Telephone: (02) 9921 8888
Facsimile: (02) 9921 8123

13. Glossary

'Administrator' refers to J.P.Morgan Chase Bank, N.A.

'Application Form' refers to the form for applications for creations and redemptions which is attached to this PDS.

'AQUA Rules' refers to the ASX Operating Rules that apply to AQUA products and AQUA trading.

'ASIC' refers to the Australian Securities and Investments Commission.

'ASX' refers to the Australian Securities Exchange Ltd.

'Authorised Participant' refers to persons who have been authorised as trading participants under the ASX Operating Rules and, where required, have entered into a relevant Authorised Participant Agreement.

'Authorised Participant Agreement' refers to an agreement between us and an Authorised Participant governing the application and redemption of Units in the Fund.

'Business Day' has the same meaning as in the ASX Operating Rules.

'CHESS' refers to Clearing House Electronic Sub-register System.

'Constitution' means the constitution of the Fund.

'Creation/Redemption Basket' means a portfolio of securities determined by us.

'Creation/Redemption Unit' means an aggregate of 75,000 Units.

'DRP' means the distribution reinvestment plan for the Fund, as described on page 23

'ETF' refers to an exchange traded fund.

'Fund' refers to the iShares MSCI Australia 200 Index Fund ARSN 146 083 141.

'GST' means the Goods and Services Tax.

'Index' refers to the MSCI Australia 200 Index.

'NAV' refers to the net asset value of the Fund.

'PDS' means this product disclosure statement as amended or supplemented from time to time.

'Registrar' means Computershare Investor Services Pty Ltd.

'Responsible Entity', 'the Manager', 'we', 'our', 'us' or 'BlackRock' means BlackRock Investment Management (Australia) Limited ABN 13 006 165 975, AFS Licence No. 230523, the Responsible Entity of the Fund.

'Unit' refers to units in the Fund as described in this PDS.

'Unitholder' refers to a person holding Units in the Fund.

Application Form

iShares MSCI Australia 200 ETF (ARSN 146 083 141)

BlackRock Investment Management (Australia) Limited ABN 13 006 165 975, AFS Licence No. 230523. This Application/Redemption Form may only be used if attached to the Product Disclosure Statement dated 26 November 2010 (as supplemented 24 December 2012 and 4 February 2014). You will also need to complete any forms required by BlackRock for client identification and verification procedures, including proof of investor ID requirements. **Applications Fax No: 02 9278 5573**

1. Account Name(s)

Account Name		()
Contact Name 1		Telephone
Email		()
Contact Name 2		Fax Number
Email		()
		Telephone
		()
		Fax Number

2. Address Details

Registered office address

Number	Building and /or Street		
Suburb/Town	State	Postcode	

Mailing Address

Number	Street		
Suburb/Town	State	Postcode	

3. Number of Creation/ Redemption Units applied/redeemed

The applicant applies to BlackRock Investment Management (Australia) Limited ABN 13 006 165 975, AFS Licence No. 230523 as Responsible Entity for the iShares MSCI Australia 200 ETF for the creation/redemption of the number of Creation/Redemption Units specified (whole multiples of 75,000 Units only).

Example: If number of Creation Units 4, aggregate units applied for is 300,000

Number of Creation Units

Number of Redemption Units

4. Basket Type

[Tick only ONE box]

<input type="checkbox"/> CASH	<input type="checkbox"/> IN-SPECIE	<input type="checkbox"/> Non-standard - [Complete table below]
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The Authorised Participant is responsible for notifying us about cash only or "non-standard-baskets".

Non-standard baskets require the Authorised Participant or the Fund (as the case may be) to deliver additional cash in lieu of omitted securities. Applications for a non-standard basket require completion of the following table. For further information on notification on notification of non-standard baskets please refer to the operating schedules which form part of the Authorised Participant Agreement.

Security name	SEDOL	Quantity

Signatures & Acknowledgements

I/We wish to subscribe for Units in the amount and allocation detailed above and in doing so, agree to be bound by the provisions of the Constitutions (as amended) constituting the Fund.

I/We acknowledge that all information provided in this form is true and correct.

I/We acknowledge that I/we have obtained independent advice.

I/We have read the Product Disclosure Statement (including any Supplementary Product Disclosure Statement) to which this Application Form relates, together with the application instructions. I/We expressly acknowledge that this is not a bank deposit and that the return of capital, the performance of the Fund(s) or any particular rate of return are not guaranteed by BlackRock Investment Management (Australia) Limited, nor any member of the BlackRock Group.

I/We acknowledge that, upon receipt of this application, the Responsible Entity may enter into transactions for the Fund(s) in anticipation of payment of for creation/redemption monies or property, and I/we indemnify the Responsible Entity against any losses and expenses incurred by it if the creation/redemption monies or property are not by the specified payment date.

I/We agree to execute an Authorised Participant Agreement (including the operating procedures referred to in the Authorised Participant Agreement) in respect of an application for creation or redemption and agree to be bound by such Authorised Participant Agreement (including the operating procedures referred to in the Authorised Participant Agreement), and confirm that I/we are authorised as trading participants under the Australian Securities Exchange (ASX) Operating Rules and are acting as principal.

I/We agree to receive the annual reports concerning the Fund(s) disclosed in this offer document in an electronic format unless I/we have notified the Responsible Entity otherwise.

I/We confirm that I/we have notified BlackRock of any non-standard baskets or cash creations by completing the section above on the Application Form under the section 'Basket Type'.

An investment in a Fund offered under the Product Disclosure Statement and this Application Form is not a deposit or other liability of BlackRock or its subsidiaries. Investment products are subject to investment risk, including possible delays in repayment and loss of income and principal invested.

Where this application is signed under power of attorney the donee declares that they have not received any notification or revocation whether by death or otherwise. A company is required to sign in accordance with its Constitution and the Corporations Act 2001 or under power of attorney.

I/We acknowledge that the Responsible Entity will rely on the continuing directions and acknowledgements given by us, until I/we notify the Responsible Entity in writing to the contrary.

I/We acknowledge that the terms and conditions set out on this Application Form will govern all other investments I/we make in the Fund(s) offered in this **Product Disclosure Statement**.

Authorised person (PRINT NAME) 1

Authorised person (PRINT NAME) 2

Authorised person Signature 1

Date

Authorised person signature 2

Date

Common Seal
(if applicable)

Important

Units will only be created/redeemed on receipt of the Application Form issued together with this Product Disclosure Statement.

This Product Disclosure Statement contains information about investing in the Fund(s). Before making an application for Units you should read this Product Disclosure Statement.

If you give another person access to the Application Form you must at the same time and by the same means give the other person access to this Product Disclosure Statement and any supplementary Product Disclosure Statement. The Responsible Entity will send you a paper copy of this Product Disclosure Statement, any supplementary Product Disclosure Statement and the Application Form on request and free of charge during the life of this Product Disclosure Statement.

This Application Form is only valid if attached to or accompanying the Product Disclosure Statement (electronic or paper copy) dated 26 November 2010 (as supplemented 24 December 2012 and 4 February 2014).