

2016年6月期 中間決算短信 (2015年7月1日~2015年12月31日)

Semi-Annual Earnings Report for Fiscal Year ended June 2016 (July 1, 2015 – December 31, 2015)

2016年2月29日

February 29, 2016

ファンド名	i シェアーズ 新興国債券 ETF (バークレイズ Local EM 国債コア)	上場取引所	東
コード番号	1362	売買単位	1 口
連動対象指標	バークレイズ新興市場自国通貨建てコア国債インデックス		
主要投資資産	有価証券		
外国投資法人	i シェアーズ III パブリック・リミテッド・カンパニー		
代表者	(役職名) ディレクター	(氏名)	バリー・オドワイアー
管理会社	ブラックロック・アセット・マネジメント・アイルランド・リミテッド		
URL	http://www.blackrock.com/jp/products/271020/		
代表者	(役職名) ディレクター	(氏名)	バリー・オドワイアー
問合せ先責任者	(役職名) 代理人	(氏名)	濃川 耕平 (TEL) 03(5562)8500

Fund name:	iShares Emerging Markets Local Government Bond UCITS ETF-JDR	Listed Exchange:	TSE
Code:	1362	Trading unit:	1 unit
Underlying indicator:	Barclays Emerging Markets Local Currency Core Government Bond Index		
Primary invested assets:	Securities		
Foreign Investment Corporation:	iShares III Public Limited Company		
Representative:	(Title) Director	(Name)	Barry O'Dwyer
Management co.:	BlackRock Asset Management Ireland Limited		
URL:	http://www.blackrock.com/jp/products/271020/		
Representative:	(Title) Director	(Name)	Barry O'Dwyer
Contact person:	(Title) Attorney-in-Fact	(Name)	Kohei Koikawa (TEL) 03(5562)8500

半期報告書提出予定日 2016年3月

Scheduled date of submission of semi-annual report: March 2016

I ファンドの運用状況

I Fund Management

1. 2015年12月中間期の運用状況 (2015年7月1日～2015年12月31日)

1. Management Status for Half-Year Ended December 2015 (from July 1, 2015 to December 31, 2015)

(1) 信託財産である外国ETFの資産内訳

(百万円未満切捨て)

(1) Assets of Trust Asset Foreign ETF

(amounts below 1 mil. yen are disregarded)

	主要投資資産		現金・預金・その他の資産 (負債控除後)		合計 (純資産)	
	Primary Invested Assets		Cash/Deposits/Other Assets (minus liabilities)		Total (Net Assets)	
	金額 Amount	構成比 ratio	金額 Amount	構成比 ratio	金額 Amount	構成比 ratio
	百万円 JPY mil.	%	百万円 JPY mil.	%	百万円 JPY mil.	%
2015年12月中間期 1st Half of the FY ended December 2015	217,815	95.84	9,453	4.16	227,268	100.00
2015年6月期 FY ended June 2015	204,584	96.60	7,193	3.40	211,777	100.00

(2) 信託財産である外国ETFの設定・交換実績

(2) Creation and Redemption of Trust Asset Foreign ETF

	前計算期間末 発行済口数 No. of Issued Units at End of Previous Calculation Period (1)	設定口数 No. of Units Created (2)	交換口数 No. of Units Redeemed (3)	当中間計算期間末 発行済口数 No. of Issued Units at End of Semi-annual Period (1)+(2)-(3)
	千口 '000 units	千口 '000 units	千口 '000 units	千口 '000 units
2015年12月中間期 1st Half of the FY ended December 2015	25,947	12,428	7,076	31,299

(3) 信託財産である外国ETFの基準価額

(3) Net Asset Value of Trust Asset Foreign ETF

	総資産 Total Assets (1)	負債 Liabilities (2)	純資産 Net Assets (3)(1)-(2))	1口当たり基準価額 Net Asset Value per unit ((3)/当中間計算期 間末(前計算期間末) 発行済口数)×1) ((3)/No. of Issued Units at End of Semi-annual Period (Previous Calculation Period))×1)
	百万円 JPY mil.	百万円 JPY mil.	百万円 JPY mil.	円 JPY
2015年12月中間期 1st Half of the FY ended December 2015	234,329	7,061	227,268	7,261.04
2015年6月期 FY ended June 2015	218,586	6,809	211,777	8,161.89

(4) 上場外国 ETF 信託受益証券に係る設定・交換実績

(4) Creation and Redemption of Listed Foreign ETF Trust Beneficiary Certificates (JDR)

	前計算期間末 発行済口数 No. of Issued Units at End of Previous Calculation Period	設定口数 No. of Units Created	交換口数 No. of Units Redeemed	当中間計算期間末(前 計算期間末) 発行済口数 No. of Issued Units at End of Semi-annual Period (Previous Calculation Period)
	(①)	(②)	(③)	(①+②-③)
	千口 '000 units	千口 '000 units	千口 '000 units	千口 '000 units
2015年12月中間期 1st Half of the FY ended December 2015	112	77	0	189
2015年6月期 FY ended June 2015	—	112	0	112

(5) 上場外国 ETF 信託受益証券の分配金

(5) Dividend Payment of Listed Foreign ETF Trust Beneficiary Certificates (JDR)

2015年12月中間期 1st Half of the FY ended December 2015	1口当たり分配金 Dividend per unit	2015年6月期 FY ended June 2015	1口当たり分配金 Dividend per unit
※	円 JPY	※	円 JPY
—	—	2014年12月19日 December 19, 2014	240
—	—	2015年6月26日 June 26, 2015	258

※ 当該期間における分配のための基準日を記載しております。

※ The record dates for distributions corresponding to the relevant period are indicated.

(注) 上記(1)～(3)の表における米ドルから日本円への換算は、1米ドル=120.87円の換算率(2016年1月29日に株式会社三菱東京UFJ銀行が公表した対顧客電信売買相場の仲値)により計算されています。

(Note) Conversion from United States dollars into Japanese yen with respect to the tables in (1) through (3) above has been made at the exchange rate of \$1 = ¥120.87 (the telegraphic transfer middle exchange rate vis-à-vis customers quoted by The Bank of Tokyo-Mitsubishi UFJ, Ltd. on January 29, 2016).

2. 信託財産である外国ETFの会計方針の変更

2. Change in Accounting Policies of Trust Asset Foreign ETF

(1) 会計基準等の改正に伴う会計方針の変更 : 無

(1) Changes accompanying revision to accounting standards, etc. : No

(2) (1)以外の会計方針の変更 : 無

(2) Changes other than those in (1) : No

Contents

Half yearly management report	
Financial instruments and risks	2
Significant related party transactions	8
Financial Statements	
Unaudited financial statements of the Company	
Condensed income statement	10
Condensed statement of changes in net assets attributable to redeemable participating shareholders	10
Condensed balance sheet	11
Notes to the unaudited financial statements of the Company	12
Unaudited condensed Fund primary statements, schedules of investments, schedules of material purchases and sales, and notes:	
iShares Emerging Markets Local Government Bond UCITS ETF	15
Notes to the unaudited financial statements of the Funds	23
Appendix - Fair value mapping	24

IMPORTANT INFORMATION FOR JAPANESE INVESTORS

Some funds of the Company are not authorised for distribution in Japan. Therefore this report does not contain any information with regard to these funds. However, investors are being advised that some of the information in this report has been prepared on a consolidated basis and thus also includes data of those funds, which are not authorised for the distribution to unqualified investors in or from Japan.

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

Half yearly management report

FINANCIAL INSTRUMENTS AND RISKS*

Introduction and overview

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

Risk management framework

The principal risks and uncertainties of the Company and related risk management policies are consistent with those disclosed in the Company's audited financial statements as at and for the year ended 30 June 2015.

The Directors of the Company consider the following risks to be the principal risks and uncertainties facing the Company for the period:

a) Market risk

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

i) Market risk arising from other price risk

Exposure to other price risk

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

The Funds are exposed to market risk arising by virtue its investments in equities, warrants, rights, bonds, futures contracts, CFDs and forward currency contracts.

The movements in the prices of these investments result in movements in the performance of the Funds. The investment concentrations within the portfolio are disclosed in the schedules of investments by investment type.

Management of other price risk

The Investment Manager manages the Funds' market risk on a daily basis in accordance with the Funds' investment objective. The investment objective of the Funds is to provide investors with a total return, taking into account the capital and income returns, which reflect the total returns of the respective benchmark. The Fund's

performance is correlated to its benchmark. The correlation of the Funds' performance against the benchmark is a metric monitored by key management personnel.

ii) Market risk arising from foreign currency risk

Exposure to foreign currency risk

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

The Funds may invest in securities, which as far as possible and practicable, consist of the component securities of the benchmark index of each Fund, and which may be denominated in currencies other than its reporting currency. Consequently, each Fund is exposed to the risk of currency fluctuations between the base currency of the benchmark index and the base currency of the constituent securities of the benchmark index.

The Funds may also invest in forward currency contracts and thus gain further exposure to foreign currency risk.

Management of foreign currency risk

Exchange rate exposures are managed within parameters utilising forward currency contracts. The details of the contracts in place at the period-end date are disclosed in the schedules of investments.

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

iii) Market risk arising from interest rate risk

Exposure to interest rate risk

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

The Funds are exposed to interest rate risk through their cash holdings, including margin cash held with brokers and their investments in fixed and floating interest bearing securities where the value of these securities may fluctuate as a result of a change in interest rates.

The Funds also have indirect exposure to interest rate risk through their investments into futures contracts, whereby the value of the underlying asset may fluctuate as a result of a change in interest rates.

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

Half yearly management report

FINANCIAL INSTRUMENTS AND RISKS* (continued)

a) Market risk (continued)

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

Management of interest rate risk

Movements in the prices of these investments are derived from movements in market interest rates and issuer credit-worthiness.

Issuer credit worthiness and credit spreads are monitored by the Investment Manager regularly. The securities in which the Funds invest will generally have a minimum rating of investment grade from a ratings agency as set out in the investment policy of the Funds.

b) Counterparty credit risk

Exposure to counterparty credit risk

Counterparty credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Funds are exposed to counterparty credit risk from the parties with which they trade and will bear the risk of settlement default.

Management of counterparty credit risk

The Board of Directors have appointed Designated Persons who are responsible for their respective management functions including a Designated Person who is responsible for risk management and whose duties comprise of identifying, monitoring and managing risk including counterparty credit risk.

The Designated Person with responsibility for risk management is supported by BlackRock's Risk and Quantitative Analysis Group ("RQA") Counterparty & Concentration Risk Team.

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

There were no past due or impaired assets as at 31 December 2015 or 30 June 2015.

i) Exchange Traded Financial Derivative Instruments

The Funds' holdings in futures contracts expose the Funds to counterparty credit risk.

Management of counterparty credit risk related to futures contracts

The exposure is limited by trading the contracts through a clearing house. The Funds' exposure to counterparty credit risk on contracts in which it currently has a gain position is reduced by such gains

received in cash from the counterparty under the daily mark-to-market mechanism on exchange traded futures contracts (variation margin). The Funds' exposure to counterparty credit risk on contracts in which it currently has a loss position is equal to the amount of margin posted to the counterparty which has not been transferred to the exchange under the daily mark-to-market mechanism. The counterparty for futures contracts is Barclays Bank Plc.

Margin is paid or received on futures contracts to cover any exposure by the counterparty or the Funds to each other. The "Margin cash account" on the condensed balance sheet consists of margin receivable from or payable to the Company's clearing brokers and various counterparties.

ii) Over-the-Counter ("OTC") Financial Derivative Instruments

The Funds' holdings in forward currency contracts also expose the Funds to counterparty credit risk.

The Funds' maximum exposure to counterparty credit risk from holding forward currency contracts will be equal to the notional amount of the currency and any net unrealised gains as disclosed in the schedules of investments.

The Funds' holdings in CFDs expose the Funds to counterparty credit risk. Counterparty credit risk arises from the failure of the counterparty to perform according to the terms of the contract. The Funds' exposure to counterparty credit risk is limited to the contracts in which it currently has a gain position reduced by the cash collateral received from the counterparty or to counterparties who have received collateral from the Fund.

The carrying value of financial assets together with cash best represents the Funds' gross maximum exposure to counterparty credit risk at the reporting date, before including the effect of International Swaps and Derivatives Association, Inc. ("ISDA") master agreements and close-out netting, which would reduce the overall counterparty credit risk exposure.

Cash held as security by the counterparty to derivative contracts is subject to the credit risk of the counterparty

Management of counterparty credit risk related to OTC Financial Derivative Instruments

Forward currency contracts do not require variation margins and thus the counterparty credit risk is monitored through the BlackRock RQA Counterparty & Concentration Risk Team who monitor the creditworthiness of the counterparty. The counterparties for forward currency contracts are disclosed in the schedules of investments.

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

Half yearly management report

FINANCIAL INSTRUMENTS AND RISKS* (continued)

b) Counterparty credit risk (continued)

iii) Custodian

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

The Custodian has appointed State Street Bank and Trust Company (the "Sub-Custodian") as its global Sub-Custodian. Substantially all of the cash of the Company is held with the Sub-Custodian. The Funds' cash balances are held by the Sub-Custodian in its account together with its own cash balances and with those cash balances that are held on behalf of other clients. The Funds' cash balances are separately identifiable within the records of the Sub-Custodian.

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

Management of counterparty credit risk related to the Custodian

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

The long term credit rating of the parent company of the Custodian and Sub-Custodian, State Street Corporation, as at 31 December 2015 is A+ (30 June 2015, is A+) (Standard and Poor's rating).

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

iv) Counterparties

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

Counterparty credit risk arising on transactions with brokers relates to transactions awaiting settlement. Risk relating to unsettled transactions is considered small due to the short settlement period involved and the high credit quality of the brokers used.

Management of counterparty credit risk related to Counterparties

The Funds monitor the credit rating and financial position of the brokers used to further mitigate this risk.

v) Debt securities

Issuer credit risk is the default risk of one of the issuers of any securities held by the Funds. Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating.

Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated. A number of the Funds invest into sovereign and corporate debt. This exposes the Funds to the risk that the issuer of the bonds may default on interest or principal payments.

Management of issuer credit risk related to debt securities

To manage this risk, the Investment Manager invests in a wide range of debt securities, subject to the investment objectives of each Fund and monitors the credit ratings of the investments as disclosed in the schedules of investments. The ratings of the debt securities are continually monitored by the BlackRock Portfolio Management Group ("PMG").

vi) Securities lending

The Funds engage in security lending activities which expose the Funds to counterparty credit risk. The maximum exposure to each Fund is equal to the value of the securities loaned as disclosed in note 4 of the notes to the financial statements of the Funds.

Management of counterparty credit risk related to securities lending

To mitigate this risk, the Funds receive securities as collateral (financial instruments) equal to a certain percentage of the value of the securities loaned and BlackRock provides the Funds with indemnification against borrower default as disclosed in note 5 of the financial statements of the Company.

The securities lending borrowers that can receive loaned securities are Abbey National Treasury Services Plc, Barclays Bank Plc, Barclays Capital Securities Ltd, BNP Paribas, BNP Paribas Arbitrage, Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, Goldman Sachs International, HSBC Bank Plc, J.P. Morgan Securities Plc, Macquarie Bank Limited, Merrill Lynch International, Morgan Stanley & Co. International Plc, Nomura International Plc, Skandinaviska Enskilda Banken AB, Societe Generale, The Bank of Nova Scotia and UBS AG.

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

Half yearly management report

FINANCIAL INSTRUMENTS AND RISKS* (continued)

b) Counterparty credit risk (continued)

vii) Collateral

The Funds engage in activities which may require collateral to be provided to a counterparty ("pledged collateral") or may hold collateral received ("inbound collateral") from a counterparty.

No securities collateral received from a single issuer, in relation to efficient portfolio management and OTC financial derivative instruments, has exceeded 20% of any of the respective Funds' NAV at the period end date.

None of the Funds have been fully collateralised in securities issued or guaranteed by an EU member state at the period end date.

Management of counterparty credit risk related to collateral

The Funds use inbound collateral received from a counterparty to reduce the credit risk associated with any trading activity the Funds have engaged in.

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

c) Liquidity risk

Exposure to liquidity risk

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

Liquidity risk to the Funds arises from the redemption requests of investors and the liquidity of the underlying investments the Funds are invested in. The Funds' shareholders may redeem their shares on the close of any daily dealing deadline for cash equal to a proportionate share of the Funds' NAV.

The Funds are therefore potentially exposed to the liquidity risk of meeting the shareholders' redemptions and may need to sell assets at prevailing market prices to meet liquidity demands. It is also exposed to the liquidity risk of daily margin calls on derivatives.

Management of liquidity risk

Liquidity risk is minimised by holding sufficient liquid investments which can be readily realised to meet liquidity demands. To manage this risk, if redemption requests on any dealing day represent 10% or more of the shares in issue in respect of any Fund, the Manager may, in its discretion, refuse to redeem any shares in excess of 10% (at any time including after the cut-off time on the dealing day).

Any request for redemption on such dealing day shall be reduced rateably and the redemption requests shall be treated as if they were received on each subsequent dealing day until all shares to which the original request related have been redeemed.

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

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

d) Valuation of financial instruments

The Funds are required to classify financial instruments measured at fair value using a fair value hierarchy. The fair value hierarchy has the following categories:

Quoted price for an identical instrument in an active market

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Investments whose values are based on quoted market prices in active markets and therefore classified within the "Quoted price for an identical instrument in an active market" category. The Fund does not adjust the quoted price for these instruments.

Unquoted price based on recent transactions for an identical instrument

This category includes instruments, for which quoted prices are unavailable. These are valued using the price of a recent transaction for an identical asset, which provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place.

Valuation techniques

This category includes instruments for which there is no active market and recent transactions of an identical instrument on their own are not a good estimate of fair value. Therefore, fair value is estimated by using a valuation technique. The objective of using a valuation technique is to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations including market expectations and risk return factors.

The valuation techniques used to estimate fair value are based on market inputs or entity determined inputs.

Valuation techniques using market inputs

This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

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

Half yearly management report

FINANCIAL INSTRUMENTS AND RISKS* (continued)

d) Valuation of financial instruments (continued)

Valuation techniques using market inputs (continued)

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

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by market inputs are classified within the "Valuation techniques using market inputs" category.

The table below is an analysis of the Funds financial assets and financial liabilities measured at fair value at 31 December 2015 and 30 June 2015. There were no financial assets or financial liabilities of the Funds fair valued using unquoted prices based on recent transactions for an identical instrument at 31 December 2015 and 30 June 2015.

31 December 2015

Category	Quoted prices for identical instruments in active markets	Valuation techniques		Total
		Valuation techniques using market inputs	Valuation techniques using entity-determined inputs	
iShares Emerging Markets Local Government Bond UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Debt securities	-	1,802,092	-	1,802,092
- Forward currency contracts	-	136	-	136
Total	-	1,802,228	-	1,802,228
Financial liabilities at fair value through profit or loss				
- Forward currency contracts	-	(164)	-	(164)
Total	-	(164)	-	(164)

30 June 2015

Category	Quoted prices for identical instruments in active markets	Valuation techniques		Total
		Valuation techniques using market inputs	Valuation techniques using entity-determined inputs	
iShares Emerging Markets Local Government Bond UCITS ETF	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss				
- Debt securities	-	1,692,723	-	1,692,723
Total	-	1,692,723	-	1,692,723
Financial liabilities at fair value through profit or loss				
- Forward currency contracts	-	(126)	-	(126)
Total	-	(126)	-	(126)

Investments whose values are based on entity-determined inputs include equities that were suspended at the period end, priced by the Investment Manager or priced at zero for the period ended 31 December 2015 and year ended 30 June 2015.

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

Half yearly management report

FINANCIAL INSTRUMENTS AND RISKS* (continued)

e) Leverage

The use of derivatives may expose Funds to a higher degree of risk. In particular, derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure.

A relatively small market movement may have a potentially larger impact on derivatives than on non-derivative instruments. Leveraged derivative positions can therefore increase Fund volatility.

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

Half yearly management report

SIGNIFICANT RELATED PARTY TRANSACTIONS

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

The following entities were related parties to the Funds during the period ended 31 December 2015:

Board of Directors of the Company	
Manager:	BlackRock Asset Management Ireland Limited
Investment Manager, Promoter and Securities Lending Agent:	BlackRock Advisors (UK) Limited
Sub-Investment Managers:	BlackRock Financial Management, Inc. BlackRock (Singapore) Limited
Representative in Switzerland:	BlackRock Asset Management Schweiz AG

The ultimate holding Company of the Manager, Investment Manager Sub-Investment Managers, Promoter, Securities Lending Agent and representative in Switzerland is BlackRock Inc., a company incorporated in Delaware USA.

PNC Financial Services Group, Inc. ("PNC") is a substantial shareholder in BlackRock Inc. PNC did not provide any services to the Company during the period ended 31 December 2015 and the year ended 30 June 2015.

When arranging transactions in securities for the Company, affiliates of PNC may provide securities brokerage, foreign exchange, banking and other services, or may act as principal, on their usual terms and may benefit therefrom.

Commissions have been paid to brokers and agents in accordance with the relevant market practice and the benefit of any bulk or other commission discounts or cash commissions rebates provided by brokers or agents have been passed on to the Funds.

The services of PNC Group companies could have been used by the Investment Manager where it is considered appropriate to do so provided that their commissions and other terms of business are generally comparable with those available from unassociated brokers and agents in the markets concerned, and this is consistent with the above policy of obtaining best net results.

Fees payable to the Manager and Investment Manager are paid out of the TER charged to the Funds.

The TER forms part of the operating expenses which are included in the condensed income statement. The Investment Manager will discharge the fees and expenses of the Sub-Investment Managers.

Securities lending income earned by the Funds is disclosed in note 4 in the notes to the unaudited primary statements of the Funds and note 5 in the notes to the unaudited financial statements of the Company.

Details of soft commission arrangements with related parties are disclosed in note 2 of the notes to the unaudited financial statements of the Company.

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

With the exception of Paul McNaughton and Paul McGowan all Directors are also employees of the BlackRock Group.

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

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

On her appointment as a non-executive Director on 31 March 2013 Cora O'Donohoe held either directly or indirectly the following redeemable participating shares:

Fund	Participating Shares
iShares MSCI Emerging Markets	
Small Cap UCITS ETF	159
iShares MSCI Japan Small Cap UCITS ETF (Inc)	389
iShares S&P Small Cap 600 UCITS ETF	1,706

The above shareholding had not changed as at 31 December 2015.

Cora O'Donohoe resigned from the Board of Directors effective 31 December 2015.

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

Half yearly management report

SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

The investment into ICS funds is included in cash equivalents and is managed by BlackRock Asset Management Ireland Limited. No management fees are incurred as a result of any of the investments in ICS.

Significant Holdings

The Company had no shareholders with holdings of voting shares greater than 20% or any shareholders who are considered to be related parties as at the periods ended 31 December 2015 and 30 June 2015.

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

No provisions have been recognised by the Funds against amounts due from related parties at the period end date (30 June 2015: Nil).

No amounts have been written off in the period in respect of amounts due to or from related parties (30 June 2015: Nil).

No commitments secured or unsecured or guarantees have been entered into with related parties during the period (30 June 2015: Nil).

CONDENSED INCOME STATEMENT (unaudited)

For the period ended 31 December 2015

	Note	Period ended 31 December 2015 €'000	Period ended 31 December 2014 €'000
Operating income		290,397	245,858
Net losses on financial assets/liabilities at fair value through profit or loss		(617,340)	(165,738)
Total (losses)/gains		(326,943)	80,120
Operating expenses		(34,534)	(26,491)
Negative yield on financial assets		(92)	-
Net operating (loss)/profit		(361,569)	53,629
Finance costs:			
Distributions to redeemable participating shareholders	6	6,164	(167,205)
Interest expense		(97)	(38)
Total finance costs		6,067	(167,243)
Net loss for the financial period before tax		(355,502)	(113,614)
Capital gains tax		(5)	(557)
Non-reclaimable withholding tax		(11,002)	(6,608)
Net loss for the financial period after tax		(366,509)	(120,779)
Adjustment to align to the valuation methodology as set out in the prospectus		750	6,063
Decrease in net assets attributable to redeemable participating shareholders from operations		(365,759)	(114,716)

There are no recognised gains or losses arising in the period other than those dealt with in the condensed income statement. In arriving at the results of the financial period, all amounts relate to continuing operations. For the period ended 31 December 2014, the amounts relate to discontinued operations on iShares EURO STOXX 50 UCITS ETF (Acc), iShares MSCI Canada UCITS ETF and iShares S&P 500 UCITS ETF (Acc) which closed during the prior period.

CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (unaudited)

For the period ended 31 December 2015

	Period ended 31 December 2015 €'000	Period ended 31 December 2014 €'000
Net assets attributable to redeemable participating shareholders at the beginning of the period	26,749,778	18,807,447
Notional foreign exchange adjustment*	195,877	893,262
Decrease in net assets attributable to redeemable participating shareholders from operations	(365,759)	(114,716)
Share transactions:		
Proceeds from issue of redeemable participating shares	7,952,633	7,286,721
Payments on redemption of redeemable participating shares	(4,089,764)	(2,770,267)
Transfer due to mergers into the Company**	40,520	182,660
Transfer due to mergers out of the Company***	-	(1,652,474)
Increase in net assets resulting from share transactions	3,903,389	3,046,640
Net assets attributable to redeemable participating shareholders at the end of the period	30,483,285	22,632,633

* The notional foreign exchange adjustment arises from the retranslation of the net assets at the beginning of the period using the exchange rate as at 31 December 2015. The average rate for the period is applied to the condensed income statement items and share transactions (See note 4).

** Please see details of Fund Mergers in the condensed income statement of iShares Core MSCI World UCITS ETF, iShares MSCI Australia UCITS ETF, iShares MSCI Europe UCITS ETF (Acc), iShares MSCI Japan Small Cap UCITS ETF (Dist) and iShares MSCI South Africa UCITS ETF.

*** Please see details of Fund Mergers in the condensed income statement of iShares EURO STOXX 50 UCITS ETF (Acc), iShares MSCI Canada UCITS ETF and iShares S&P 500 UCITS ETF (Acc).

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

CONDENSED BALANCE SHEET (unaudited)

As at 31 December 2015

	Note	31 December 2015 €'000	30 June 2015 €'000
CURRENT ASSETS			
Cash		220,758	305,321
Cash equivalents		56,316	29,519
Margin cash account		764	1,519
Receivables		466,383	405,866
Financial assets at fair value through profit or loss	8	30,014,885	26,358,777
Total current assets		30,759,106	27,101,002
CURRENT LIABILITIES			
Bank overdraft		(5)	(389)
Margin cash account		(1)	-
Cash collateral payable		(10)	(11)
Payables		(286,015)	(163,766)
Distributions payable to redeemable participating shareholders		-	(195,924)
Financial liabilities at fair value through profit or loss	8	(250)	(844)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(286,281)	(360,934)
Net assets attributable to redeemable participating shareholders		30,472,825	26,740,068
Adjustment to align to the valuation methodology as set out in the prospectus		10,460	9,710
Net asset value attributable to redeemable participating shareholders at the end of the period/year		30,483,285	26,749,778

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

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS OF THE COMPANY

For the period ended 31 December 2015

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The financial statements of the Company are prepared in accordance with Financial Reporting Standard 104 Interim Financial Reporting ("FRS 104") and Irish statute pursuant to the Companies Act 2014 and in accordance with the requirements of the CBI. Accounting standards generally accepted in Ireland in preparing financial statements which present a true and fair view are those published by the Institute of Chartered Accountants in Ireland (the "Institute") and issued by the Financial Reporting Council ("FRC").

Due to the special nature of the Company's business, the directors have adapted the arrangement and headings and sub-headings of the financial statements otherwise required by Schedule 3 to the Companies Act 2014.

FRS 104 was issued by the FRC in March 2015 and replaces the Statement on Half-Yearly Financial Reports issued by the Accounting Standards Board in 2007.

FRS 104 is effective for interim periods commencing on or after 1 January 2015.

The principal accounting policies and estimation techniques are consistent with those applied to the previous annual financial statements with the exception of the following:

Negative yield on financial assets

Negative yield on financial assets relating to interest from a negative effective interest rate on a financial asset is accreted daily and is recognised in the Income Statement over the life of the underlying instrument.

2. SOFT COMMISSIONS

There were no soft commissions arrangements entered into by the Investment Manager on behalf of the Company during the period ended 31 December 2015 (31 December 2014: Nil).

3. COMMITMENTS AND CONTINGENT LIABILITIES

There were no significant commitments or contingent liabilities at the period ended 31 December 2015 or 30 June 2015 other than those disclosed in the financial statements of the Funds.

4. EXCHANGE RATES

The rates of exchange ruling at 31 December 2015 and 30 June 2015 were:

		31 December 2015	30 June 2015
EUR1=	CHF	1.0874	1.0413
	DKK	7.4627	7.4599
	GBP	0.7370	0.7085

		31 December 2015	30 June 2015
	NOK	9.6152	8.7660
	PLN	4.2897	4.1904
	SEK	9.1582	9.2451
	USD	1.0863	1.1142
GBP1=	EUR	1.3568	1.4115
	USD	1.4739	1.5727
USD1=	AED	3.6730	3.6730
	AUD	1.3745	1.3011
	BHD	0.3771	0.3771
	BRL	3.9563	3.1064
	CAD	1.3891	1.2485
	CHF	1.0010	0.9346
	CLP	708.6000	639.5300
	CNH	6.5690	6.2052
	CNY	6.4936	6.2010
	COP	3,174.5000	2,599.6000
	CZK	24.8753	24.4655
	DKK	6.8698	6.6953
	EGP	7.8301	7.6301
	EUR	0.9206	0.8975
	GBP	0.6785	0.6358
	HKD	7.7502	7.7526
	HUF	290.9004	282.9564
	IDR	13,785.0000	13,332.5000
	ILS	3.8911	3.7724
	INR	66.1563	63.6800
	JPY	120.2950	122.3650
	KRW	1,172.5500	1,115.4500
	KWD	0.3035	0.3023
	MXN	17.2712	15.6907
	MYR	4.2935	3.7730
	NOK	8.8514	7.8675
	NZD	1.4607	1.4786
	OMR	0.3851	0.3850
	PEN	3.4115	3.1776
	PHP	47.0550	45.0900
	PLN	3.9490	3.7609
	QAR	3.6423	3.6413
	RON	4.1623	4.0190
	RUB	73.0350	55.7149
	SEK	8.4306	8.2975
	SGD	1.4187	1.3465
	THB	35.9850	33.7755
	TRY	2.9189	2.6790
	TWD	32.8470	30.8545
	ZAR	15.4955	12.1378

The average daily rates of exchange for each period/year end were:

		31 December 2015	31 December 2014
EUR1=	GBP	0.7200	0.7914
	USD	1.1034	1.2872

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS OF THE COMPANY (continued)

For the period ended 31 December 2015

5. EFFICIENT PORTFOLIO MANAGEMENT

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

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

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

During the period the Company engaged in securities lending. The Company receives either cash collateral or securities as collateral, as determined within the schedule, for a value in excess of the market value of the securities loaned.

As at the periods ended 31 December 2015 and 31 December 2014, the collateral consists of securities admitted to or dealt on a regulated market.

The collateral is registered and held in the name of BlackRock Advisors (UK) Limited on behalf of the Funds in any or all of the following collateral agents and central securities depositories: JP Morgan Chase, Bank of New York Mellon Corporation, Euroclear or CREST, depending on the type of collateral the counterparty needs to give as per the schedule in order to cover the required value of exposure. Further details can be seen on page 25.

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

Securities lending income is split between the Fund and the securities lending agent in a ratio of 62.5:37.5 in favour of the Fund, with all operational costs borne out of the securities lending agents share.

The securities lending income earned during the period, the value of securities on loan at the period end and the value of collateral held at the period end for the Company is shown below:

	31 December 2015 €'000	31 December 2014 €'000
Income earned during period	3,852	2,279
Value of securities on loan at the end of period end	3,873,994	898,613
Value of collateral held on behalf of the Company at the end of the period end	4,191,642	974,518

Please see note 9 for more information on financial derivative instruments.

6. DISTRIBUTION TO REDEEMABLE PARTICIPATING SHAREHOLDERS

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

Distributions declared during the period were as follows:

	Period ended 31 December 2015 €'000	Period ended 31 December 2014 €'000
September 2014	-	3,809
December 2014	-	179,862
October 2015	3,340	-
December 2015*	-	-
	3,340	183,671
Equalisation income	(23,162)	(27,538)
Equalisation expense	13,658	11,072
	(6,164)	167,205

* Effective for distributions being paid from December 2015 onwards, the ex-dates of the distributing funds were moved to the same calendar month as the pay date. See the Subsequent Events note to the financial statements of the Company on page 45.

7. SHARE CAPITAL

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

Redeemable Participating Shares - issued and fully paid

Number of redeemable participating shares:	No. of Shares
As at 31 December 2015	499,537,185
As at 30 June 2015	420,002,808
As at 31 December 2014	314,140,314

Authorised

The authorised share capital of the Company is €2 divided into 2 subscriber shares of a par value of €1 each and 500 billion participating shares of no par value.

Subscriber shares

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

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS OF THE COMPANY (continued)

For the period ended 31 December 2015

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

	31 December 2015 €'000	30 June 2015 €'000
Financial assets:		
Investment in equities	8,727,109	7,207,922
Investment in bonds	21,286,879	19,150,400
Investment in rights	337	371
Investment in warrants	2	73
Unrealised gains on forward currency contracts	125	-
Unrealised gains on futures contracts	433	11
	30,014,885	26,358,777
Financial liabilities:		
Unrealised losses on forward currency contracts	(151)	(113)
Unrealised losses on futures contracts	(99)	(730)
Unrealised losses on CFDs*	-	(1)
	(250)	(844)

*Amounts which are less than €500 are rounded to zero.

9. FINANCIAL DERIVATIVE INSTRUMENTS

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

10. SUBSEQUENT EVENTS

A new prospectus was issued on 4 January 2016 which includes details of the changes to the anticipated tracking error of the following fund:

Fund	Revised Anticipated Tracking Error %
iShares Emerging Markets Local Government Bond UCITS ETF	Up to 0.25

Teresa O'Flynn has been appointed to the Board of Directors effective 6 January 2016.

Effective for distributions being paid from October 2015 onwards, the ex-dates of the distributing funds were moved to the same calendar month as the pay date. The ex-date and pay date of the below Fund occurred during January 2016.

Fund	Distribution Amount ('000)
iShares Emerging Markets Local Government Bond UCITS ETF	\$57,441

Other than the above there have been no events subsequent to the period end which in the opinion of the Directors of the Company may have had an impact on the financial statements for the period ended 31 December 2015.

11. FUND DETAILS

Please see Background section for details of the legal form of the Company and the country of incorporation.

Please see the General information section for details on the registered office of the Company.

12. APPROVAL DATE

The financial statements were approved by the Directors on 25 February 2016.

iShares Emerging Markets Local Government Bond UCITS ETF

CONDENSED INCOME STATEMENT (unaudited)

For the period ended 31 December 2015

	Period ended 31 December 2015 \$'000	Period ended 31 December 2014 \$'000
Operating income	57,388	62,264
Net losses on financial assets/liabilities at fair value through profit or loss	(254,668)	(280,903)
Total losses	(197,280)	(218,639)
Operating expenses	(4,398)	(4,973)
Net operating loss	(201,678)	(223,612)
Finance costs:		
Distributions to redeemable participating shareholders	3,825	(50,334)
Interest expense	(10)	(6)
Total finance costs	3,815	(50,340)
Net loss for the financial period before tax	(197,863)	(273,952)
Capital gains tax	(2)	(486)
Non-reclaimable withholding tax	(1,747)	(1,605)
Net loss for the financial period after tax	(199,612)	(276,043)
Decrease in net assets attributable to redeemable participating shareholders from operations	(199,612)	(276,043)

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

CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (unaudited)

For the period ended 31 December 2015

	Period ended 31 December 2015 \$'000	Period ended 31 December 2014 \$'000
Net assets attributable to redeemable participating shareholders at the beginning of the period	1,752,109	1,878,664
Decrease in net assets attributable to redeemable participating shareholders from operations	(199,612)	(276,043)
Share transactions:		
Proceeds from issue of redeemable participating shares	769,673	621,292
Payments on redemption of redeemable participating shares	(441,897)	(333,245)
Increase in net assets resulting from share transactions	327,776	288,047
Net assets attributable to redeemable participating shareholders at the end of the period	1,880,273	1,890,668

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

iShares Emerging Markets Local Government Bond UCITS ETF

CONDENSED BALANCE SHEET (unaudited)

As at 31 December 2015

	Note	31 December 2015 \$'000	30 June 2015 \$'000
CURRENT ASSETS			
Cash		33,226	73,238
Cash equivalents		-	6,699
Receivables		103,238	35,785
Financial assets at fair value through profit or loss	3	1,802,228	1,692,723
Total current assets		1,938,692	1,808,445
CURRENT LIABILITIES			
Payables		(58,255)	(1,695)
Distributions payable to redeemable participating shareholders		-	(54,515)
Financial liabilities at fair value through profit or loss	3	(164)	(126)
Total current liabilities excluding net assets attributable to redeemable participating shareholders		(58,419)	(56,336)
Net asset value attributable to redeemable participating shareholders at the end of the period/year		1,880,273	1,752,109

The accompanying notes form an integral part of these financial statements. Details of the NAV per share are set out in note 2.

iShares Emerging Markets Local Government Bond UCITS ETF

SCHEDULE OF INVESTMENTS (unaudited)

As at 31 December 2015

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market (30 June 2015: 96.61%)				Hungary (30 June 2015: 5.60%)			
Bonds (30 June 2015: 96.61%)				Government bonds: BB+ rating			
Brazil (30 June 2015: 9.81%)				600,000,000	Hungary Government Bond 2.5% 22/06/2018	2,078	0.11
Government bonds: BBB- rating				1,050,000,000	Hungary Government Bond 3% 26/06/2024	3,506	0.19
37,100,000	Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2018	8,461	0.45	750,000,000	Hungary Government Bond 3.5% 24/06/2020	2,680	0.14
24,900,000	Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2019	5,408	0.29	1,250,000,000	Hungary Government Bond 3.5% 24/06/2020	4,467	0.24
282,570,000	Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2021	56,855	3.02	2,138,900,000	Hungary Government Bond 4% 25/04/2018	7,651	0.41
189,700,000	Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2023	35,988	1.92	2,138,370,000	Hungary Government Bond 5.5% 20/12/2018	7,997	0.43
208,000,000	Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2025	37,603	2.00	2,315,000,000	Hungary Government Bond 5.5% 24/06/2025	9,305	0.49
Government bonds: BB+ rating				2,886,800,000	Hungary Government Bond 6% 24/11/2023	11,721	0.62
10,000,000	Brazilian Government International Bond 8.5% 05/01/2024	2,136	0.11	3,733,370,000	Hungary Government Bond 6.5% 24/06/2019	14,524	0.77
9,580,000	Brazilian Government International Bond 10.25% 10/01/2028	2,149	0.11	1,042,850,000	Hungary Government Bond 6.75% 24/02/2017	3,811	0.20
4,000,000	Brazilian Government International Bond 10.25% 10/01/2028	897	0.05	2,184,500,000	Hungary Government Bond 6.75% 24/11/2017	8,211	0.44
4,380,000	Brazilian Government International Bond 12.5% 05/01/2022	1,118	0.06	1,985,750,000	Hungary Government Bond 7% 24/06/2022	8,371	0.45
Total Brazil		150,615	8.01	2,430,700,000	Hungary Government Bond 7.5% 12/11/2020	10,144	0.54
Chile (30 June 2015: 0.15%)				Total Hungary			
Government bonds: AA- rating						94,466	5.03
120,000,000	Chile Government International Bond 5.5% 05/08/2020	175	0.01	Indonesia (30 June 2015: 9.74%)			
1,065,000,000	Chile Government International Bond 5.5% 05/08/2020	1,560	0.08	Government bonds: BB+ rating			
Total Chile		1,735	0.09	93,850,000,000	Indonesia Treasury Bond 5.25% 15/05/2018	6,293	0.33
Colombia (30 June 2015: 0.43%)				100,900,000,000	Indonesia Treasury Bond 5.625% 15/05/2023	6,015	0.32
Government bonds: BBB+ rating				72,500,000,000	Indonesia Treasury Bond 6.125% 15/05/2028	4,129	0.22
29,500,000,000	Colombian TES 5% 21/11/2018	8,813	0.47	26,150,000,000	Indonesia Treasury Bond 6.375% 15/04/2042	1,360	0.07
38,000,000,000	Colombian TES 6% 28/04/2028	9,338	0.50	122,000,000,000	Indonesia Treasury Bond 6.625% 15/05/2033	6,954	0.37
37,400,000,000	Colombian TES 7% 11/09/2019	11,591	0.61	63,110,000,000	Indonesia Treasury Bond 7% 15/05/2022	4,155	0.22
32,900,000,000	Colombian TES 7% 04/05/2022	9,807	0.52	57,050,000,000	Indonesia Treasury Bond 7% 15/05/2027	3,557	0.19
32,000,000,000	Colombian TES 7.5% 26/08/2026	9,191	0.49	170,909,000,000	Indonesia Treasury Bond 7.875% 15/04/2019	12,056	0.64
23,300,000,000	Colombian TES 7.75% 18/09/2030	6,534	0.35	153,230,000,000	Indonesia Treasury Bond 8.25% 15/07/2021	10,842	0.58
70,200,000,000	Colombian TES 10% 24/07/2024	24,123	1.28	107,360,000,000	Indonesia Treasury Bond 8.25% 15/06/2032	7,192	0.38
49,000,000,000	Colombian TES 11% 24/07/2020	17,350	0.92	302,039,000,000	Indonesia Treasury Bond 8.375% 15/03/2024	21,303	1.13
26,500,000,000	Colombian TES 11.25% 24/10/2018	9,177	0.49	121,220,000,000	Indonesia Treasury Bond 8.375% 15/09/2026	8,566	0.46
Government bonds: BBB rating							
2,450,000,000	Colombia Government International Bond 4.375% 21/03/2023	650	0.04				
17,210,000,000	Colombia Government International Bond 7.75% 14/04/2021	5,487	0.29				
14,490,000,000	Colombia Government International Bond 9.85% 28/06/2027	5,258	0.28				
Total Colombia		117,319	6.24				

iShares Emerging Markets Local Government Bond UCITS ETF

SCHEDULE OF INVESTMENTS (unaudited) (continued)

As at 31 December 2015

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Bonds (30 June 2015: 96.61%) (cont)				Malaysia (30 June 2015: 9.70%) (cont)			
Indonesia (30 June 2015: 9.74%) (cont)				Government bonds: A rating (cont)			
Government bonds: BB+ rating				26,460,000	Malaysia Government Bond 3.58% 28/09/2018	6,232	0.33
243,799,000,000	Indonesia Treasury Bond 8.375% 15/03/2034	16,561	0.88	58,530,000	Malaysia Government Bond 3.654% 31/10/2019	13,738	0.73
20,000,000,000	Indonesia Treasury Bond 8.75% 15/05/2031	1,424	0.08	9,650,000	Malaysia Government Bond 3.733% 15/06/2028	2,078	0.11
55,000,000,000	Indonesia Treasury Bond 8.75% 15/02/2044	3,784	0.20	23,000,000	Malaysia Government Bond 3.795% 30/09/2022	5,274	0.28
225,250,000,000	Indonesia Treasury Bond 9% 15/03/2029	16,347	0.87	22,945,000	Malaysia Government Bond 3.889% 31/07/2020	5,395	0.29
37,560,000,000	Indonesia Treasury Bond 9.5% 15/07/2023	2,803	0.15	10,554,000	Malaysia Government Bond 3.892% 15/03/2027	2,339	0.12
68,870,000,000	Indonesia Treasury Bond 9.5% 15/07/2031	5,163	0.27	17,000,000	Malaysia Government Bond 3.955% 15/09/2025	3,884	0.21
35,170,000,000	Indonesia Treasury Bond 9.5% 15/05/2041	2,612	0.14	850,000	Malaysia Government Bond 4.012% 15/09/2017	202	0.01
63,080,000,000	Indonesia Treasury Bond 10% 15/07/2017	4,665	0.25	20,969,000	Malaysia Government Bond 4.048% 30/09/2021	4,909	0.26
53,000,000,000	Indonesia Treasury Bond 10% 15/09/2024	4,077	0.22	10,696,000	Malaysia Government Bond 4.127% 15/04/2032	2,343	0.12
47,310,000,000	Indonesia Treasury Bond 10% 15/02/2028	3,670	0.20	11,860,000	Malaysia Government Bond 4.16% 15/07/2021	2,802	0.15
30,430,000,000	Indonesia Treasury Bond 10.25% 15/07/2022	2,349	0.12	24,282,000	Malaysia Government Bond 4.181% 15/07/2024	5,635	0.30
55,595,000,000	Indonesia Treasury Bond 10.25% 15/07/2027	4,378	0.23	9,000,000	Malaysia Government Bond 4.232% 30/06/2031	1,991	0.11
65,580,000,000	Indonesia Treasury Bond 10.5% 15/08/2030	5,299	0.28	26,149,000	Malaysia Government Bond 4.24% 07/02/2018	6,228	0.33
27,580,000,000	Indonesia Treasury Bond 10.5% 15/07/2038	2,238	0.12	33,510,000	Malaysia Government Bond 4.378% 29/11/2019	8,069	0.43
82,885,000,000	Indonesia Treasury Bond 11% 15/11/2020	6,502	0.35	20,710,000	Malaysia Government Bond 4.392% 15/04/2026	4,845	0.26
66,252,000,000	Indonesia Treasury Bond 11% 15/09/2025	5,422	0.29	29,485,000	Malaysia Government Bond 4.498% 15/04/2030	6,798	0.36
46,975,000,000	Indonesia Treasury Bond 12.8% 15/06/2021	3,969	0.21	16,500,000	Malaysia Government Bond 4.935% 30/09/2043	3,913	0.21
29,990,000,000	Indonesia Treasury Bond 12.9% 15/06/2022	2,589	0.14	4,706,000	Malaysia Government Bond 5.248% 15/09/2028	1,169	0.06
	Total Indonesia	186,274	9.91	18,422,000	Malaysia Government Bond 5.734% 30/07/2019	4,621	0.25
Malaysia (30 June 2015: 9.70%)				7,920,000	Malaysia Government Investment Issue 3.508% 15/05/2018	1,851	0.10
Government bonds: A rating				3,500,000	Malaysia Government Investment Issue 3.558% 30/04/2019	813	0.04
16,100,000	Malaysia Government Bond 3.26% 01/03/2018	3,758	0.20	65,000,000	Malaysia Government Investment Issue 3.678% 23/11/2017	15,241	0.81
41,192,000	Malaysia Government Bond 3.314% 31/10/2017	9,700	0.52	2,500,000	Malaysia Government Investment Issue 3.699% 15/11/2022	558	0.03
32,050,000	Malaysia Government Bond 3.394% 15/03/2017	7,530	0.40	81,000,000	Malaysia Government Investment Issue 3.799% 27/08/2020	18,818	1.00
10,000,000	Malaysia Government Bond 3.418% 15/08/2022	2,240	0.12	3,500,000	Malaysia Government Investment Issue 3.872% 30/08/2018	822	0.04
20,000,000	Malaysia Government Bond 3.48% 15/03/2023	4,461	0.24	17,300,000	Malaysia Government Investment Issue 3.99% 15/10/2025	3,859	0.20
17,500,000	Malaysia Government Bond 3.492% 31/03/2020	4,057	0.22	59,000,000	Malaysia Government Investment Issue 4.194% 15/07/2022	13,611	0.72
5,850,000	Malaysia Government Bond 3.502% 31/05/2027	1,238	0.07				

iShares Emerging Markets Local Government Bond UCITS ETF

SCHEDULE OF INVESTMENTS (unaudited) (continued)

As at 31 December 2015

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Bonds (30 June 2015: 96.61%) (cont)				Poland (30 June 2015: 9.70%)			
Malaysia (30 June 2015: 9.70%) (cont)				Government bonds: A rating			
Government bonds: A rating (cont)				70,000,000	Poland Government Bond 1.5% 25/04/2020	17,194	0.91
26,200,000	Malaysia Government Investment Issue 4.444% 22/05/2024	6,041	0.32	34,000,000	Poland Government Bond 2% 25/04/2021	8,419	0.45
10,000,000	Malaysia Government Investment Issue 4.582% 30/08/2033	2,247	0.12	72,881,000	Poland Government Bond 2.5% 25/07/2018	18,788	1.00
Total Malaysia		189,310	10.07	61,207,000	Poland Government Bond 3.25% 25/07/2019	16,152	0.86
Mexico (30 June 2015: 9.57%)				71,250,000	Poland Government Bond 3.25% 25/07/2025	18,512	0.98
Government bonds: A rating				45,532,000	Poland Government Bond 3.75% 25/04/2018	12,051	0.64
239,200,000	Mexican Bonos 4.75% 14/06/2018	13,935	0.74	73,386,000	Poland Government Bond 4% 25/10/2023	20,117	1.07
104,900,000	Mexican Bonos 5% 15/06/2017	6,165	0.33	3,000,000	Poland Government Bond 4.75% 25/04/2017	791	0.04
63,000,000	Mexican Bonos 5% 11/12/2019	3,618	0.19	34,356,000	Poland Government Bond 4.75% 25/04/2017	9,055	0.48
30,000,000	Mexican Bonos 5.75% 05/03/2026	1,672	0.09	58,290,000	Poland Government Bond 5.25% 25/10/2017	15,704	0.84
192,480,000	Mexican Bonos 6.5% 10/06/2021	11,556	0.61	47,209,000	Poland Government Bond 5.25% 25/10/2020	13,587	0.72
158,895,000	Mexican Bonos 6.5% 09/06/2022	9,498	0.50	40,079,000	Poland Government Bond 5.5% 25/10/2019	11,428	0.61
104,169,500	Mexican Bonos 7.5% 03/06/2027	6,559	0.35	43,880,000	Poland Government Bond 5.75% 25/10/2021	13,086	0.70
235,490,000	Mexican Bonos 7.75% 14/12/2017	14,590	0.78	57,985,000	Poland Government Bond 5.75% 23/09/2022	17,448	0.93
177,790,000	Mexican Bonos 7.75% 29/05/2031	11,367	0.60	Total Poland		192,332	10.23
88,500,000	Mexican Bonos 7.75% 23/11/2034	5,628	0.30	Romania (30 June 2015: 2.94%)			
179,879,000	Mexican Bonos 7.75% 13/11/2042	11,442	0.61	Government bonds: BBB- rating			
151,796,000	Mexican Bonos 8% 11/06/2020	9,686	0.52	19,000,000	Romania Government Bond 3.25% 17/01/2018	4,728	0.25
111,176,500	Mexican Bonos 8% 07/12/2023	7,226	0.38	26,260,000	Romania Government Bond 4.75% 24/06/2019	6,887	0.37
311,051,200	Mexican Bonos 8.5% 13/12/2018	19,855	1.06	22,890,000	Romania Government Bond 5.6% 28/11/2018	6,090	0.32
106,500,000	Mexican Bonos 8.5% 31/05/2029	7,241	0.39	22,500,000	Romania Government Bond 5.75% 29/04/2020	6,134	0.33
119,520,000	Mexican Bonos 8.5% 18/11/2038	8,187	0.44	22,000,000	Romania Government Bond 5.85% 26/04/2023	6,080	0.32
313,273,000	Mexican Bonos 10% 05/12/2024	23,007	1.22	17,100,000	Romania Government Bond 5.9% 26/07/2017	4,401	0.23
69,885,000	Mexican Bonos 10% 20/11/2036	5,437	0.29	21,380,000	Romania Government Bond 5.95% 11/06/2021	5,938	0.32
Total Mexico		176,669	9.40	20,110,000	Romania Government Bond 6.75% 11/06/2017	5,209	0.28
Peru (30 June 2015: 2.46%)				Total Romania			
Government bonds: A- rating				45,467 2.42			
13,650,000	Peru Government Bond 5.2% 12/09/2023	3,649	0.19	Russian Federation (30 June 2015: 6.54%)			
19,280,000	Peru Government Bond 5.7% 12/08/2024	5,211	0.28	Government bonds: BBB- rating			
11,900,000	Peru Government Bond 6.85% 12/02/2042	3,131	0.17	399,272,000	Russian Federal Bond - OFZ 6.2% 31/01/2018	5,083	0.27
13,000,000	Peru Government Bond 6.9% 12/08/2037	3,492	0.19	460,000,000	Russian Federal Bond - OFZ 6.4% 27/05/2020	5,571	0.30
24,900,000	Peru Government Bond 6.95% 12/08/2031	6,869	0.36	516,200,000	Russian Federal Bond - OFZ 6.7% 15/05/2019	6,470	0.34
16,400,000	Peru Government Bond 7.84% 12/08/2020	5,134	0.27	Total Philippines			
13,400,000	Peru Government Bond 8.2% 12/08/2026	4,208	0.22	7,773 0.41			
4,000,000	Peru Government Bond 8.6% 12/08/2017	1,236	0.07	Philippines (30 June 2015: 0.58%)			
Total Peru				Government bonds: BBB rating			
32,930 1.75		97,000,000 Philippine Government International Bond 3.9% 26/11/2022					
Philippines (30 June 2015: 0.58%)		10,000,000 Philippine Government International Bond 4.95% 15/01/2021					
Government bonds: BBB rating				105,000,000 Philippine Government International Bond 4.95% 15/01/2021			
97,000,000	Philippine Government International Bond 3.9% 26/11/2022	1,982	0.10	141,000,000 Philippine Government International Bond 6.25% 14/01/2036			
10,000,000	Philippine Government International Bond 4.95% 15/01/2021	216	0.01	Total Philippines			
105,000,000	Philippine Government International Bond 4.95% 15/01/2021	2,268	0.12	7,773 0.41			
141,000,000	Philippine Government International Bond 6.25% 14/01/2036	3,307	0.18				

iShares Emerging Markets Local Government Bond UCITS ETF

SCHEDULE OF INVESTMENTS (unaudited) (continued)

As at 31 December 2015

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Bonds (30 June 2015: 96.61%) (cont)				Thailand (30 June 2015: 9.90%)			
Russian Federation (30 June 2015: 6.54%)				Government bonds: A- rating			
Government bonds: BBB- rating				90,000,000	Thailand Government Bond 2.55% 26/06/2020	2,563	0.14
442,250,000	Russian Federal Bond - OFZ 6.8% 11/12/2019	5,480	0.29	575,645,000	Thailand Government Bond 3.25% 16/06/2017	16,401	0.87
445,000,000	Russian Federal Bond - OFZ 7% 25/01/2023	5,300	0.28	219,290,000	Thailand Government Bond 3.45% 08/03/2019	6,415	0.34
614,886,000	Russian Federal Bond - OFZ 7% 16/08/2023	7,261	0.39	336,036,000	Thailand Government Bond 3.58% 17/12/2027	10,089	0.54
699,743,000	Russian Federal Bond - OFZ 7.05% 19/01/2028	8,001	0.43	713,508,000	Thailand Government Bond 3.625% 16/06/2023	21,438	1.14
240,000,000	Russian Federal Bond - OFZ 7.4% 19/04/2017	3,178	0.17	787,084,000	Thailand Government Bond 3.65% 17/12/2021	23,552	1.25
416,700,000	Russian Federal Bond - OFZ 7.4% 14/06/2017	5,502	0.29	195,636,000	Thailand Government Bond 3.775% 25/06/2032	5,920	0.31
430,835,000	Russian Federal Bond - OFZ 7.5% 15/03/2018	5,625	0.30	110,600,000	Thailand Government Bond 3.8% 14/06/2041	3,203	0.17
434,680,000	Russian Federal Bond - OFZ 7.5% 27/02/2019	5,587	0.30	530,600,000	Thailand Government Bond 3.85% 12/12/2025	16,459	0.88
809,400,000	Russian Federal Bond - OFZ 7.6% 14/04/2021	10,139	0.54	864,410,000	Thailand Government Bond 3.875% 13/06/2019	25,709	1.37
416,948,000	Russian Federal Bond - OFZ 7.6% 20/07/2022	5,167	0.27	140,000,000	Thailand Government Bond 4.26% 12/12/2037	4,485	0.24
481,232,000	Russian Federal Bond - OFZ 8.15% 03/02/2027	6,029	0.32	175,000,000	Thailand Government Bond 4.675% 29/06/2044	5,800	0.31
Government bonds: BB+ rating				150,794,000	Thailand Government Bond 4.75% 20/12/2024	4,938	0.26
260,000,000	Russian Foreign Bond - Eurobond 7.85% 10/03/2018	3,410	0.18	964,349,000	Thailand Government Bond 4.875% 22/06/2029	33,095	1.76
Total Russian Federation				34,580,000	Thailand Government Bond 5.125% 13/03/2018	1,034	0.05
		87,803	4.67	196,170,000	Thailand Government Bond 5.625% 12/01/2019	6,073	0.32
South Africa (30 June 2015: 9.78%)				40,000,000	Thailand Government Bond 5.67% 13/03/2028	1,448	0.08
Government bonds: BBB+ rating				Total Thailand			
300,338,592	South Africa Government Bond 6.25% 31/03/2036	12,960	0.69	188,622	10.03		
239,936,000	South Africa Government Bond 6.5% 28/02/2041	10,308	0.55	Turkey (30 June 2015: 9.71%)			
172,990,000	South Africa Government Bond 6.75% 31/03/2021	10,006	0.53	Government bonds: BBB- rating			
235,650,000	South Africa Government Bond 7% 28/02/2031	11,632	0.62	47,741,000	Turkey Government Bond 6.3% 14/02/2018	15,031	0.80
187,582,000	South Africa Government Bond 7.25% 15/01/2020	11,354	0.60	40,911,000	Turkey Government Bond 7.1% 08/03/2023	11,581	0.62
142,300,000	South Africa Government Bond 7.75% 28/02/2023	8,341	0.44	36,890,000	Turkey Government Bond 7.4% 05/02/2020	11,308	0.60
142,927,000	South Africa Government Bond 8% 21/12/2018	9,016	0.48	37,500,000	Turkey Government Bond 8% 12/03/2025	11,010	0.59
208,000,000	South Africa Government Bond 8% 31/01/2030	11,382	0.61	40,854,000	Turkey Government Bond 8.3% 20/06/2018	13,311	0.71
182,600,000	South Africa Government Bond 8.25% 15/09/2017	11,745	0.62	41,432,000	Turkey Government Bond 8.5% 10/07/2019	13,286	0.71
158,000,000	South Africa Government Bond 8.25% 31/03/2032	8,687	0.46	30,932,000	Turkey Government Bond 8.5% 14/09/2022	9,538	0.51
179,000,000	South Africa Government Bond 8.5% 31/01/2037	9,832	0.52	41,568,000	Turkey Government Bond 8.8% 14/11/2018	13,601	0.72
124,000,000	South Africa Government Bond 8.75% 31/01/2044	6,865	0.37	44,821,000	Turkey Government Bond 8.8% 27/09/2023	13,928	0.74
484,996,900	South Africa Government Bond 10.5% 21/12/2026	33,052	1.76	24,689,000	Turkey Government Bond 9% 08/03/2017	8,308	0.44
Total South Africa							
		155,180	8.25				

iShares Emerging Markets Local Government Bond UCITS ETF

SCHEDULE OF INVESTMENTS (unaudited) (continued)

As at 31 December 2015

Holding	Investment	Fair value \$'000	% of net asset value	Holding	Investment	Fair value \$'000	% of net asset value
Bonds (30 June 2015: 96.61%) (cont)				Turkey (30 June 2015: 9.71%) (cont)			
Turkey (30 June 2015: 9.71%) (cont)				Government bonds: BBB- rating (cont)			
Government bonds: BBB- rating (cont)				22,500,000	Turkey Government Bond 10.4% 20/03/2024	7,585	0.40
36,150,000	Turkey Government Bond 9% 24/07/2024	11,357	0.60	32,289,000	Turkey Government Bond 10.5% 15/01/2020	11,073	0.59
29,000,000	Turkey Government Bond 9.4% 08/07/2020	9,501	0.51	Total Turkey		175,597	9.34
25,550,000	Turkey Government Bond 9.5% 12/01/2022	8,329	0.44	Total bonds		1,802,092	95.85
20,156,000	Turkey Government Bond 10.4% 27/03/2019	6,850	0.36				

Curr	Amount Purchased	Curr	Amount Sold	Underlying Exposure (\$)	Maturity date	Unrealised gain/(loss) \$'000	% of net asset value
Financial derivative instruments (30 June 2015: (0.01)%							
Forward currency contracts (30 June 2015: (0.01)%*							
COP	9,200,000,000	USD	2,742,176	2,877,973	10/03/2016	136	0.01
RUB	83,926,663	USD	1,215,976	1,130,710	10/03/2016	(85)	(0.01)
USD	2,799,331	COP	9,200,000,000	2,877,973	10/03/2016	(79)	0.00
Total unrealised gains on forward currency contracts						136	0.01
Total unrealised losses on forward currency contracts						(164)	(0.01)
Net unrealised losses on forward currency contracts						(28)	0.00
Total financial derivative instruments						(28)	0.00

	Fair value \$'000	% of net asset value
Total value of investments	1,802,064	95.85
Cash[†]	33,226	1.77
Other net assets	44,983	2.38
Net asset value attributable to redeemable participating shareholders at the end of the period	1,880,273	100.00

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Market Authority ("ESMA") and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

Analysis of total current assets gross of all liabilities (unaudited)	Fair value \$'000	% of total current assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	1,802,092	92.95
Over-the-counter financial derivative instruments	136	0.01
Other assets	136,464	7.04
Total current assets	1,938,692	100.00

[†] Substantially all cash positions are held with State Street Bank and Trust Company.
* The counterparties for the forward currency contract are BNP Paribas SA, Credit Suisse International, JP Morgan Chase Bank.

All credit ratings are shown as at 31 December 2015.

Fixed income securities are primarily classified by country of issuer for government type fixed income securities.

iShares Emerging Markets Local Government Bond UCITS ETF

SCHEDULE OF MATERIAL PURCHASES AND SALES (unaudited)

For the period ended 31 December 2015

Holding	Investments	Proceeds \$'000	Holding	Investments	Cost \$'000
Sales			Purchases		
206,830,000	Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2017	50,151	199,500,000	Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2021	43,612
728,150,000	Thailand Government Bond 3.25% 16/06/2017	21,108	84,700,000,000	Colombian TES 10% 24/07/2024	37,038
637,600,000	Thailand Government Bond 3.625% 16/06/2023	19,152	137,000,000	Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2023	28,833
79,000,000	Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2021	17,397	134,500,000	Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2025	26,547
58,400,000	Poland Government Bond 2.5% 25/07/2018	15,487	62,500,000,000	Colombian TES 11% 24/07/2020	26,418
50,150,000	Poland Government Bond 4.75% 25/10/2016	13,649	290,740,000	South Africa Government Bond 10.5% 21/12/2026	24,276
56,500,000	Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2023	13,055	755,600,000	Thailand Government Bond 3.85% 12/12/2025	23,340
3,200,000,000	Hungary Government Bond 6.5% 24/06/2019	12,947	77,871,000	Poland Government Bond 2.5% 25/07/2018	20,803
410,000,000	Thailand Government Bond 3.85% 12/12/2025	12,600	69,000,000	Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2017	17,362
170,000,000	South Africa Government Bond 7.25% 15/01/2020	12,538	44,500,000,000	Colombian TES 5% 21/11/2018	16,207
133,090,000	South Africa Government Bond 10.5% 21/12/2026	11,040	41,400,000,000	Colombian TES 7% 11/09/2019	16,046
150,707,000	Mexican Bonos 7.25% 15/12/2016	9,737	519,660,000	Thailand Government Bond 3.625% 16/06/2023	15,567
113,000,000,000	Indonesia Treasury Bond 10% 15/09/2024	8,834	42,000,000,000	Colombian TES 7.5% 26/08/2026	14,519
2,150,000,000	Hungary Government Bond 5.5% 20/12/2018	8,230	177,558,000	Mexican Bonos 10% 05/12/2024	13,883
24,170,000	Turkey Government Bond 8.8% 27/09/2023	8,201	43,000,000,000	Colombian TES 6% 28/04/2028	13,423
28,660,000	Poland Government Bond 4% 25/10/2023	8,073	35,000,000,000	Colombian TES 7% 04/05/2022	13,175
37,000,000	Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2025	7,967	53,810,000	Malaysia Government Bond 3.654% 31/10/2019	12,695
550,000,000	Russian Federal Bond - OFZ 7% 25/01/2023	7,926	43,500,000	Poland Government Bond 4% 25/10/2023	12,392
29,000,000	Poland Government Bond 3.75% 25/04/2018	7,906	37,500,000	Turkey Government Bond 9.4% 08/07/2020	12,282
110,000,000,000	Indonesia Treasury Bond 8.375% 15/03/2024	7,799	38,480,000	Turkey Government Bond 8.8% 27/09/2023	12,233
109,000,000,000	Indonesia Treasury Bond 6.25% 15/04/2017	7,712	2,787,370,000	Hungary Government Bond 6.5% 24/06/2019	11,353
23,590,000	Turkey Government Bond 6.3% 14/02/2018	7,579	155,780,000	South Africa Government Bond 7.25% 15/01/2020	11,344
96,000,000	Mexican Bonos 10% 05/12/2024	7,345	160,790,000	Mexican Bonos 8% 11/06/2020	11,129
1,775,000,000	Hungary Government Bond 6% 24/11/2023	7,286	42,500,000	Poland Government Bond 1.5% 25/04/2020	10,875
20,500,000	Turkey Government Bond 8.2% 16/11/2016	7,204	162,942,000	Mexican Bonos 8.5% 13/12/2018	10,824
20,000,000	Turkey Government Bond 8.3% 20/06/2018	7,057	2,650,000,000	Hungary Government Bond 5.5% 20/12/2018	10,460
23,800,000	Peru Government Bond 5.7% 12/08/2024	6,936	201,530,000	South Africa Government Bond 6.25% 31/03/2036	10,452
			26,500,000,000	Colombian TES 11.25% 24/10/2018	10,446

The CBI requires a Schedule of material changes in the composition of the portfolio during the period. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the period and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full listing of the portfolio changes for the period is available, upon request, at no cost from the Administrator.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS OF THE FUNDS

For the period ended 31 December 2015

1. SIGNIFICANT ACCOUNTING POLICIES

Please see Significant accounting policies section in the notes to the financials of the Company on page 43.

2. NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	As at 31 December 2015	As at 30 June 2015
iShares Emerging Markets Local Government Bond UCITS ETF		
Shares in issue	31,299,691	25,947,091
NAV (\$'000)	1,880,273	1,752,109
NAV per share	\$60.07	\$67.53

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

	As at 31 December 2015	As at 30 June 2015
iShares Emerging Markets Local Government Bond UCITS ETF		
	\$'000	\$'000
Financial assets:		
Investment in bonds	1,802,092	1,692,723
Unrealised gains on forward currency contracts	136	-
	1,802,228	1,692,723
Financial liabilities:		
Unrealised losses on forward currency contracts	(164)	(126)
	(164)	(126)

4. EFFICIENT PORTFOLIO MANAGEMENT

Please see note 5 of the financial statements of the Company for more information on efficient portfolio management.

The securities lending income earned during the period, the value of securities on loan at the period end and the value of collateral held at the period end for the Company is shown in the following table:

	As at 31 December 2015	As at 31 December 2014
iShares Emerging Markets Local Government Bond UCITS ETF		
	\$'000	\$'000
Income earned during the period	125	132
Value of securities on loan at the period end	100,694	16,376
Value of collateral held by the Fund at period end	107,136	17,456

Please see note 9 on page 45 for more information on financial derivative instruments.

APPENDIX

Appendix A:

Mapping FRS 102 fair value hierarchy to previous accounting framework:

Previous financial reporting framework category	Definition	FRS 102 category	Definition
1	Quoted market price in an active market for an identical instrument	Quoted price for an identical instrument in an active market	Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted price is usually the current bid price.
N/A*	N/A*	Unquoted price based on recent transactions for an identical instrument	When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place.
2	Valuation techniques used to price securities based on observable inputs	Valuation techniques	<i>Valuation techniques using market inputs:</i> This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
3	Valuation techniques using significant unobservable inputs		<i>Valuation techniques using entity determined inputs:</i> This category includes all instruments where the valuation technique includes inputs not based on market data and these inputs could have a significant impact on the instrument's valuation. This category also includes instruments that are valued based on quoted prices for similar instruments where significant entity determined adjustments or assumptions are required to reflect differences between the instruments for which there is no active market.

* This category wasn't included in the previous accounting framework.