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iShares Australian Equity Index Fund
Product Disclosure Statement



Dated: 5 June 2020

iShares Australian Equity Index Fund
ARSN 089 405 363

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

iShares Australian Equity Index Fund

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Important information

This Product Disclosure Statement (PDS) is a summary of significant information and contains a number of references to important information (each of which forms part of this PDS) and persons should consider that information before making a decision about the Fund.

The information provided in this PDS is general information only and does not take into account your individual objectives, financial situation, needs or circumstances. You should therefore assess whether the information is appropriate for you and obtain financial advice tailored to you having regard to your individual objectives, financial situation, needs and circumstances.

This PDS can only be used by investors receiving it (electronically or otherwise) in Australia. This PDS is not an offer to any person or any place in which it is unlawful to make such an offer. Units in the Fund have not been, and will not be, registered under the U.S. Securities Act of 1933 or the securities laws of any of the states of the United States. The Fund is not and will not be registered as an investment company under the U.S. Investment Company Act of 1940. Investment in units of the Fund by or on behalf of U.S. persons is not permitted. Units in the Fund may not at any time be offered, sold, transferred or delivered within the United States or to, or for the account or benefit of, a U.S. person. Any issue, sale or transfer in violation of this restriction will not be binding upon the Fund and may constitute a violation of U.S. law.

If any part of this PDS is established to be invalid or unenforceable under the law, it is excluded so that it does not in any way affect the validity or enforceability of the remaining parts.

The Responsible Entity can change any terms and conditions of the offer contained in this PDS at any time. We reserve the right to outsource any or all investment, management and administration functions, including to related parties, without notice to investors.

Responsible Entity contact details

BlackRock Investment Management (Australia) Limited
Level 37, Chifley Tower
2 Chifley Square
Sydney New South Wales 2000
Telephone: 1300 366 100
Facsimile: 1300 366 107
Email: clientservices.aus@blackrock.com
Website: www.blackrock.com/au

Incorporation by Reference

The Corporations Act 2001 (Cth) (**Corporations Act**) allows us to provide certain information to you separately to this PDS. Where you see references to "Additional information incorporated by reference" additional information concerning the topic has been incorporated by reference forms part of the PDS. This information can be found in the BlackRock Additional Fund Information No. 1 document, available at www.blackrock.com. au/individual/funds-information/offer-documents. You should read this information before making an important decision. This material may change between the time when you read this PDS and when you acquire the product. This information is available to you free of charge upon request in paper format by contacting the BlackRock Client Services Centre.

Information subject to change

Information in this PDS, as well as the terms and features of the Fund, is subject to change from time to time. We will notify you of any material changes or other significant events that affect the information in this PDS in accordance with our obligations under the Corporations Act.

Updated information that is not materially adverse can be obtained from our website at https://www.blackrock.com/au. A paper copy of any updated information will be given, or an electronic copy made available, free of charge upon request.

Where the Fund is subject to the continuous disclosure requirements of the Corporations Act, we will satisfy our obligations by disclosing material information regarding the Fund on our website at https://www.blackrock.com/au. A paper copy of this material is available free of charge upon request.

Annual report

A copy of the audited annual financial report of the Fund is generally available by the end of September from us or upon request from your Investor Directed Portfolio Service (**IDPS**), superannuation fund or master trust operator. The audited annual financial report will be made available on our website at https://www.blackrock.com/au. You may also elect to receive a hard copy of the report by contacting our Client Services Team on the telephone number shown on the right of this page.

Investing through an IDPS, superannuation fund or master trust

If you have invested through an IDPS, superannuation fund or master trust, you can use this PDS for information purposes; however, if you wish to make any change to your investment you should contact the operator of such service and complete their required documentation. The operator of such service may process unitholder transactions and requests in accordance with processes that are different to those set out in this document.

1. About BlackRock Investment Management (Australia) Limited

BlackRock Investment Management (Australia) Limited, ABN 13 006 165 975 (referred to in this PDS as **BlackRock**, **Responsible Entity**, **Manager**, **we**, **our** or **us**) is the responsible entity and the issuer of units in the iShares Australian Equity Index Fund (**Fund**). BlackRock is a wholly owned subsidiary of BlackRock, Inc.® (**BlackRock Inc**) but is not guaranteed by BlackRock Inc, or any BlackRock Inc subsidiary or associated entity (the **BlackRock Group**). Neither BlackRock nor any member of the BlackRock Group guarantees the success of the Fund, the achievement of the investment objective, or the repayment of capital or particular rates of return on investment or capital. An investor in the Fund could lose all or a substantial part of their investment. In particular, the performance of the Fund will depend on the performance and market value of the assets held by the Fund.

2. How the iShares Australian Equity Index Fund works

2.1 The interests that members acquire

The Fund is structured as a unitised registered managed investment scheme. When you invest in the Fund, you are allocated a number of units. Each of these units represents an equal share in the net assets of the Fund. As a result, each unit has a dollar value or "unit price". The unit price will vary as the market value of assets in the Fund rises or falls.

2.2 Minimum investment amounts

When investing in the Fund you generally need a minimum amount of $500,000 or such other amount as we may determine from time to time. There is no minimum investment for subsequent applications. While there is no minimum redemption amount, we generally require a minimum balance in your Fund account of $500,000.

2.3 How investors can increase or decrease their investment

Investors can increase or decrease their investment by acquiring units (refer to section 8.1 of this PDS titled "How to invest") or redeeming all or part of their investment (refer to section 2.4 of this PDS titled "How to redeem your investment").

2.4 How to redeem your investment

Redemption requests can be made in writing (including by facsimile). You will normally be able to redeem from the Fund on any **Business Day**, being a day other than a Saturday or Sunday on which banks are open for general banking business in Sydney. A list of public holidays affecting the Fund is available on our website at www.blackrock.com/au.

Investor transaction requests are required to be received by 1.00 pm (Sydney time) on any Business Day (**Transaction Cut-off Time**). Transaction requests received before this time will generally be executed on the same day (**Trade Date**). Investor transaction requests received after this time or on a day when the Fund is unavailable for transactions will generally be treated as having been received the following Business Day.

Following receipt of a redemption request, we will deposit redemption proceeds into your nominated Australian bank account, generally within four Business Days of our having received the redemption request, although we are allowed longer periods under the Fund's constitution.

In some circumstances, such as when there is a freeze on withdrawals, investors may not be able to withdraw from the Fund within the usual period upon request.

2.5 Frequency of distributions and how they are calculated

If you hold units in the 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. Any income you receive from your investments will be in the form of distributions. Your distribution may include interest, dividends, other income and realised gains. Distributions are not guaranteed and there may be periods for which distributions are higher or lower than expected.

Distributions (if any) are generally determined at the end of March, June, September and December each year. Distributions (if any) are usually paid within 21 Business Days of the end of the distribution period.

Additional information incorporated by reference

You should read the information about the acquisition and disposal of interests before making an important decision. This material may change between the time when you read this PDS and the day when you acquire the product. Go to section 2 of the document titled "BlackRock Additional Fund Information No. 1", which is available from our website at https://www.blackrock.com/au/individual/literature/product-disclosure-statement/blackrock-additional-fund-information-no1-en-au.pdf

3. Benefits of investing in the iShares Australian Equity Index Fund

Index tracking: The Fund is an index tracker and seeks to provide investors with similar returns, before fees, to those of its benchmark index.

Diversification: In contrast to a direct investment in a single company or bond, the Fund provides, as far as practicable and possible, exposure to all of the securities or instruments within its benchmark index.

Lower cost: As the Fund is passively managed and designed to track a particular index, the expenses of managing the Fund are generally lower compared to other forms of retail managed funds.

Additional information incorporated by reference

You should read the information about the other features and benefits of the Fund before making an important decision. This material may change between the time when you read this PDS and the day when you acquire the product.

Go to section 3 of the document titled "BlackRock Additional Fund Information No. 1", which is available from our website at https://www.blackrock.com/au/individual/literature/product-disclosure-statement/blackrock-additional-fund-information-no1-en-au.pdf

4. Risks of managed investment schemes

All investments carry risk. Different strategies may carry different levels of risk, depending on the assets that make up the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk.

Returns are not guaranteed. Future returns may differ from past returns and investors may lose some or all of their investment.

The appropriate level of risk for each investor will vary depending on a range of factors including age, investment time frames, where other parts of the investor's wealth is invested and the investor's risk tolerance.

The specific investment risks of investing in the Fund include:

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

Derivative transactions may be subject to the risk that a counterparty to the transaction will wholly or partially fail to perform their contractual obligations under the arrangement (including failing to meet collateral requirements under the arrangement). Additionally, OTC markets are not guaranteed by an exchange or clearing corporation and generally do not require payment of margin. To the extent that a fund has unrealised gains in such instruments or has deposited collateral with its counterparty that fund is at risk that its counterparty will become bankrupt or otherwise fail to honour its obligations. Derivative transactions may also expose a fund to a risk of potential illiquidity if the derivative instrument is difficult to purchase or sell.

The BlackRock Group attempts to minimise these risks by engaging in derivative transactions only with financial institutions that have substantial capital or that have provided a third-party guarantee or other credit enhancement.

Equity security risk. Equity securities are subject to changes in value, and their values may be more volatile than those of other asset classes. Dividend payments from shares may also vary over time.

Index related risk. In order to meet its investment objective, the Fund will seek to achieve a return that reflects the return of its 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 their indices, nor any guarantee that the published index will be in line with their described benchmark index methodologies. Errors in respect of the quality, accuracy and completeness of the data may occur from time to time and may not be identified and corrected for a period of time, in particular where an index is less commonly used. During a period where an index contains incorrect constituents, a fund benchmarked to that index would have market exposure to such constituents. As such, errors may potentially result in a negative or positive performance impact to the fund and to its unitholders. Apart from scheduled rebalances, index providers may carry out additional ad hoc rebalances to their benchmark indices in order, for example, to correct an error in the selection of index constituents. Where the index is rebalanced and a fund in turn rebalances its portfolio to bring it in line with the index, any transaction costs and market exposure arising from such portfolio rebalancing will be borne by the fund and, by extension, the fund's unitholders. Therefore, errors and additional ad hoc rebalances carried out by an index provider may increase the costs and market exposure risk of a fund.

Liquidity risk. The Fund may be exposed to securities with limited liquidity, which are in practice infrequently traded or for which typical daily volumes traded are small. It may not be possible to sell such securities when it is desirable to do so or to realise what the manager perceives to be their fair value in the event of a sale. The Fund may also be exposed to other funds that may, in certain circumstances, limit or suspend redemptions rights. The general level of market liquidity also varies and may deteriorate. Such a deterioration may negatively impact the ability to trade fund securities and may negatively affect the price at which a trade is executed. These circumstances could impair a fund's ability to make distributions to a redeeming unit holder in a timely manner and a fund may need to consider suspending redemptions. The BlackRock Group aims to reduce these risks by understanding the liquidity characteristics of securities a fund is exposed to and plans trading so as to minimise the adverse consequences of low liquidity.

Tracking error risk. The NAV of the Fund may not correlate exactly with the index it is designed to match. Factors such as fund fees and expenses, imperfect correlation between fund security holdings and index constituents, inability to rebalance portfolio holdings in response to changes to index constituents, rounding of prices, index changes and regulatory policies may affect the ability of a fund to achieve close correlation with the index. A fund's returns may therefore deviate from the index it is designed to match.

Underlying fund risk. The Fund may implement some or all of its investment strategy through an investment in an underlying fund. The Fund and underlying fund are managed as separate entities, with separate investment objectives and investment strategies. No guarantee can be given that the underlying fund will meet its investment objective, continue to be managed according to its current investment strategy or be open to investments in the future. Changes to the underlying fund may be made without unitholder approval. Should the underlying fund change its investment objective or investment strategy, we will review such changes with consideration to the investment objective and strategy of the Fund. Further, if the underlying fund were to be suspended, closed or terminated for any reason, the Fund would be exposed to those changes.

Other risks more generally associated with investing in a fund include:

Counterparty risk. Institutions, such as brokerage firms, banks, and broker-dealers, may enter into transactions with the manager of a fund in relation to the sale and purchase of assets or securities. Such institutions may also be issuers of the securities in which a fund invests. Bankruptcy, fraud, regulatory sanction or a refusal to complete a transaction at one of these institutions could significantly impair the operational capabilities or the capital position of a fund. While the BlackRock Group uses reasonable efforts to mitigate such risks, there can be no guarantee that transactions between such counterparties will always be completed in the manner contemplated by, and favourable to, the relevant fund.

Conflicts of interest risk. Certain conflicts of interest may arise in the operation of a BlackRock Group fund. Fund structures may involve members of the BlackRock Group acting in more than one capacity, while BlackRock Group funds may hold over-the counter derivative agreements where a member of the BlackRock Group is acting (in different capacities) on both sides of the agreement. BlackRock Group funds may be invested in by persons associated with BlackRock Group or by other funds and accounts managed by different members of the BlackRock Group. Investors in a fund may, in some instances, invest on different terms to each other, some of which may be more favourable than others. Each investor in a fund may act in a way that is adverse to the interests of other investors in that fund. Additionally, funds and accounts managed by different members of the BlackRock Group may act as a seed investor in a BlackRock Group fund, which may create a commercial opportunity for the BlackRock Group. For example, a seed investment may allow the BlackRock Group to establish a track record for a fund that can then be sold to other clients. Certain investment strategies of the BlackRock Group may conflict with each other and may affect the price and availability of securities in which to invest. Members of the BlackRock Group may also give advice or take action with respect to any of their clients, which may differ from the advice given or the timing or nature of any action taken with respect to the investments of other BlackRock Group funds or accounts.

While conflicts of interest may arise from time to time, the BlackRock Group has established policies and procedures in place to manage any such conflict, which includes ensuring transactions between BlackRock Group entities are conducted on an arm's length commercial basis.

Fund risk. The price of units in a fund and the income from them may go down as well as up. Investors may not get back their original investment. There can be no assurance that a fund will achieve its investment objective or that an investor will achieve profits or avoid losses, significant or otherwise. Capital return and income of a fund is based on the capital appreciation and income of the securities invested in, less expenses incurred. Fund returns may fluctuate in response to changes in such capital appreciation or income. The payment of distributions is at the discretion of the fund issuer, taking into account various factors and its own distribution policy. Distributions are not guaranteed and there may be periods for which distributions are higher or lower than expected. Investing in a fund may result in a different tax outcome than investing in securities directly. The application of tax laws and certain events occurring within a fund may result in you receiving some of your investment back as income in the form of a distribution. A fund will generally not be managed with consideration of the individual circumstances, including specific tax considerations, applicable to any single unitholder in the fund. Past performance is not indicative of future performance.

Individual investment risk. Individual securities held by a fund can and do fall in value for many reasons. Both price and levels of income are subject to fluctuation. Returns from individual securities will vary and price movements can be volatile.

Market risk. Economic, technological, political or legislative conditions and even market sentiment can (and do) change and this can affect the value of the investments in a fund. The value of a fund will change with changes in the market value of the securities to which it is exposed.

Operational risk: The risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Adverse impacts may arise internally through human error, technology or infrastructure changes, or through external events such as third party failures or crisis events. The BlackRock Group has procedures in place to manage these risks and, as much as possible, monitor the controls within these procedures to ensure operational risks are adequately managed.

Regulatory and business risk: Changes in corporate, taxation or other relevant laws, regulations or rules may adversely affect your investment. For example, such changes may adversely affect a fund's ability to execute certain investment strategies, which could have a material effect on performance. The laws affecting registered managed investment schemes may also change in the future.

5. How we invest your money

Investors should consider the likely investment return, the risk, and their investment timeframe when choosing a fund in which to invest. This Fund only offers a single investment option.

The Fund aims to provide investors with the performance of the market, before fees, as measured by the S&P/ASX 300 TR Index (**Index**).

Our investment style is based on our belief that people, leveraged by technology, are central to the consistent achievement of our clients' investment goals.

We believe that a focus on total performance management is the best way to achieve superior investment results. Through total performance management, we aim to understand; measure; forecast; and manage the three dimensions of investment performance — return, risk and cost.

We believe that full replication is the most appropriate investment strategy to track the performance of the Index as risk relative to the Index is minimised. Portfolios automatically rebalance, which minimises turnover and trading costs.

Our full-replication approach normally aims to purchase every security in the Index, while considering transaction costs.

Capturing additional returns

To overcome the impact that transaction costs and cash drag can have on relative performance, we undertake value-added strategies such as:

- **Cash-flow management:** We use share price index (SPI) futures contracts where it is cheaper than trading in physical securities, to minimise market impact and to take a patient and, therefore, less-costly approach to trading.
- **Managing Index changes**: We use strategies to sell deleted stocks at higher prices than the final Index price and to buy incoming stocks at lower prices than which they are added to the Index.
- **Anticipating Index changes:** Through our knowledge of the Australian Securities Exchange's index rules, we try to anticipate future Index additions and deletions before they are announced.
- **Enrolling in dividend-reinvestment plans:** We enrol in dividend-reinvestment plans where we think it adds significant benefit to receive shares at discounts and to gain premiums relative to the Index.
- **Taking part in initial public offerings and placements:** Judging whether to take part in floats and placements is an important part of index management. We conduct thorough analysis on when new listings and issues may enter the Index and on the prices at which they may enter, before deciding to take controlled positions in floats or placements.

To achieve its investment objective the Fund invests substantially all of its assets in units of the iShares Wholesale Australian Equity Index Fund (**Underlying Fund**), another fund managed by us which has the same investment strategy as the Fund. The Underlying Fund invests in the Australian stocks that form the Index. 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 Underlying Fund.

The Fund and Underlying Fund may also hold a small allocation of cash (or cash equivalents that may include units in other BlackRock funds) for cash flow management purposes.

The Fund's investment strategy aims to remain fully exposed to the Australian stock market, with cash exposure being maintained at a minimum, which may be, wherever practicable, equitised using index futures.

While the constitution of the Fund allows the Responsible Entity to borrow, it is our intention that no borrowing arrangements will be entered into, other than temporary overdrafts, which may be used as a means of managing certain cash flows.

The Fund may be suitable for long-term investors seeking a broad exposure to Australian stocks. From an investor's perspective, the Fund is considered high risk. Generally, the risk level associated with the Fund is greater if the Fund is held for a period less than the minimum suggested timeframe described above. The minimum suggested timeframe for holding investments in the Fund is 5 year.

Additional information incorporated by reference

You should read the information about how we invest your money, our consideration of labour standards or environmental, social or ethical issues, switching your investment, changes to the investment option and important information in respect of the Index provider, before making an important decision. This material may change between the time when you read this PDS and the day when you acquire the product.

Go to section 5 of the document titled "BlackRock Additional Fund Information No. 1", which is available from our website at https://www.blackrock.com/au/individual/literature/product-disclosure-statement/blackrock-additional-fund-information-no1-en-au.pdf

* This material may change between the time when you read this PDS and the day when you acquire the product.

6. Fees and costs

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 funds fee calculator to help you check out different fee options.

6.1 Fee table and example

The table below shows fees and other costs that you may be charged. Unless otherwise indicated, fees are inclusive of Goods and Services Tax (**GST**), any applicable stamp duty and take into account expected reduced input tax credits in respect of the GST component of the fee.

Information in the fee table can be used to compare costs between different simple managed investment schemes. Fees and costs can be paid directly from your Fund account or deducted from investment returns.

Type of fee or cost	Amount
Fees when your money moves in or out of the Fund[1]	
Establishment fee	**Nil**
Contribution fee	**Nil**
Withdrawal fee	**Nil**
Exit fee	**Nil**
Management costs	
The fees and costs for managing your investment.	
Management fee [2]	0.20% p.a.
Indirect costs (estimated) [3]	0.00% p.a.
Total management costs	**0.20% p.a.**

1. Buy-sell spreads may apply when your money moves in or out of the Fund. Subject to law, these may be varied at any time without prior notice.
2. Fee can be negotiated with certain "wholesale clients" investors (as defined by the Corporations Act) in compliance with legal requirements and any applicable ASIC class orders.
3. Certain amounts or figures used to calculate indirect costs may include estimates in circumstances where actual figures could not be obtained. Indirect costs are a reasonable estimate of certain costs incurred within the Fund or any underlying fund that reduce returns.

Additional fees may be paid to a financial advisor as negotiated between you and your adviser – refer to the Statement of Advice which will be provided to you by your financial adviser which sets out the details of the fees.

6.2 Example of annual fees and costs

The table below gives an example of how the fees and costs in the Fund can affect your investment over a one-year period. You should use this table to compare this product with other managed investment products.

Example of annual fees and costs		
Balance of $500,000 with a contribution of $5,000 during year		
Contribution Fees	Nil	For every additional $5,000 you put in you will be charged $0.
PLUS		
Management costs	0.20%	And, for every $500,000 you have in the Fund you will be charged an estimated $1,000 each year.
EQUALS		
Cost of the Fund [1]	If you had an investment of $500,000 at the beginning of the year and you put in an additional $5,000 during that year you would be charged estimated costs of $1,000.[2] **What it costs you will depend on the fees you negotiate.**	

1. Costs include management fee and estimated indirect costs.
2. Additional expenses may apply, for instance, you may incur a buy-sell spread when you move money in or out of the Fund.

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. Amounts assume a constant investment of $500,000 throughout the year and do not take into account any additional contributions made during the year. Management costs will also be charged in relation to additional contributions.

There is a calculator provided by ASIC on its MoneySmart website (www.moneysmart.gov.au) which can be used to calculate the effect of fees and costs on Fund account balances.

6.3 Additional explanation of fees and costs

Can the fees and charges change?

All fees can change. The current fees applicable to your investment are set out in this PDS and although we have the power to change our fee structure without your consent, we have no present intention to do so. Fees may vary over time due to changes to the Fund, changing economic conditions or changes in regulation. We will provide investors 30 days' notice of any proposed increase to our fees and charges.

Additional information incorporated by reference

You should read the information about fees and costs before making an important decision. This material may change between the time when you read this PDS and the day when you acquire the product. Go to section 6 of the document titled "BlackRock Additional Fund Information No. 1", which is available from our website at https://www.blackrock.com/au/individual/literature/product-disclosure-statement/blackrock-additional-fund-information-no1-en-au.pdf

7. How managed investment schemes are taxed

Investing in a registered managed investment scheme is likely to have tax consequences and you are strongly advised to seek professional tax advice. Registered managed investment schemes generally do not pay tax on behalf of investors. However, BlackRock may be required to withhold tax from each distribution at the relevant withholding tax rates under certain circumstances. You are assessed for tax on any income and capital gains generated by the registered investment scheme to which you are entitled.

Additional information incorporated by reference
You should read the information about taxation before making an important decision. This material may change between the time when you read this PDS and the day when you acquire the product. Go to section 7 of the document titled "BlackRock Additional Fund Information No. 1", which is available from our website at https://www.blackrock.com/au/individual/literature/product-disclosure-statement/blackrock-additional-fund-information-no1-en-au.pdf

8. How to invest

8.1 How to invest

To make your initial investment complete and send to us (including by facsimile) the Fund's Application Form that accompanies this PDS or is available from our website at https://www.blackrock.com/au or by calling our Client Services Centre (refer to page 2 of this PDS for contact details). You will normally be able to invest in the Fund on any Business Day. A list of public holidays affecting the Fund is available on our website at https://www.blackrock.com/au. We have absolute discretion to accept, reject, or limit any application request.

If you choose to send us your completed Fund Application Form by facsimile, you will need to send us your original Fund Application Form for our records.

Investor transaction requests are required to be received prior to the Transaction Cut-off Time. Transaction requests received before this time will generally be executed on the relevant Trade Date. Investor transaction requests received after this time or on a day when the Fund is unavailable for transactions will generally be treated as having been received the following Business Day.

Your investment amount can either be deposited into the application bank account (as shown on the Fund's Application Form)**. If you choose to deposit your investment amount in the application bank account, you must provide us with verification from your financial institution that the money has been banked**

In order for us to be able to process your investment, you must ensure that BlackRock receives cleared money in relation to the relevant Trade Date. You may also need to complete an Investor Identification Form (which follows the Fund Application Form) for the purpose of Anti-Money Laundering and Counter-Terrorism Financing legislation.

Refer to section 2.4 of this PDS titled "How to redeem your investment" for details of the Fund's Business Day, Transaction Cut-off Time and Trade Date.

8.2 Do you have "cooling off" rights?

The Fund generally has a minimum investment of $500,000; as such cooling off rights within the meaning of the Corporations Act will not usually be available to direct investors.

8.3 Enquiries and complaints

If you have an enquiry or complaint, you can contact our Enquiries and Complaints Officer via our Client Services Centre. We have established procedures for dealing with enquiries and complaints. If you make a complaint to us, the compliant will be acknowledged and steps will be taken to investigate your concerns. A final response will be provided within 45 days in accordance with our obligations.

BlackRock is a member of the Australian Financial Complaints Authority (**AFCA**), an independent complaint resolution body. If your complaint is not addressed within 45 days from the date it was received, or you are not satisfied with our response, you may refer your complaint to AFCA. AFCA provides fair and independent financial services complaint resolution that is free to consumers. AFCA can be contacted by:

- Telephone: 1800 931 678 (free call)
- Mail: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001
- Email: info@afca.org.au
- Website: www.afca.org.au.

For the hearing and speech impaired, AFCA can be contacted by either:

- National Relay Service: www.relayservice.com.au
- TTY/Voice Calls: 133 677 (local), or
- Speak & Listen: 1300 555 727 (local).

iShares Australian Listed Property Index Fund
Product Disclosure Statement



Dated: 5 June 2020

iShares Australian Listed Property Index Fund
ARSN 097 295 264

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iShares Australian Listed Property Index Fund

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Important information

This Product Disclosure Statement (PDS) is a summary of significant information and contains a number of references to important information (each of which forms part of this PDS) and persons should consider that information before making a decision about the Fund.

The information provided in this PDS is general information only and does not take into account your individual objectives, financial situation, needs or circumstances. You should therefore assess whether the information is appropriate for you and obtain financial advice tailored to you having regard to your individual objectives, financial situation, needs and circumstances.

This PDS can only be used by investors receiving it (electronically or otherwise) in Australia. This PDS is not an offer to any person or any place in which it is unlawful to make such an offer. Units in the Fund have not been, and will not be, registered under the U.S. Securities Act of 1933 or the securities laws of any of the states of the United States. The Fund is not and will not be registered as an investment company under the U.S. Investment Company Act of 1940. Investment in units of the Fund by or on behalf of U.S. persons is not permitted. Units in the Fund may not at any time be offered, sold, transferred or delivered within the United States or to, or for the account or benefit of, a U.S. person. Any issue, sale or transfer in violation of this restriction will not be binding upon the Fund and may constitute a violation of U.S. law.

If any part of this PDS is established to be invalid or unenforceable under the law, it is excluded so that it does not in any way affect the validity or enforceability of the remaining parts.

The Responsible Entity can change any terms and conditions of the offer contained in this PDS at any time. We reserve the right to outsource any or all investment, management and administration functions, including to related parties, without notice to investors.

Responsible Entity contact details

BlackRock Investment Management (Australia) Limited
Level 37, Chifley Tower
2 Chifley Square
Sydney New South Wales 2000

Telephone: 1300 366 100
Facsimile: 1300 366 107
Email: clientservices.aus@blackrock.com
Website: https://www.blackrock.com/au

Incorporation by Reference

The Corporations Act 2001 (Cth) (**Corporations Act**) allows us to provide certain information to you separately to this PDS. Where you see references to "Additional information incorporated by reference" additional information concerning the topic has been incorporated by reference and forms part of the PDS. This information can be found in the BlackRock Additional Fund Information No. 1 document, available at https://www.blackrock.com/au/individual/literature/product-disclosure-statement/blackrock-additional-fund-information-no1-en-au.pdf. You should read this information before making an investment decision. This material may change between the time when you read this PDS and when you acquire the product. This information is available to you free of charge upon request in paper format by contacting the BlackRock Client Services Centre.

Information subject to change

Information in this PDS, as well as the terms and features of the Fund, is subject to change from time to time. We will notify you of any material changes or other significant events that affect the information in this PDS in accordance with our obligations under the Corporations Act.

Updated information that is not materially adverse can be obtained from our website at https://www.blackrock.com/au . A paper copy of any updated information will be given, or an electronic copy made available, free of charge upon request.

Where the Fund is subject to the continuous disclosure requirements of the Corporations Act, we will satisfy our obligations by disclosing material information regarding the Fund on our website at https://www.blackrock.com/au . A paper copy of this material is available free of charge upon request.

Annual report

A copy of the audited annual financial report of the Fund is generally available by the end of September from us or upon request from your Investor Directed Portfolio Service (**IDPS**), superannuation fund or master trust operator. The audited annual financial report will be made available on our website at https://www.blackrock.com/au . You may also elect to receive a hard copy of the report by contacting our Client Services Team on the telephone number shown on the right of this page.

Investing through an IDPS, superannuation fund or master trust

If you have invested through an IDPS, superannuation fund or master trust, you can use this PDS for information purposes; however, if you wish to make any change to your investment you should contact the operator of such service and complete their required documentation. The operator of such service may process unitholder transactions and requests in accordance with processes that are different to those set out in this document.

1. About BlackRock Investment Management (Australia) Limited

BlackRock Investment Management (Australia) Limited, ABN 13 006 165 975 (referred to in this PDS as **BlackRock**, **Responsible Entity**, **Manager**, **we**, **our** or **us**) is the responsible entity and the issuer of units in the iShares Australian Listed Property Index Fund (**Fund**).

BlackRock is a wholly owned subsidiary of BlackRock, Inc.® (**BlackRock Inc**) but is not guaranteed by BlackRock Inc, or any BlackRock Inc subsidiary or associated entity (the **BlackRock Group**). Neither BlackRock nor any member of the BlackRock Group guarantees the success of the Fund, the achievement of the investment objective, or the repayment of capital or particular rates of return on investment or capital. An investor in the Fund could lose all or a substantial part of their investment. In particular, the performance of the Fund will depend on the performance and market value of the assets held by the Fund.

2. How the iShares Australian Listed Property Index Fund works

2.1 The interests that members acquire

The Fund is structured as a unitised registered managed investment scheme. When you invest in the Fund, you are allocated a number of units. Each of these units represents an equal share in the net assets of the Fund. As a result, each unit has a dollar value or "unit price". The unit price will vary as the market value of assets in the Fund rises or falls.

2.2 Minimum investment amounts

When investing in the Fund you generally need a minimum amount of $500,000 or such other amount as we may determine from time to time. There is no minimum investment for subsequent applications. While there is no minimum redemption amount, we generally require a minimum balance in your Fund account of $500,000.

2.3 How investors can increase or decrease their investment

Investors can increase or decrease their investment by acquiring units (refer to section 8.1 of this PDS titled "How to invest") or redeeming all or part of their investment (refer to section 2.4 of this PDS titled "How to redeem your investment").

2.4 How to redeem your investment

Redemption requests can be made in writing (including by facsimile). You will normally be able to redeem from the Fund on any **Business Day**, being a day other than a Saturday or Sunday on which banks are open for general banking business in Sydney. A list of public holidays affecting the Fund is available on our website at https://www.blackrock.com/au.

Investor transaction requests are required to be received by 1.00 pm (Sydney time) on any Business Day (**Transaction Cut-off Time**). Transaction requests received before this time will generally be executed on the same day (**Trade Date**). Investor transaction requests received after this time or on a day when the Fund is unavailable for transactions will generally be treated as having been received the following Business Day.

Following receipt of a redemption request, we will deposit redemption proceeds into your nominated Australian bank account, generally within four Business Days of our having received the redemption request, although we are allowed longer periods under the Fund's constitution.

In some circumstances, such as when there is a freeze on withdrawals, investors may not be able to withdraw from the Fund within the usual period upon request.

2.5 Frequency of distributions and how they are calculated

If you hold units in the 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. Any income you receive from your investments will be in the form of distributions. Your distribution may include interest, dividends, other income and realised gains. Distributions are not guaranteed and there may be periods for which distributions are higher or lower than expected.

Distributions (if any) are generally determined at the end of March, June, September and December each year. Distributions (if any) are usually paid within 21 Business Days of the end of the distribution period.

Additional information incorporated by reference

You should read the information about the acquisition and disposal of interests before making an important decision. This material may change between the time when you read this PDS and when you acquire the product. Go to section 2 of the document titled "BlackRock Additional Fund Information No. 1", which is available from our website at https://www.blackrock.com/au/individual/literature/product-disclosure-statement/blackrock-additional-fund-information-no1-en-au.pdf.

3. Benefits of investing in the iShares Australian Listed Property Index Fund

Index tracking: The Fund is an index tracker and seeks to provide investors with similar returns, before fees, to those of its benchmark index.

Diversification: In contrast to a direct investment in a single company or bond, the Fund provides, as far as practicable and possible, exposure to all of the securities or instruments within its benchmark index.

Lower cost: As the Fund is passively managed and designed to track a particular index, the expenses of managing the Fund are generally lower compared to other forms of retail managed funds.

Additional information incorporated by reference

You should read the information about the other features and benefits of the Fund before making an important decision. This material may change between the time when you read this PDS and when you acquire the product. Go to section 3 of the document titled "BlackRock Additional Fund Information No. 1", which is available from our website at https://www.blackrock.com/au/individual/literature/product-disclosure-statement/blackrock-additional-fund-information-no1-en-au.pdf.

4. Risks of managed investment schemes

All investments carry risk. Different strategies may carry different levels of risk, depending on the assets that make up the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk.

Returns are not guaranteed. Future returns may differ from past returns and investors may lose some or all of their investment.

The appropriate level of risk for each investor will vary depending on a range of factors including age, investment time frames, where other parts of the investor's wealth is invested and the investor's risk tolerance.

The specific investment risks of investing in the Fund include:

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

Derivative transactions may be subject to the risk that a counterparty to the transaction will wholly or partially fail to perform their contractual obligations under the arrangement (including failing to meet collateral requirements under the arrangement). Additionally, OTC markets are not guaranteed by an exchange or clearing corporation and generally do not require payment of margin. To the extent that a fund has unrealised gains in such instruments or has deposited collateral with its counterparty that fund is at risk that its counterparty will become bankrupt or otherwise fail to honour its obligations. Derivative transactions may also expose a fund to a risk of potential illiquidity if the derivative instrument is difficult to purchase or sell.

The BlackRock Group attempts to minimise these risks by engaging in derivative transactions only with financial institutions that have substantial capital or that have provided a third-party guarantee or other credit enhancement.

Index related risk. In order to meet its investment objective, the Fund will seek to achieve a return that reflects the return of its 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 their indices, nor any guarantee that the published index will be in line with their described benchmark index methodologies. Errors in respect of the quality, accuracy and completeness of the data may occur from time to time and may not be identified and corrected for a period of time, in particular where an index is less commonly used. During a period where an index contains incorrect constituents, a fund benchmarked to that index would have market exposure to such constituents. As such, errors may potentially result in a negative or positive performance impact to the fund and to its unitholders. Apart from scheduled rebalances, index providers may carry out additional ad hoc rebalances to their benchmark indices in order, for example, to correct an error in the selection of index constituents. Where the index is rebalanced and a fund in turn rebalances its portfolio to bring it in line with the index, any transaction costs and market exposure arising from such portfolio rebalancing will be borne by the fund and, by extension, the fund's unitholders. Therefore, errors and additional ad hoc rebalances carried out by an index provider may increase the costs and market exposure risk of a fund.

Liquidity risk. The Fund may be exposed to securities with limited liquidity, which are in practice infrequently traded or for which typical daily volumes traded are small. It may not be possible to sell such securities when it is desirable to do so or to realise what the manager perceives to be their fair value in the event of a sale. The Fund may also be exposed to other funds that may, in certain circumstances, limit or suspend redemptions rights. The general level of market liquidity also varies and may deteriorate. Such a deterioration may negatively impact the ability to trade fund securities and may negatively affect the price at which a trade is executed. These circumstances could impair a fund's ability to make distributions to a redeeming unit holder in a timely manner and a fund may need to consider suspending redemptions. The BlackRock Group aims to reduce these risks by understanding the liquidity characteristics of securities a fund is exposed to and plans trading so as to minimise the adverse consequences of low liquidity.

Property risk: The risk level varies between development property (higher risk) and existing property (lower risk). Property also tends to have a unique cycle, which is different to shares and other asset classes.

Particular external factors affecting property include liquidity, interest rates, diversity of direct property holdings, the quality of properties, proximity to competing properties, current and expected income and other economic conditions that may affect supply and demand.

Property exposure in the Fund may be obtained via holdings in listed property securities or via derivative contracts based on these securities. In addition to the above risks, these vehicles may be subject to refinancing risk associated with any borrowings made in order to acquire properties, may have limited financial resources and may trade less frequently and in limited volume. Listed property securities are valued daily according to their last quoted market price.

Tracking error risk. The NAV of the Fund may not correlate exactly with the index it is designed to match. Factors such as fund fees and expenses, imperfect correlation between fund security holdings and index constituents, inability to rebalance portfolio holdings in response to changes to index constituents, rounding of prices, index changes and regulatory policies may affect the ability of a fund to achieve close correlation with the index. A fund's returns may therefore deviate from the index it is designed to match.

Underlying fund risk. The Fund may implement some or all of its investment strategy through an investment in an underlying fund. The Fund and underlying fund are managed as separate entities, with separate investment objectives and investment strategies. No guarantee can be given that the underlying fund will meet its investment objective, continue to be managed according to its current investment strategy or be open to investments in the future. Changes to the underlying fund may be made without unitholder approval. Should the underlying fund change its investment objective or investment strategy, we will review such changes with consideration to the investment objective and strategy of the Fund. Further, if the underlying fund were to be suspended, closed or terminated for any reason, the Fund would be exposed to those changes.

Other risks more generally associated with investing in a fund include:

Counterparty risk. Institutions, such as brokerage firms, banks, and broker-dealers, may enter into transactions with the manager of a fund in relation to the sale and purchase of assets or securities. Such institutions may also be issuers of the securities in which a fund invests. Bankruptcy, fraud, regulatory sanction or a refusal to complete a transaction at one of these institutions could significantly impair the operational capabilities or the capital position of a fund. While the BlackRock Group uses reasonable efforts to mitigate such risks, there can be no guarantee that transactions between such counterparties will always be completed in the manner contemplated by, and favourable to, the relevant fund.

Conflicts of interest risk. Certain conflicts of interest may arise in the operation of a BlackRock Group fund. Fund structures may involve members of the BlackRock Group acting in more than one capacity, while BlackRock Group funds may hold over-the counter derivative agreements where a member of the BlackRock Group is acting (in different capacities) on both sides of the agreement. BlackRock Group funds may be invested in by persons associated with BlackRock Group or by other funds and accounts managed by different members of the BlackRock Group. Investors in a fund may, in some instances, invest on different terms to each other, some of which may be more favourable than others. Each investor in a fund may act in a way that is adverse to the interests of other investors in that fund. Additionally, funds and accounts managed by different members of the BlackRock Group may act as a seed investor in a BlackRock Group fund, which may create a commercial opportunity for the BlackRock Group. For example, a seed investment may allow the BlackRock Group to establish a track record for a fund that can then be sold to other clients. Certain investment strategies of the BlackRock Group may conflict with each other and may affect the price and availability of securities in which to invest. Members of the BlackRock Group may also give advice or take action with respect to any of their clients, which may differ from the advice given or the timing or nature of any action taken with respect to the investments of other BlackRock Group funds or accounts.

While conflicts of interest may arise from time to time, the BlackRock Group has established policies and procedures in place to manage any such conflict, which includes ensuring transactions between BlackRock Group entities are conducted on an arm's length commercial basis.

Fund risk. The price of units in a fund and the income from them may go down as well as up. Investors may not get back their original investment. There can be no assurance that a fund will achieve its investment objective or that an investor will achieve profits or avoid losses, significant or otherwise. Capital return and income of a fund is based on the capital appreciation and income of the securities invested in, less expenses incurred. Fund returns may fluctuate in response to changes in such capital appreciation or income. The payment of distributions is at the discretion of the fund issuer, taking into account various factors and its own distribution policy. Distributions are not guaranteed and there may be periods for which distributions are higher or lower than expected. Investing in a fund may result in a different tax outcome than investing in securities directly. The application of tax laws and certain events occurring within a fund may result in you receiving some of your investment back as income in the form of a distribution. A fund will generally not be managed with consideration of the individual circumstances, including specific tax considerations, applicable to any single unitholder in the fund. Past performance is not indicative of future performance.

Individual investment risk. Individual securities held by a fund can and do fall in value for many reasons. Both price and levels of income are subject to fluctuation. Returns from individual securities will vary and price movements can be volatile.

Market risk. Economic, technological, political or legislative conditions and even market sentiment can (and do) change and this can affect the value of the investments in a fund. The value of a fund will change with changes in the market value of the securities to which it is exposed.

Operational risk: The risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Adverse impacts may arise internally through human error, technology or infrastructure changes, or through external events such as third party failures or crisis events. The BlackRock Group has procedures in place to manage these risks and, as much as possible, monitor the controls within these procedures to ensure operational risks are adequately managed.

Regulatory and business risk: Changes in corporate, taxation or other relevant laws, regulations or rules may adversely affect your investment. For example, such changes may adversely affect a fund's ability to execute certain investment strategies, which could have a material effect on performance. The laws affecting registered managed investment schemes may also change in the future.

5. How we invest your money

Investors should consider the likely investment return, the risk, and their investment timeframe when choosing a fund in which to invest. This Fund only offers a single investment option.

The Fund aims to provide investors with the performance of the market, before fees, as measured by the S&P/ASX 300 A-REIT TR Index (**Index**).

Our investment style is based on our belief that people, leveraged by technology, are central to the consistent achievement of our clients' investment goals.

We believe that a focus on total performance management is the best way to achieve superior investment results. Through total performance management, we aim to understand; measure; forecast; and manage the three dimensions of investment performance — return, risk and cost.

We believe that full replication is the most appropriate investment strategy to track the performance of the Index as risk relative to the Index is minimised. Portfolios automatically rebalance, which minimises turnover and trading costs.

We believe that full replication is the most appropriate investment strategy to track the performance of the Index as risk relative to the Index is minimised. Portfolios automatically rebalance, which minimises turnover and trading costs.

Our full-replication approach aims to purchase every security in the Index, while considering transaction costs.

Capturing additional returns

To overcome the impact that transaction costs and cash drag can have on relative performance, we undertake value-added strategies such as:

- **Cash-flow management:** We use the SPI Futures contract where it is cheaper than trading in physical securities, to minimise market impact and to take a patient and, therefore, less-costly approach to trading.
- **Managing index changes:** We use strategies to sell deleted stocks at higher prices than the final index price and to buy incoming stocks at lower prices than which they are added to the Index.
- **Anticipating index changes:** Through our knowledge of the Australian Securities Exchange's index rules, we try to anticipate future Benchmark Index additions and deletions before they are announced.
- **Enrolling in dividend-reinvestment plans:** We enrol in dividend-reinvestment plans where we think it adds significant benefit to receive shares at discounts and to gain premiums relative to the Index.
- **Taking part in initial public offerings and placements:** Judging whether to take part in floats and placements is an important part of index management. We conduct thorough analysis on when new listings and issues may enter the Index and on the prices at which they may enter, before deciding to take controlled positions in floats or placements.

To achieve its investment objective the Fund invests substantially all of its assets in units of the iShares Wholesale Australian Listed Property Index Fund (**Underlying Fund**), another fund managed by us that has the same investment strategy as the Fund. The Underlying Fund invests in the Australian real estate investment trusts (**REITs**) that form the Index. 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 Underlying Fund.

The Fund and Underlying Fund may also hold a small allocation of cash (or cash equivalents that may include units in other BlackRock funds) for cash flow management purposes.

The Fund's investment strategy aims to remain fully exposed to the Australian REIT market, with cash exposure being maintained at a minimum, which may be, wherever practicable, equitised using index futures.

While the constitution of the Fund allows the Responsible Entity to borrow, it is our intention that no borrowing arrangements will be entered into, other than temporary overdrafts, which may be used as a means of managing certain cash flows.

The Fund may be suitable for long-term investors seeking a broad exposure to Australian REITS. From an investor's perspective, the Fund is considered high risk. Generally, the risk level associated with the Fund is greater if the Fund is held for a period less than the minimum suggested timeframe described above. The minimum suggested timeframe for holding investments in the Fund is 5 year.

Additional information incorporated by reference

You should read the information about how we invest your money, our consideration of labour standards or environmental, social or ethical issues, switching your investment, changes to the investment option and important information in respect of the Index provider, before making an important decision. This material may change between the time when you read this PDS and when you acquire the product. Go to section 5 of the document titled "BlackRock Additional Fund Information No. 1", which is available from our website at https://www.blackrock.com/au/individual/literature/product-disclosure-statement/blackrock-additional-fund-information-no1-en-au.pdf.

6. Fees and costs

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 funds fee calculator to help you check out different fee options.

6.1 Fee table and example

The table below shows fees and other costs that you may be charged. Unless otherwise indicated, fees are inclusive of Goods and Services Tax (**GST**), any applicable stamp duty and take into account expected reduced input tax credits in respect of the GST component of the fee

Information in the fee table can be used to compare costs between different simple managed investment schemes. Fees and costs can be paid directly from your Fund account or deducted from investment returns.

Type of fee or cost	Amount
Fees when your money moves in or out of the Fund[1]	
Establishment fee	**Nil**
Contribution fee	**Nil**
Withdrawal fee	**Nil**
Exit fee	**Nil**
Management costs	
The fees and costs for managing your investment.	
Management fee [2]	0.20% p.a.
Indirect costs (estimated) [3]	0.00% p.a.
Total management costs	**0.20% p.a.**

1. Buy-sell spreads may apply when your money moves in or out of the Fund. Subject to law, these may be varied at any time without prior notice.
2. Fee can be negotiated with certain "wholesale clients" (as defined by the Corporations Act) in compliance with legal requirements and any applicable ASIC class orders.
3. Certain amounts or figures used to calculate indirect costs may include estimates in circumstances where actual figures could not be obtained. Indirect costs are a reasonable estimate of certain costs incurred within the Fund or any underlying fund that reduce returns.

Additional fees may be paid to a financial advisor as negotiated between you and your adviser – refer to the Statement of Advice which will be provided to you by your financial adviser which sets out the details of the fees.

6.2 Example of annual fees and costs

The table below gives an example of how the fees and costs in the Fund can affect your investment over a one-year period. You should use this table to compare this product with other managed investment products.

Example of annual fees and costs		
Balance of $500,000 with a contribution of $5,000 during year		
Contribution Fees	Nil	For every additional $5,000 you put in you will be charged $0.
PLUS		
Management costs	0.20%	And, for every $500,000 you have in the Fund you will be charged an estimated $1,000 each year.
EQUALS		
Cost of the Fund [1]	If you had an investment of $500,000 at the beginning of the year and you put in an additional $5,000 during that year you would be charged estimated costs of $1,000.[2] **What it costs you will depend on the fees you negotiate.**	

1. Costs include management fee and estimated indirect costs.
2. Additional expenses may apply, for instance, you may incur a buy-sell spread when you move money in or out of the Fund.

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. Amounts assume a constant investment of $500,000 throughout the year and do not take into account any additional contributions made during the year. Management costs will also be charged in relation to additional contributions.

There is a calculator provided by ASIC on its MoneySmart website (www.moneysmart.gov.au) which can be used to calculate the effect of fees and costs on Fund account balances.

6.3 Additional explanation of fees and costs

Can the fees and charges change?

All fees can change. The current fees applicable to your investment are set out in this PDS and although we have the power to change our fee structure without your consent, we have no present intention to do so. Fees may vary over time due to changes to the Fund, changing economic conditions or changes in regulation. We will provide investors 30 days' notice of any proposed increase to our fees and charges.

Additional information incorporated by reference

You should read the information about fees and costs before making an important decision. This material may change between the time when you read this PDS and when you acquire the product. Go to section 6 of the document titled "BlackRock Additional Fund Information No. 1", which is available from our website at https://www.blackrock.com/au/individual/literature/product-disclosure-statement/blackrock-additional-fund-information-no1-en-au.pdf

7. How managed investment schemes are taxed

Investing in a registered managed investment scheme is likely to have tax consequences and you are strongly advised to seek professional tax advice. Registered managed investment schemes generally do not pay tax on behalf of investors. However, BlackRock may be required to withhold tax from each distribution at the relevant withholding tax rates under certain circumstances. You are assessed for tax on any income and capital gains generated by the registered investment scheme to which you are entitled.

Additional information incorporated by reference
You should read the information about taxation before making an important decision. Go to section 7 of the document titled "BlackRock Additional Fund Information No. 1", which is available from our website at https://www.blackrock.com/au/individual/literature/product-disclosure-statement/blackrock-additional-fund-information-no1-en-au.pdf

8. How to invest

8.1 How to invest

To make your initial investment complete and send to us (including by facsimile) the Fund's Application Form that accompanies this PDS or is available from our website at https://www.blackrock.com/au or by calling our Client Services Centre (refer to page 2 of this PDS for contact details). You will normally be able to invest in the Fund on any Business Day. A list of public holidays affecting the Fund is available on our website at https://www.blackrock.com/au . We have absolute discretion to accept, reject, or limit any application request.

If you choose to send us your completed Fund Application Form by facsimile, you will need to send us your original Fund Application Form for our records.

Investor transaction requests are required to be received prior to the Transaction Cut-off Time. Transaction requests received before this time will generally be executed on the relevant Trade Date. Investor transaction requests received after this time or on a day when the Fund is unavailable for transactions will generally be treated as having been received the following Business Day.

Your investment amount can be deposited into the application bank account (as shown on the Fund's Application Form).

If you choose to deposit your investment amount in the application bank account, you must provide us with verification from your financial institution that the money has been banked

In order for us to be able to process your investment, you must ensure that BlackRock receives cleared money in relation to the relevant Trade Date. You may also need to complete an Investor Identification Form (which follows the Fund Application Form) for the purpose of Anti-Money Laundering and Counter-Terrorism Financing legislation.

Refer to section 2.4 of this PDS titled "How to redeem your investment" for details of the Fund's Business Day, Transaction Cut-off Time and Trade Date.

8.2 Do you have "cooling off" rights?

The Fund generally has a minimum investment of $500,000; as such cooling off rights within the meaning of the Corporations Act will not usually be available to direct investors.

8.3 Enquiries and complaints

If you have an enquiry or complaint, you can contact our Enquiries and Complaints Officer via our Client Services Centre. We have established procedures for dealing with enquiries and complaints. If you make a complaint to us, the compliant will be acknowledged and steps will be taken to investigate your concerns. A final response will be provided within 45 days in accordance with our obligations.

BlackRock is a member of the Australian Financial Complaints Authority (**AFCA**), an independent complaint resolution body. If your complaint is not addressed within 45 days from the date it was received, or you are not satisfied with our response, you may refer your complaint to AFCA. AFCA provides fair and independent financial services complaint resolution that is free to consumers. AFCA can be contacted by:

- Telephone: 1800 931 678 (free call)
- Mail: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001
- Email: info@afca.org.au
- Website: www.afca.org.au.

For the hearing and speech impaired, AFCA can be contacted by either:

- National Relay Service: www.relayservice.com.au
- TTY/Voice Calls: 133 677 (local), or
- Speak & Listen: 1300 555 727 (local).

iShares Hedged International Equity Index Fund (Class D Units)
Product Disclosure Statement

Dated: 5 June 2020

iShares Hedged International Equity Index Fund (Class D Units)
ARSN 095 723 710

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

iShares Hedged International Equity Index Fund (Class D Units)

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Important information

This Product Disclosure Statement (PDS) is a summary of significant information and contains a number of references to important information (each of which forms part of this PDS) and persons should consider that information before making a decision about the Fund.

The information provided in this PDS is general information only and does not take into account your individual objectives, financial situation, needs or circumstances. You should therefore assess whether the information is appropriate for you and obtain financial advice tailored to you having regard to your individual objectives, financial situation, needs and circumstances.

This PDS can only be used by investors receiving it (electronically or otherwise) in Australia. This PDS is not an offer to any person or any place in which it is unlawful to make such an offer. Units in the Fund have not been, and will not be, registered under the U.S. Securities Act of 1933 or the securities laws of any of the states of the United States. The Fund is not and will not be registered as an investment company under the U.S. Investment Company Act of 1940. Investment in units of the Fund by or on behalf of U.S. persons is not permitted. Units in the Fund may not at any time be offered, sold, transferred or delivered within the United States or to, or for the account or benefit of, a U.S. person. Any issue, sale or transfer in violation of this restriction will not be binding upon the Fund and may constitute a violation of U.S. law.

If any part of this PDS is established to be invalid or unenforceable under the law, it is excluded so that it does not in any way affect the validity or enforceability of the remaining parts.

The Responsible Entity can change any terms and conditions of the offer contained in this PDS at any time. We reserve the right to outsource any or all investment, management and administration functions, including to related parties, without notice to investors.

Responsible Entity contact details

BlackRock Investment Management (Australia) Limited
Level 37, Chifley Tower, 2 Chifley Square
Sydney NSW 2000

Telephone: 1300 366 100
Facsimile: 1300 366 107
Email: clientservices.aus@blackrock.com
Website: www.blackrock.com/au

Incorporation by Reference

The Corporations Act 2001 (Cth) (**Corporations Act**) allows us to provide certain information to you separately to this PDS. Where you see references to "Additional information incorporated by reference" additional information concerning the topic has been incorporated by reference forms part of the PDS. This information can be found in the BlackRock Additional Fund Information No. 1 document, available at https://www.blackrock.com/au/individual/literature/product-disclosure-statement/blackrock-additional-fund-information-no1-en-au.pdf . You should read this information before making an important decision. This material may change between the time when you read this PDS and when you acquire the product. This information is available to you free of charge upon request in paper format by contacting the BlackRock Client Services Centre.

Information subject to change

Information in this PDS, as well as the terms and features of the Fund, is subject to change from time to time. We will notify you of any material changes or other significant events that affect the information in this PDS in accordance with our obligations under the Corporations Act.

Updated information that is not materially adverse can be obtained from our website at www.blackrock.com/au. A paper copy of any updated information will be given, or an electronic copy made available, free of charge upon request.

Where the Fund is subject to the continuous disclosure requirements of the Corporations Act, we will satisfy our obligations by disclosing material information regarding the Fund on our website at www.blackrock.com/au. A paper copy of this material is available free of charge upon request.

Annual report

A copy of the audited annual financial report of the Fund is generally available by the end of September from us or upon request from your Investor Directed Portfolio Service (**IDPS**), superannuation fund or master trust operator. The audited annual financial report will be made available on our website at www.blackrock.com/au. You may also elect to receive a hard copy of the report by contacting our Client Services Team on the telephone number shown on the right of this page.

Investing through an IDPS, superannuation fund or master trust

If you have invested through an IDPS, superannuation fund or master trust, you can use this PDS for information purposes; however, if you wish to make any change to your investment you should contact the operator of such service and complete their required documentation. The operator of such service may process unitholder transactions and requests in accordance with processes that are different to those set out in this document.

1. About BlackRock Investment Management (Australia) Limited

BlackRock Investment Management (Australia) Limited, ABN 13 006 165 975 (referred to in this PDS as **BlackRock**, **Responsible Entity**, **Manager**, **we**, **our** or **us**) is the responsible entity and the issuer of units in the iShares Hedged International Equity Index Fund (**Fund**).

BlackRock is a wholly owned subsidiary of BlackRock, Inc.® (**BlackRock Inc**) but is not guaranteed by BlackRock Inc, or any BlackRock Inc subsidiary or associated entity (the **BlackRock Group**). Neither BlackRock nor any member of the BlackRock Group guarantees the success of the Fund, the achievement of the investment objective, or the repayment of capital or particular rates of return on investment or capital. An investor in the Fund could lose all or a substantial part of their investment. In particular, the performance of the Fund will depend on the performance and market value of the assets held by the Fund.

2. How the iShares Hedged International Equity Index Fund works

2.1 The interests that members acquire

The Fund is structured as a unitised registered managed investment scheme. When you invest in the Fund, you are allocated a number of units. Each of these units represents an equal share in the net assets of the Fund. As a result, each unit has a dollar value or "unit price". The unit price will vary as the market value of assets in the Fund rises or falls.

2.2 Minimum investment amounts

When investing in the Fund you generally need a minimum amount of $500,000 or such other amount as we may determine from time to time. There is no minimum investment for subsequent applications. While there is no minimum redemption amount, we generally require a minimum balance in your Fund account of $500,000.

2.3 How investors can increase or decrease their investment

Investors can increase or decrease their investment by acquiring units (refer to section 8.1 of this PDS titled "How to invest") or redeeming all or part of their investment (refer to section 2.4 of this PDS titled "How to redeem your investment").

2.4 How to redeem your investment

Redemption requests can be made in writing (including by facsimile). You will normally be able to redeem from the Fund on any **Business Day**, being a day other than a Saturday or Sunday on which banks are open for general banking business in Sydney (Australia) and New York (USA). A list of public holidays affecting the Fund is available on our website at www.blackrock.com/au.

Investor transaction requests are required to be received by 3.00 pm (Sydney time) on any Business Day (**Transaction Cut-off Time**). Transaction requests received before this time will generally be executed on the next Business Day (**Trade Date**). Investor transaction requests received after this time or on a day when the Fund is unavailable for transactions will generally be treated as having been received the following Business Day.

Following receipt of a redemption request, we will deposit redemption proceeds into your nominated Australian bank account, generally within six Business Days of our having received the redemption request, although we are allowed longer periods under the Fund's constitution.

In some circumstances, such as when there is a freeze on withdrawals, investors may not be able to withdraw from the Fund within the usual period upon request.

2.5 Frequency of distributions and how they are calculated

If you hold units in the 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. Any income you receive from your investments will be in the form of distributions. Your distribution may include interest, dividends, other income and realised gains. Distributions are not guaranteed and there may be periods for which distributions are higher or lower than expected.

Distributions (if any) are generally determined at the end of June, each year. Distributions (if any) are usually paid within 21 Business Days of the end of the distribution period.

Additional information incorporated by reference

You should read the information about the acquisition and disposal of interests before making an important decision. This material may change between the time when you read this PDS and when you acquire the product. Go to section 2 of the document titled "BlackRock Additional Fund Information No. 1", which is available from our website at https://www.blackrock.com/au/individual/literature/product-disclosure-statement/blackrock-additional-fund-information-no1-en-au.pdf

3. Benefits of investing in the iShares Hedged International Equity Index Fund

Index tracking: The Fund is an index tracker and seeks to provide investors with similar returns, before fees, to those of its benchmark index.

Diversification: In contrast to a direct investment in a single company or bond, the Fund provides, as far as practicable and possible, exposure to all of the securities or instruments within its benchmark index.

Lower cost: As the Fund is passively managed and designed to track a particular index, the expenses of managing the Fund are generally lower compared to other forms of retail managed funds.

Additional information incorporated by reference

You should read the information about the other features and benefits of the Fund before making an important decision. This material may change between the time when you read this PDS and when you acquire the product. Go to section 3 of the document titled "BlackRock Additional Fund Information No. 1", which is available from our website at https://www.blackrock.com/au/individual/literature/product-disclosure-statement/blackrock-additional-fund-information-no1-en-au.pdf

4. Risks of managed investment schemes

All investments carry risk. Different strategies may carry different levels of risk, depending on the assets that make up the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk.

Returns are not guaranteed. Future returns may differ from past returns and investors may lose some or all of their investment.

The appropriate level of risk for each investor will vary depending on a range of factors including age, investment time frames, where other parts of the investor's wealth is invested and the investor's risk tolerance.

The specific investment risks of investing in the Fund include:

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

Derivative transactions may be subject to the risk that a counterparty to the transaction will wholly or partially fail to perform their contractual obligations under the arrangement (including failing to meet collateral requirements under the arrangement). Additionally, OTC markets are not guaranteed by an exchange or clearing corporation and generally do not require payment of margin. To the extent that a fund has unrealised gains in such instruments or has deposited collateral with its counterparty that fund is at risk that its counterparty will become bankrupt or otherwise fail to honour its obligations. Derivative transactions may also expose a fund to a risk of potential illiquidity if the derivative instrument is difficult to purchase or sell.

The BlackRock Group attempts to minimise these risks by engaging in derivative transactions only with financial institutions that have substantial capital or that have provided a third-party guarantee or other credit enhancement.

Equity security risk. Equity securities are subject to changes in value, and their values may be more volatile than those of other asset classes. Dividend payments from shares may also vary over time.

Foreign investment risk. Exposure to securities or derivative instruments issued in foreign markets may include certain risks associated with:

- differences in trading, settlement and clearing procedures that may restrict trading (as a result of suspensions or daily quotas), increase default or market operational risks or require securities to be held on a beneficial basis via a depositary nominee;
- currency risk, the risk that foreign currencies change in value relative to the Australian dollar, which may affect a fund's investment returns. These movements may either add to or subtract from performance. Passive currency management may be undertaken, however, it may not be possible to perfectly match performance of the hedging relative to that of its benchmark. Currency management can result in capital losses and investment returns are not guaranteed;
- countries may be subject to considerable degrees of market volatility, economic, political and social instability, which may reduce or preclude the ability to trade security exposures or negatively affect a security's value; and
- differences in accounting, financial reporting, taxation, legal, regulatory, liquidity and pricing practices that are subject to change and if so may adversely affect a fund.

Index related risk. In order to meet its investment objective, the Fund will seek to achieve a return that reflects the return of its 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 their indices, nor any guarantee that the published index will be in line with their described benchmark index methodologies. Errors in respect of the quality, accuracy and completeness of the data may occur from time to time and may not be identified and corrected for a period of time, in particular where an index is less commonly used. During a period where an index contains incorrect constituents, a fund benchmarked to that index would have market exposure to such constituents. As such, errors may potentially result in a negative or positive performance impact to the fund and to its unitholders. Apart from scheduled rebalances, index providers may carry out additional ad hoc rebalances to their benchmark indices in order, for example, to correct an error in the selection of index constituents. Where the index is rebalanced and a fund in turn rebalances its portfolio to bring it in line with the index, any transaction costs and market exposure arising from such portfolio rebalancing will be borne by the fund and, by extension, the fund's unitholders. Therefore, errors and additional ad hoc rebalances carried out by an index provider may increase the costs and market exposure risk of a fund.

Liquidity risk. The Fund may be exposed to securities with limited liquidity, which are in practice infrequently traded or for which typical daily volumes traded are small. It may not be possible to sell such securities when it is desirable to do so or to realise what the manager perceives to be their fair value in the event of a sale. The Fund may also be exposed to other funds that may, in certain circumstances, limit or suspend redemptions rights. The general level of market liquidity also varies and may deteriorate. Such a deterioration may negatively impact the ability to trade fund securities and may negatively affect the price at which a trade is executed. These circumstances could impair a fund's ability to make distributions to a redeeming unit holder in a timely manner and a fund may need to consider suspending redemptions. The BlackRock Group aims to reduce these risks by understanding the liquidity characteristics of securities a fund is exposed to and plans trading so as to minimise the adverse consequences of low liquidity.

Tracking error risk. The NAV of the Fund may not correlate exactly with the index it is designed to match. Factors such as fund fees and expenses, imperfect correlation between fund security holdings and index constituents, inability to rebalance portfolio holdings in response to changes to index constituents, rounding of prices, index changes and regulatory policies may affect the ability of a fund to achieve close correlation with the index. A fund's returns may therefore deviate from the index it is designed to match.

Underlying fund risk. The Fund may implement some or all of its investment strategy through an investment in an underlying fund. The Fund and underlying fund are managed as separate entities, with separate investment objectives and investment strategies. No guarantee can be given that the underlying fund will meet its investment objective, continue to be managed according to its current investment strategy or be open to investments in the future. Changes to the underlying fund may be made without unitholder approval. Should the underlying fund change its investment objective or investment strategy, we will review such changes with consideration to the investment objective and strategy of the Fund. Further, if the underlying fund were to be suspended, closed or terminated for any reason, the Fund would be exposed to those changes.

Other risks more generally associated with investing in a fund include:

Counterparty risk. Institutions, such as brokerage firms, banks, and broker-dealers, may enter into transactions with the manager of a fund in relation to the sale and purchase of assets or securities. Such institutions may also be issuers of the securities in which a fund invests. Bankruptcy, fraud, regulatory sanction or a refusal to complete a transaction at one of these institutions could significantly impair the operational capabilities or the capital position of a fund. While the BlackRock Group uses reasonable efforts to mitigate such risks, there can be no guarantee that transactions between such counterparties will always be completed in the manner contemplated by, and favourable to, the relevant fund.

Conflicts of interest risk. Certain conflicts of interest may arise in the operation of a BlackRock Group fund. Fund structures may involve members of the BlackRock Group acting in more than one capacity, while BlackRock Group funds may hold over-the counter derivative agreements where a member of the BlackRock Group is acting (in different capacities) on both sides of the agreement. BlackRock Group funds may be invested in by persons associated with BlackRock Group or by other funds and accounts managed by different members of the BlackRock Group. Investors in a fund may, in some instances, invest on different terms to each other, some of which may be more favourable than others. Each investor in a fund may act in a way that is adverse to the interests of other investors in that fund. Additionally, funds and accounts managed by different members of the BlackRock Group may act as a seed investor in a BlackRock Group fund, which may create a commercial opportunity for the BlackRock Group. For example, a seed investment may allow the BlackRock Group to establish a track record for a fund that can then be sold to other clients. Certain investment strategies of the BlackRock Group may conflict with each other and may affect the price and availability of securities in which to invest. Members of the BlackRock Group may also give advice or take action with respect to any of their clients, which may differ from the advice given or the timing or nature of any action taken with respect to the investments of other BlackRock Group funds or accounts.

While conflicts of interest may arise from time to time, the BlackRock Group has established policies and procedures in place to manage any such conflict, which includes ensuring transactions between BlackRock Group entities are conducted on an arm's length commercial basis.

Fund risk. The price of units in a fund and the income from them may go down as well as up. Investors may not get back their original investment. There can be no assurance that a fund will achieve its investment objective or that an investor will achieve profits or avoid losses, significant or otherwise. Capital return and income of a fund is based on the capital appreciation and income of the securities invested in, less expenses incurred. Fund returns may fluctuate in response to changes in such capital appreciation or income. The payment of distributions is at the discretion of the fund issuer, taking into account various factors and its own distribution policy. Distributions are not guaranteed and there may be periods for which distributions are higher or lower than expected. Investing in a fund may result in a different tax outcome than investing in securities directly. The application of tax laws and certain events occurring within a fund may result in you receiving some of your investment back as income in the form of a distribution. A fund will generally not be managed with consideration of the individual circumstances, including specific tax considerations, applicable to any single unitholder in the fund. Past performance is not indicative of future performance.

Individual investment risk. Individual securities held by a fund can and do fall in value for many reasons. Both price and levels of income are subject to fluctuation. Returns from individual securities will vary and price movements can be volatile.

Market risk. Economic, technological, political or legislative conditions and even market sentiment can (and do) change and this can affect the value of the investments in a fund. The value of a fund will change with changes in the market value of the securities to which it is exposed.

Operational risk: The risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Adverse impacts may arise internally through human error, technology or infrastructure changes, or through external events such as third party failures or crisis events. The BlackRock Group has procedures in place to manage these risks and, as much as possible, monitor the controls within these procedures to ensure operational risks are adequately managed.

Regulatory and business risk: Changes in corporate, taxation or other relevant laws, regulations or rules may adversely affect your investment. For example, such changes may adversely affect a fund's ability to execute certain investment strategies, which could have a material effect on performance. The laws affecting registered managed investment schemes may also change in the future.

5. How we invest your money

Investors should consider the likely investment return, the risk, and their investment timeframe when choosing a fund in which to invest. This Fund only offers a single investment option.

The Fund aims to provide investors with the performance of the market, before fees and the cost of hedging, as measured by the MSCI World ex-Australia Net TR Index (hedged in AUD) (**Index**).

We believe that full replication is the most appropriate investment strategy to track the performance of the Index as risk relative to the Index is minimised. Portfolios automatically rebalance, which minimises turnover and trading costs.

Our full-replication approach aims to purchase every security in the Index, while considering transaction costs.

A passive currency hedge is applied, which seeks to minimise the effect of currency fluctuations on returns by converting the currency exposure of the Index back to Australian dollars. This type of hedging strategy involves the forward sale of a set of currencies in amounts that correspond to the beginning of period value of the international assets in the portfolio. The hedge is then reset periodically or as required, to account for any changes in the value of the international assets in the portfolio.

To achieve its investment objective the Fund invests in units of the iShares Wholesale International Equity Index Fund (**Underlying Fund**), another fund managed by us that has the same (unhedged) investment strategy as the Fund. The Fund also invests in currency forward contacts, which are used to implement the passive currency hedge. The Underlying Fund invests in the international developed market stocks that form the Index. 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 or Underlying Fund.

The Fund and Underlying Fund may also hold a small allocation of cash (or cash equivalents that may include units in other BlackRock funds) for cash flow management purposes.

The Fund's investment strategy aims to remain fully exposed to the international developed stock market, with cash exposure being maintained at a minimum, which may be, wherever practicable, equitised using index futures.

While the constitution of the Fund allows the Responsible Entity to borrow, it is our intention that no borrowing arrangements will be entered into, other than temporary overdrafts, which may be used as a means of managing certain cash flows.

The Fund may be suitable for long-term investors seeking a broad exposure to the world's developed stock markets. From an investor's perspective, the Fund is considered high risk. Generally, the risk level associated with the Fund is greater if the Fund is held for a period less than the minimum suggested timeframe described above. The minimum suggested timeframe for holding investments in the Fund is 5 years.

Additional information incorporated by reference

You should read the information about how we invest your money, our consideration of labour standards or environmental, social or ethical issues, switching your investment, changes to the investment option and important information in respect of the Index provider, before making an important decision. This material may change between the time when you read this PDS and when you acquire the product. Go to section 5 of the document titled "BlackRock Additional Fund Information No. 1", which is available from our website at https://www.blackrock.com/au/individual/literature/product-disclosure-statement/blackrock-additional-fund-information-no1-en-au.pdf.

6. Fees and costs

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 funds fee calculator to help you check out different fee options.

6.1 Fee table and example

The table below shows fees and other costs that you may be charged. Unless otherwise indicated, fees are inclusive of Goods and Services Tax (**GST**), any applicable stamp duty and take into account expected reduced input tax credits in respect of the GST component of the fee.

Information in the fee table can be used to compare costs between different simple managed investment schemes. Fees and costs can be paid directly from your Fund account or deducted from investment returns.

Type of fee or cost	Amount
Fees when your money moves in or out of the Fund[1]	
Establishment fee	**Nil**
Contribution fee	**Nil**
Withdrawal fee	**Nil**
Exit fee	**Nil**
Management costs	
The fees and costs for managing your investment.	
Management fee [2]	0.20% p.a.
Indirect costs (estimated) [3]	0.00% p.a.
Total management costs	**0.20% p.a.**

1. Buy-sell spreads may apply when your money moves in or out of the Fund. Subject to law, these may be varied at any time without prior notice.
2. Fee can be negotiated with certain "wholesale clients" investors (as defined by the Corporations Act) in compliance with legal requirements and any applicable ASIC class orders.
3. Certain amounts or figures used to calculate indirect costs may include estimates in circumstances where actual figures could not be obtained. Indirect costs are a reasonable estimate of certain costs incurred within the Fund or any underlying fund that reduce returns.

Additional fees may be paid to a financial advisor as negotiated between you and your adviser – refer to the Statement of Advice which will be provided to you by your financial adviser which sets out the details of the fees.

6.2 Example of annual fees and costs

The table below gives an example of how the fees and costs in the Fund can affect your investment over a one-year period. You should use this table to compare this product with other managed investment products.

Example of annual fees and costs		
Balance of $500,000 with a contribution of $5,000 during year		
Contribution Fees	Nil	For every additional $5,000 you put in you will be charged $0.
PLUS		
Management costs	0.20%	And, for every $500,000 you have in the Fund you will be charged an estimated $1,000 each year.
EQUALS		
Cost of the Fund [1]	If you had an investment of $500,000 at the beginning of the year and you put in an additional $5,000 during that year you would be charged estimated costs of $1,000.[2] **What it costs you will depend on the fees you negotiate.**	

1. Costs include management fee and estimated indirect costs.
2. Additional expenses may apply, for instance, you may incur a buy-sell spread when you move money in or out of the Fund.

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. Amounts assume a constant investment of $500,000 throughout the year and do not take into account any additional contributions made during the year. Management costs will also be charged in relation to additional contributions.

There is a calculator provided by ASIC on its MoneySmart website (www.moneysmart.gov.au) which can be used to calculate the effect of fees and costs on Fund account balances.

6.3 Additional explanation of fees and costs

Can the fees and charges change?

All fees can change. The current fees applicable to your investment are set out in this PDS and although we have the power to change our fee structure without your consent, we have no present intention to do so. Fees may vary over time due to changes to the Fund, changing economic conditions or changes in regulation. We will provide investors 30 days' notice of any proposed increase to our fees and charges.

Additional information incorporated by reference

You should read the information about fees and costs before making an important decision. This material may change between the time when you read this PDS and the day when you acquire the product. Go to section 6 of the document titled "BlackRock Additional Fund Information No. 1", which is available from our website at https://www.blackrock.com/au/individual/literature/product-disclosure-statement/blackrock-additional-fund-information-no1-en-au.pdf

7. How managed investment schemes are taxed

Investing in a registered managed investment scheme is likely to have tax consequences and you are strongly advised to seek professional tax advice. Registered managed investment schemes generally do not pay tax on behalf of investors. However, BlackRock may be required to withhold tax from each distribution at the relevant withholding tax rates under certain circumstances. You are assessed for tax on any income and capital gains generated by the registered investment scheme to which you are entitled.

Additional information incorporated by reference

You should read the information about taxation before making an important decision. This material may change between the time when you read this PDS and when you acquire the product. Go to section 7 of the document titled "BlackRock Additional Fund Information No. 1", which is available from our website at https://www.blackrock.com/au/individual/literature/product-disclosure-statement/blackrock-additional-fund-information-no1-en-au.pdf

8. How to invest

8.1 How to invest

To make your initial investment complete and send to us (including by facsimile) the Fund's Application Form that accompanies this PDS or is available from our website at www.blackrock.com/au or by calling our Client Services Centre (refer to page 2 of this PDS for contact details). You will normally be able to invest in the Fund on any Business Day. A list of public holidays affecting the Fund is available on our website at www.blackrock.com/au. We have absolute discretion to accept, reject, or limit any application request.

If you choose to send us your completed Fund Application Form by facsimile, you will need to send us your original Fund Application Form for our records.

Investor transaction requests are required to be received prior to the Transaction Cut-off Time. Transaction requests received before this time will generally be executed on the relevant Trade Date. Investor transaction requests received after this time or on a day when the Fund is unavailable for transactions will generally be treated as having been received the following Business Day.

Your investment amount can be deposited into the application bank account (as shown on the Fund's Application Form). If you choose to deposit your investment amount in the application bank account, you must provide us with verification from your financial institution that the money has been banked.

In order for us to be able to process your investment, you must ensure that BlackRock receives cleared money in relation to the relevant Trade Date. You may also need to complete an Investor Identification Form (which follows the Fund Application Form) for the purpose of Anti-Money Laundering and Counter-Terrorism Financing legislation.

Refer to section 2.4 of this PDS titled "How to redeem your investment" for details of the Fund's Business Day, Transaction Cut-off Time and Trade Date.

8.2 Do you have "cooling off" rights?

The Fund generally has a minimum investment of $500,000; as such cooling off rights within the meaning of the Corporations Act will not usually be available to direct investors.

8.3 Enquiries and complaints

If you have an enquiry or complaint, you can contact our Enquiries and Complaints Officer via our Client Services Centre. We have established procedures for dealing with enquiries and complaints. If you make a complaint to us, the complaint will be acknowledged and steps will be taken to investigate your concerns. A final response will be provided within 45 days in accordance with our obligations.

BlackRock is a member of the Australian Financial Complaints Authority (**AFCA**), an independent complaint resolution body. If your complaint is not addressed within 45 days from the date it was received, or you are not satisfied with our response, you may refer your complaint to AFCA. AFCA provides fair and independent financial services complaint resolution that is free to consumers. AFCA can be contacted by:

- Telephone: 1800 931 678 (free call)
- Mail: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001
- Email: info@afca.org.au
- Website: www.afca.org.au.

For the hearing and speech impaired, AFCA can be contacted by either:

- National Relay Service: www.relayservice.com.au
- TTY/Voice Calls: 133 677 (local), or
- Speak & Listen: 1300 555 727 (local).

iShares International Equity Index Fund
Product Disclosure Statement

Dated: 5 June 2020

iShares International Equity Index Fund
ARSN 097 295 353

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

iShares International Equity Index Fund

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Important information

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This PDS can only be used by investors receiving it (electronically or otherwise) in Australia. This PDS is not an offer to any person or any place in which it is unlawful to make such an offer. Units in the Fund have not been, and will not be, registered under the U.S. Securities Act of 1933 or the securities laws of any of the states of the United States. The Fund is not and will not be registered as an investment company under the U.S. Investment Company Act of 1940. Investment in units of the Fund by or on behalf of U.S. persons is not permitted. Units in the Fund may not at any time be offered, sold, transferred or delivered within the United States or to, or for the account or benefit of, a U.S. person. Any issue, sale or transfer in violation of this restriction will not be binding upon the Fund and may constitute a violation of U.S. law.

If any part of this PDS is established to be invalid or unenforceable under the law, it is excluded so that it does not in any way affect the validity or enforceability of the remaining parts.

The Responsible Entity can change any terms and conditions of the offer contained in this PDS at any time. We reserve the right to outsource any or all investment, management and administration functions, including to related parties, without notice to investors.

Responsible Entity contact details

BlackRock Investment Management (Australia) Limited
Level 37, Chifley Tower
2 Chifley Square
Sydney New South Wales 2000
Telephone: 1300 366 100
Facsimile: 1300 366 107
Email: clientservices.aus@blackrock.com
Website: https://www.blackrock.com/au

Incorporation by Reference

The Corporations Act 2001 (Cth) (**Corporations Act**) allows us to provide certain information to you separately to this PDS. Where you see references to "Additional information incorporated by reference" additional information concerning the topic has been incorporated by reference and forms part of the PDS. This information can be found in the BlackRock Additional Fund Information No. 1 document, available at www.blackrock.com.au/individual/funds-information/offer-documents. You should read this information before making an important decision. This material may change between the time when you read this PDS and when you acquire the product. This information is available to you free of charge upon request in paper format by contacting the BlackRock Client Services Centre.

Information subject to change

Information in this PDS, as well as the terms and features of the Fund, is subject to change from time to time. We will notify you of any material changes or other significant events that affect the information in this PDS in accordance with our obligations under the Corporations Act.

Updated information that is not materially adverse can be obtained from our website at https://www.blackrock.com/au. A paper copy of any updated information will be given, or an electronic copy made available, free of charge upon request.

Where the Fund is subject to the continuous disclosure requirements of the Corporations Act, we will satisfy our obligations by disclosing material information regarding the Fund on our website at https://www.blackrock.com/au. A paper copy of this material is available free of charge upon request.

Annual report

A copy of the audited annual financial report of the Fund is generally available by the end of September from us or upon request from your Investor Directed Portfolio Service (**IDPS**), superannuation fund or master trust operator. The audited annual financial report will be made available on our website at https://www.blackrock.com/au. You may also elect to receive a hard copy of the report by contacting our Client Services Team on the telephone number shown on the right of this page.

Investing through an IDPS, superannuation fund or master trust

If you have invested through an IDPS, superannuation fund or master trust, you can use this PDS for information purposes; however, if you wish to make any change to your investment you should contact the operator of such service and complete their required documentation. The operator of such service may process unitholder transactions and requests in accordance with processes that are different to those set out in this document.

1. About BlackRock Investment Management (Australia) Limited

BlackRock Investment Management (Australia) Limited, ABN 13 006 165 975 (referred to in this PDS as **BlackRock**, **Responsible Entity**, **Manager**, **we**, **our** or **us**) is the responsible entity and the issuer of units in the iShares International Equity Index Fund (**Fund**).

BlackRock is a wholly owned subsidiary of BlackRock, Inc.® (**BlackRock Inc**) but is not guaranteed by BlackRock Inc, or any BlackRock Inc subsidiary or associated entity (the **BlackRock Group**). Neither BlackRock nor any member of the BlackRock Group guarantees the success of the Fund, the achievement of the investment objective, or the repayment of capital or particular rates of return on investment or capital. An investor in the Fund could lose all or a substantial part of their investment. In particular, the performance of the Fund will depend on the performance and market value of the assets held by the Fund.

The investment strategy of the Fund is managed by the BlackRock Group's Global Equity Index team.

2. How the iShares International Equity Index Fund works

2.1 The interests that members acquire

The Fund is structured as a unitised registered managed investment scheme. When you invest in the Fund, you are allocated a number of units. Each of these units represents an equal share in the net assets of the Fund. As a result, each unit has a dollar value or "unit price". The unit price will vary as the market value of assets in the Fund rises or falls.

2.2 Minimum investment amounts

When investing in the Fund you generally need a minimum amount of $500,000 or such other amount as we may determine from time to time. There is no minimum investment for subsequent applications. While there is no minimum redemption amount, we generally require a minimum balance in your Fund account of $500,000.

2.3 How investors can increase or decrease their investment

Investors can increase or decrease their investment by acquiring units (refer to section 8.1 of this PDS titled "How to invest") or redeeming all or part of their investment (refer to section 2.4 of this PDS titled "How to redeem your investment").

2.4 How to redeem your investment

Redemption requests can be made in writing (including by facsimile). You will normally be able to redeem from the Fund on any **Business Day**, being a day other than a Saturday or Sunday on which banks are open for general banking business in Sydney (Australia) and New York (USA). A list of public holidays affecting the Fund is available on our website at https://www.blackrock.com/au.

Investor transaction requests are required to be received by 3.00 pm (Sydney time) on any Business Day (**Transaction Cut-off Time**). Transaction requests received before this time will generally be executed on the next Business Day (**Trade Date**). Investor transaction requests received after this time or on a day when the Fund is unavailable for transactions will generally be treated as having been received the following Business Day.

Following receipt of a redemption request, we will deposit redemption proceeds into your nominated Australian bank account, generally within six Business Days of our having received the redemption request, although we are allowed longer periods under the Fund's constitution.

In some circumstances, such as when there is a freeze on withdrawals, investors may not be able to withdraw from the Fund within the usual period upon request.

2.5 Frequency of distributions and how they are calculated

If you hold units in the 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. Any income you receive from your investments will be in the form of distributions. Your distribution may include interest, dividends, other income and realised gains. Distributions are not guaranteed and there may be periods for which distributions are higher or lower than expected.

Distributions (if any) are generally determined at the end of June, each year. Distributions (if any) are usually paid within 21 Business Days of the end of the distribution period.

Additional information incorporated by reference

You should read the information about the acquisition and disposal of interests before making an important decision. This material may change between the time when you read this PDS and the day when you acquire the product. Go to section 2 of the document titled "BlackRock Additional Fund Information No. 1", which is available from our website at https://www.blackrock.com/au/individual/literature/product-disclosure-statement/blackrock-additional-fund-information-no1-en-au.pdf

3. Benefits of investing in the iShares International Equity Index Fund

Index tracking: The Fund is an index tracker and seeks to provide investors with similar returns, before fees, to those of its benchmark index.

Diversification: In contrast to a direct investment in a single company or bond, the Fund provides, as far as practicable and possible, exposure to all of the securities or instruments within its benchmark index.

Additional information incorporated by reference

You should read the information about the other features and benefits of the Fund before making an important decision. This material may change between the time when you read this PDS and the day when you acquire the product. Go to section 3 of the document titled "BlackRock Additional Fund Information No. 1", which is available from our website at https://www.blackrock.com/au/individual/literature/product-disclosure-statement/blackrock-additional-fund-information-no1-en-au.pdf

Lower cost: As the Fund is passively managed and designed to track a particular index, the expenses of managing the Fund are generally lower compared to other forms of retail managed funds.

4. Risks of managed investment schemes

All investments carry risk. Different strategies may carry different levels of risk, depending on the assets that make up the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk.

Returns are not guaranteed. Future returns may differ from past returns and investors may lose some or all of their investment.

The appropriate level of risk for each investor will vary depending on a range of factors including age, investment time frames, where other parts of the investor's wealth is invested and the investor's risk tolerance.

The specific investment risks of investing in the Fund include:

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

Derivative transactions may be subject to the risk that a counterparty to the transaction will wholly or partially fail to perform their contractual obligations under the arrangement (including failing to meet collateral requirements under the arrangement). Additionally, OTC markets are not guaranteed by an exchange or clearing corporation and generally do not require payment of margin. To the extent that a fund has unrealised gains in such instruments or has deposited collateral with its counterparty that fund is at risk that its counterparty will become bankrupt or otherwise fail to honour its obligations. Derivative transactions may also expose a fund to a risk of potential illiquidity if the derivative instrument is difficult to purchase or sell.

The BlackRock Group attempts to minimise these risks by engaging in derivative transactions only with financial institutions that have substantial capital or that have provided a third-party guarantee or other credit enhancement.

Equity security risk. Equity securities are subject to changes in value, and their values may be more volatile than those of other asset classes. Dividend payments from shares may also vary over time.

Foreign investment risk. Exposure to securities or derivative instruments issued in foreign markets may include certain risks associated with:

- differences in trading, settlement and clearing procedures that may restrict trading (as a result of suspensions or daily quotas), increase default or market operational risks or require securities to be held on a beneficial basis via a depositary nominee;
- currency risk, the risk that foreign currencies change in value relative to the Australian dollar, which may affect a fund's investment returns. These movements may either add to or subtract from performance;
- countries may be subject to considerable degrees of market volatility, economic, political and social instability, which may reduce or preclude the ability to trade security exposures or negatively affect a security's value; and
- differences in accounting, financial reporting, taxation, legal, regulatory, liquidity and pricing practices that are subject to change and if so may adversely affect a fund.

Index related risk. In order to meet its investment objective, the Fund will seek to achieve a return that reflects the return of its 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 their indices, nor any guarantee that the published index will be in line with their described benchmark index methodologies. Errors in respect of the quality, accuracy and completeness of the data may occur from time to time and may not be identified and corrected for a period of time, in particular where an index is less commonly used. During a period where an index contains incorrect constituents, a fund benchmarked to that index would have market exposure to such constituents. As such, errors may potentially result in a negative or positive performance impact to the fund and to its unitholders. Apart from scheduled rebalances, index providers may carry out additional ad hoc rebalances to their benchmark indices in order, for example, to correct an error in the selection of index constituents. Where the index is rebalanced and a fund in turn rebalances its portfolio to bring it in line with the index, any transaction costs and market exposure arising from such portfolio rebalancing will be borne by the fund and, by extension, the fund's unitholders. Therefore, errors and additional ad hoc rebalances carried out by an index provider may increase the costs and market exposure risk of a fund.

Liquidity risk. The Fund may be exposed to securities with limited liquidity, which are in practice infrequently traded or for which typical daily volumes traded are small. It may not be possible to sell such securities when it is desirable to do so or to realise what the manager perceives to be their fair value in the event of a sale. The Fund may also be exposed to other funds that may, in certain circumstances, limit or suspend redemptions rights. The general level of market liquidity also varies and may deteriorate. Such a deterioration may negatively impact the ability to trade fund securities and may negatively affect the price at which a trade is executed. These circumstances could impair a fund's ability to make distributions to a redeeming unit holder in a timely manner and a fund may need to consider suspending redemptions. The BlackRock Group aims to reduce these risks by understanding the liquidity characteristics of securities a fund is exposed to and plans trading so as to minimise the adverse consequences of low liquidity.

Tracking error risk. The NAV of the Fund may not correlate exactly with the index it is designed to match. Factors such as fund fees and expenses, imperfect correlation between fund security holdings and index constituents, inability to rebalance portfolio holdings in response to changes to index constituents, rounding of prices, index changes and regulatory policies may affect the ability of a fund to achieve close correlation with the index. A fund's returns may therefore deviate from the index it is designed to match.

Underlying fund risk. The Fund may implement some or all of its investment strategy through an investment in an underlying fund. The Fund and underlying fund are managed as separate entities, with separate investment objectives and investment strategies. No guarantee can be given that the underlying fund will meet its investment objective, continue to be managed according to its current investment strategy or be open to investments in the future. Changes to the underlying fund may be made without unitholder approval. Should the underlying fund change its investment objective or investment strategy, we will review such changes with consideration to the investment objective and strategy of the Fund. Further, if the underlying fund were to be suspended, closed or terminated for any reason, the Fund would be exposed to those changes.

Other risks more generally associated with investing in a fund include:

Counterparty risk. Institutions, such as brokerage firms, banks, and broker-dealers, may enter into transactions with the manager of a fund in relation to the sale and purchase of assets or securities. Such institutions may also be issuers of the securities in which a fund invests. Bankruptcy, fraud, regulatory sanction or a refusal to complete a transaction at one of these institutions could significantly impair the operational capabilities or the capital position of a fund. While the BlackRock Group uses reasonable efforts to mitigate such risks, there can be no guarantee that transactions between such counterparties will always be completed in the manner contemplated by, and favourable to, the relevant fund.

Conflicts of interest risk. Certain conflicts of interest may arise in the operation of a BlackRock Group fund. Fund structures may involve members of the BlackRock Group acting in more than one capacity, while BlackRock Group funds may hold over-the counter derivative agreements where a member of the BlackRock Group is acting (in different capacities) on both sides of the agreement. BlackRock Group funds may be invested in by persons associated with BlackRock Group or by other funds and accounts managed by different members of the BlackRock Group. Investors in a fund may, in some instances, invest on different terms to each other, some of which may be more favourable than others. Each investor in a fund may act in a way that is adverse to the interests of other investors in that fund. Additionally, funds and accounts managed by different members of the BlackRock Group may act as a seed investor in a BlackRock Group fund, which may create a commercial opportunity for the BlackRock Group. For example, a seed investment may allow the BlackRock Group to establish a track record for a fund that can then be sold to other clients. Certain investment strategies of the BlackRock Group may conflict with each other and may affect the price and availability of securities in which to invest. Members of the BlackRock Group may also give advice or take action with respect to any of their clients, which may differ from the advice given or the timing or nature of any action taken with respect to the investments of other BlackRock Group funds or accounts.

While conflicts of interest may arise from time to time, the BlackRock Group has established policies and procedures in place to manage any such conflict, which includes ensuring transactions between BlackRock Group entities are conducted on an arm's length commercial basis.

Fund risk. The price of units in a fund and the income from them may go down as well as up. Investors may not get back their original investment. There can be no assurance that a fund will achieve its investment objective or that an investor will achieve profits or avoid losses, significant or otherwise. Capital return and income of a fund is based on the capital appreciation and income of the securities invested in, less expenses incurred. Fund returns may fluctuate in response to changes in such capital appreciation or income. The payment of distributions is at the discretion of the fund issuer, taking into account various factors and its own distribution policy. Distributions are not guaranteed and there may be periods for which distributions are higher or lower than expected. Investing in a fund may result in a different tax outcome than investing in securities directly. The application of tax laws and certain events occurring within a fund may result in you receiving some of your investment back as income in the form of a distribution. A fund will generally not be managed with consideration of the individual circumstances, including specific tax considerations, applicable to any single unitholder in the fund. Past performance is not indicative of future performance.

Individual investment risk. Individual securities held by a fund can and do fall in value for many reasons. Both price and levels of income are subject to fluctuation. Returns from individual securities will vary and price movements can be volatile.

Market risk. Economic, technological, political or legislative conditions and even market sentiment can (and do) change and this can affect the value of the investments in a fund. The value of a fund will change with changes in the market value of the securities to which it is exposed.

Operational risk: The risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Adverse impacts may arise internally through human error, technology or infrastructure changes, or through external events such as third party failures or crisis events. The BlackRock Group has procedures in place to manage these risks and, as much as possible, monitor the controls within these procedures to ensure operational risks are adequately managed.

Regulatory and business risk: Changes in corporate, taxation or other relevant laws, regulations or rules may adversely affect your investment. For example, such changes may adversely affect a fund's ability to execute certain investment strategies, which could have a material effect on performance. The laws affecting registered managed investment schemes may also change in the future.

5. How we invest your money

Investors should consider the likely investment return, the risk, and their investment timeframe when choosing a fund in which to invest. This Fund only offers a single investment option.

The Fund aims to provide investors with the performance of the market, before fees, as measured by the MSCI World ex-Australia Net TR Index (unhedged in AUD) (**Index**).

Our investment style is based on our belief that people, leveraged by technology, are central to the consistent achievement of our clients' investment goals.

We believe that a focus on total performance management is the best way to achieve superior investment results. Through total performance management, we aim to understand; measure; forecast; and manage the three dimensions of investment performance — return, risk and cost.

We believe that full replication is the most appropriate investment strategy to track the performance of the Index as risk relative to the Index is minimised. Portfolios automatically rebalance, which minimises turnover and trading costs.

Our full-replication approach aims to purchase every security in the Index, while considering transaction costs.

To achieve its investment objective the Fund invests substantially all of its assets in units of the iShares Wholesale International Equity Index Fund (**Underlying Fund**), another fund managed by us that has the same investment strategy as the Fund. The Underlying Fund invests in the international developed market stocks that form the Index. 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 Underlying Fund.

The Fund and Underlying Fund may also hold a small allocation of cash (or cash equivalents that may include units in other BlackRock funds) for cash flow management purposes.

The Fund's investment strategy aims to remain fully exposed to the international developed stock market, with cash exposure being maintained at a minimum, which may be, wherever practicable, equitised using index futures.

While the constitution of the Fund allows the Responsible Entity to borrow, it is our intention that no borrowing arrangements will be entered into, other than temporary overdrafts, which may be used as a means of managing certain cash flows.

The Fund may be suitable for long-term investors seeking a broad exposure to the world's developed stock markets. From an investor's perspective, the Fund is considered high risk. Generally, the risk level associated with the Fund is greater if the Fund is held for a period less than the minimum suggested timeframe described above. The minimum suggested timeframe for holding investments in the Fund is 5 year.

Additional information incorporated by reference

You should read the information about how we invest your money, our consideration of labour standards or environmental, social or ethical issues, switching your investment, changes to the investment option and important information in respect of the Index provider, before making an important decision. This material may change between the time when you read this PDS and the day when you acquire the product. Go to section 5 of the document titled "BlackRock Additional Fund Information No. 1", which is available from our website at https://www.blackrock.com/au/individual/literature/product-disclosure-statement/blackrock-additional-fund-information-no1-en-au.pdf

6. Fees and costs

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 funds fee calculator to help you check out different fee options.

6.1 Fee table and example

The table below shows fees and other costs that you may be charged. Unless otherwise indicated, fees are inclusive of Goods and Services Tax (**GST**), any applicable stamp duty and take into account expected reduced input tax credits in respect of the GST component of the fee.

Information in the fee table can be used to compare costs between different simple managed investment schemes. Fees and costs can be paid directly from your Fund account or deducted from investment returns.

Type of fee or cost	Amount
Fees when your money moves in or out of the Fund[1]	
Establishment fee	**Nil**
Contribution fee	**Nil**
Withdrawal fee	**Nil**
Exit fee	**Nil**
Management costs	
The fees and costs for managing your investment.	
Management fee [2]	0.20% p.a.
Indirect costs (estimated) [3]	0.00% p.a.
Total management costs	**0.20% p.a.**

1. Buy-sell spreads may apply when your money moves in or out of the Fund. Subject to law, these may be varied at any time without prior notice.
2. Fee can be negotiated with certain "wholesale clients" (as defined by the Corporations Act) in compliance with legal requirements and any applicable ASIC class orders.
3. Certain amounts or figures used to calculate indirect costs may include estimates in circumstances where actual figures could not be obtained. Indirect costs are a reasonable estimate of certain costs incurred within the Fund or any underlying fund that reduce returns.

Additional fees may be paid to a financial advisor as negotiated between you and your adviser – refer to the Statement of Advice which will be provided to you by your financial adviser which sets out the details of the fees.

6.2 Example of annual fees and costs

The table below gives an example of how the fees and costs in the Fund can affect your investment over a one-year period. You should use this table to compare this product with other managed investment products.

Example of annual fees and costs		
Balance of $500,000 with a contribution of $5,000 during year		
Contribution Fees	Nil	For every additional $5,000 you put in you will be charged $0.
PLUS		
Management costs	0.20%	And, for every $500,000 you have in the Fund you will be charged an estimated $1,000 each year.
EQUALS		
Cost of the Fund [1]	If you had an investment of $500,000 at the beginning of the year and you put in an additional $5,000 during that year you would be charged estimated costs of $1,000.[2] **What it costs you will depend on the fees you negotiate.**	

1. Costs include management fee and estimated indirect costs.
2. Additional expenses may apply, for instance, you may incur a buy-sell spread when you move money in or out of the Fund.

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. Amounts assume a constant investment of $500,000 throughout the year and do not take into account any additional contributions made during the year. Management costs will also be charged in relation to additional contributions.

There is a calculator provided by ASIC on its MoneySmart website (www.moneysmart.gov.au) which can be used to calculate the effect of fees and costs on Fund account balances.

6.3 Additional explanation of fees and costs

Can the fees and charges change?

All fees can change. The current fees applicable to your investment are set out in this PDS and although we have the power to change our fee structure without your consent, we have no present intention to do so. Fees may vary over time due to changes to the Fund, changing economic conditions or changes in regulation. We will provide investors 30 days' notice of any proposed increase to our fees and charges.

Additional information incorporated by reference

You should read the information about fees and costs before making an important decision. This material may change between the time when you read this PDS and the day when you acquire the product. Go to section 6 of the document titled "BlackRock Additional Fund Information No. 1", which is available from our website at https://www.blackrock.com/au/individual/literature/product-disclosure-statement/blackrock-additional-fund-information-no1-en-au.pdf

7. How managed investment schemes are taxed

Investing in a registered managed investment scheme is likely to have tax consequences and you are strongly advised to seek professional tax advice. Registered managed investment schemes generally do not pay tax on behalf of investors. However, BlackRock may be required to withhold tax from each distribution at the relevant withholding tax rates under certain circumstances. You are assessed for tax on any income and capital gains generated by the registered investment scheme to which you are entitled.

Additional information incorporated by reference

You should read the information about taxation before making an important decision. This material may change between the time when you read this PDS and the day when you acquire the product. Go to section 7 of the document titled "BlackRock Additional Fund Information No. 1", which is available from our website at https://www.blackrock.com/au/individual/literature/product-disclosure-statement/blackrock-additional-fund-information-no1-en-au.pdf

8. How to invest

8.1 How to invest

To make your initial investment complete and send to us (including by facsimile) the Fund's Application Form that accompanies this PDS or is available from our website at https://www.blackrock.com/au or by calling our Client Services Centre (refer to page 2 of this PDS for contact details). You will normally be able to invest in the Fund on any Business Day. A list of public holidays affecting the Fund is available on our website at https://www.blackrock.com/au. We have absolute discretion to accept, reject, or limit any application request.

If you choose to send us your completed Fund Application Form by facsimile, you will need to send us your original Fund Application Form for our records.

Investor transaction requests are required to be received prior to the Transaction Cut-off Time. Transaction requests received before this time will generally be executed on the relevant Trade Date. Investor transaction requests received after this time or on a day when the Fund is unavailable for transactions will generally be treated as having been received the following Business Day.

Your investment amount can be deposited into the application bank account (as shown on the Fund's Application Form)**. If you choose to deposit your investment amount in the application bank account, you must provide us with verification from your financial institution that the money has been banked.**

In order for us to be able to process your investment, you must ensure that BlackRock receives cleared money in relation to the relevant Trade Date. You may also need to complete an Investor Identification Form (which follows the Fund Application Form) for the purpose of Anti-Money Laundering and Counter-Terrorism Financing legislation.

Refer to section 2.4 of this PDS titled "How to redeem your investment" for details of the Fund's Business Day, Transaction Cut-off Time and Trade Date.

8.2 Do you have "cooling off" rights?

The Fund generally has a minimum investment of $500,000; as such cooling off rights within the meaning of the Corporations Act will not usually be available to direct investors.

8.3 Enquiries and complaints

If you have an enquiry or complaint, you can contact our Enquiries and Complaints Officer via our Client Services Centre. We have established procedures for dealing with enquiries and complaints. If you make a complaint to us, the compliant will be acknowledged and steps will be taken to investigate your concerns. A final response will be provided within 45 days in accordance with our obligations.

BlackRock is a member of the Australian Financial Complaints Authority (**AFCA**), an independent complaint resolution body. If your complaint is not addressed within 45 days from the date it was received, or you are not satisfied with our response, you may refer your complaint to AFCA. AFCA provides fair and independent financial services complaint resolution that is free to consumers. AFCA can be contacted by:

- Telephone: 1800 931 678 (free call)
- Mail: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001
- Email: info@afca.org.au
- Website: www.afca.org.au.

For the hearing and speech impaired, AFCA can be contacted by either:

- National Relay Service: www.relayservice.com.au
- TTY/Voice Calls: 133 677 (local), or
- Speak & Listen: 1300 555 727 (local).