

**IMPORTANT:** Investment involves risk, including the loss of principal. Investors should refer to the Prospectus and Key Facts Statement of the iShares FTSE A50 China Index ETF\* (\* This is a synthetic ETF) (the "ETF") for details, including the risk factors. Investors should not base investment decisions on this marketing material alone. Investors should note:

- The ETF aims to provide investment results that, before fees and expenses, closely correspond to the performance of the FTSE China A50 Index ("the Underlying Index").
- Generally, investments in or linked to emerging markets, such as the A Share market, may involve increased risks such as liquidity risks, currency risks/control, political and economic uncertainties, legal, regulatory and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility. The A Share market may be more volatile and unstable than those in the more developed markets. The ETF's exposure is concentrated in the PRC and may be more volatile than funds adopting a more diversified strategy.
- The ETF is subject to tracking error risk, which is the risk that its performance may not track that of the Underlying Index exactly.
- CAAPs are susceptible to price fluctuations and higher volatility, which may result in large bid and offer spreads with no active secondary market. The ETF may suffer losses equal to the full value of the CAAPs. The Manager seeks to mitigate counterparty risks by fully collateralizing all counterparty exposures. However, the ETF may still suffer losses to the extent the value of the collateral does not fully cover the value of the CAAPs and any associated costs that may be incurred to close out the collateral arrangements. While the ETF holds, or has recourse to, collateral to mitigate its exposure to each CAAP Issuer, this is subject to the risk of the CAAP Issuer or Collateral Provider not fulfilling its obligations. The value of the collateral assets may also be affected by market events and may diverge substantially from the performance of the Underlying Index, which may cause the ETF's exposure to the CAAP Issuer to be under-collateralised and therefore result in significant losses.
- The ETF is subject to restrictions and requirements applicable to QFII and/or RQFII investment, and the applicable laws, rules and regulations in the PRC, which are subject to change and such change may have potential retrospective effect. The ETF may be unable to utilise the QFII and/or RQFII quota if the relevant QFII and/or RQFII licence is revoked/terminated or otherwise invalidated as the ETF may be prohibited from trading relevant securities and repatriation of the ETF's monies, or if any of the key operators is bankrupt or in default and/or is disqualified from performing its obligations.
- The relevant rules and regulations on the Stock Connect are subject to change which may have potential retrospective effect. The Stock Connect is subject to quota limitations. Where a suspension in the trading through the programme is effected, the ETF's ability to invest in A shares through Stock Connect will be adversely affected.
- Due to their synthetic nature, CAAPs may have costs associated with their early redemption that are potentially significantly higher than the costs of trading the underlying A-Shares, particularly during times of high market volatility. These costs can vary significantly through time. Factors influencing this cost differential include A Share market volatility, foreign exchange market volatility and costs associated with redeeming the CAAPs prior to maturity, such as the cost of unwinding the hedging positions associated with the CAAPs. Such costs may vary depending on market conditions and are beyond the control of the Manager.
- The ETF is denominated in HKD whilst the CAAPs are denominated in USD and the underlying A Shares represented by the CAAPs, Physical A Share ETFs and A Shares are denominated in RMB. Accordingly the ability of the ETF to track the Underlying Index is subject to foreign exchange fluctuations between the HKD, USD and the RMB. RMB is currently not freely convertible and is subject to exchange controls and restrictions. Non-RMB based investors are exposed to foreign exchange risk.
- The ETF currently does not provision for withholding tax on capital gains ("CGT") arising from its investment via CAAPs, QFII or RQFII on or after 17 November 2014, or its investment via Stock Connect. The Manager is currently liaising with each of the CAAP Issuers to settle the taxes on gains realized in respect of CAAPs prior to 17 November 2014. Investors should be aware that there could be several significant (either positive or negative) adjustments to the NAV of the ETF. Depending on the timing of their subscriptions and/or redemptions, investors may be disadvantaged as a result of any adjustment and will not have a right to claim any part of positive adjustment (as the case may be). There are risks and uncertainties associated with the current PRC tax laws, regulations and practice in respect of capital gains realized on the ETF's PRC investments, which may have retrospective effect. Any increased tax liabilities on the ETF may adversely affect its value, and the resultant tax liability would be eventually borne by investors.
- The Manager may at its discretion pay dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of the ETF's capital may result in an immediate reduction of the ETF's NAV per unit.
- The trading price of the units of the ETF on the SEHK is subject to market forces and may trade at a substantial premium/discount to the ETF's NAV.

## INVESTMENT OBJECTIVE

The iShares FTSE A50 China Index ETF\* (\* This is a synthetic ETF) aims to provide investment results that, before fees and expenses, closely correspond to the performance of the FTSE China A50 Index.

## GROWTH OF 10,000 HKD SINCE INCEPTION



The chart shows change of investment amount based on a hypothetical investment in the Index Fund.

## CUMULATIVE AND ANNUALIZED PERFORMANCE

	Cumulative			Annualized			
	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	Since Inception
Index Fund	4.95%	3.45%	4.95%	17.11%	13.56%	4.78%	9.70%
Index	N/A	N/A	N/A	N/A	N/A	N/A	N/A

## CALENDAR YEAR PERFORMANCE

	2016	2015	2014	2013	2012
Index Fund	-8.97%	-10.43%	61.21%	-12.25%	10.38%
Index	-10.33%	-10.59%	67.53%	-8.94%	15.50%

## FUND DETAILS

Listing Date	18/11/2004
Inception Date	15/11/2004
Index	FTSE China A50 Index
Number of Holdings	50
Net Assets of Share Class	28,439,053,556 HKD
Management Fee	0.99%
Units Outstanding	2,496,000,000
Domicile	Hong Kong
Base Currency	HKD
Bloomberg Index Ticker	TX9HKNRH

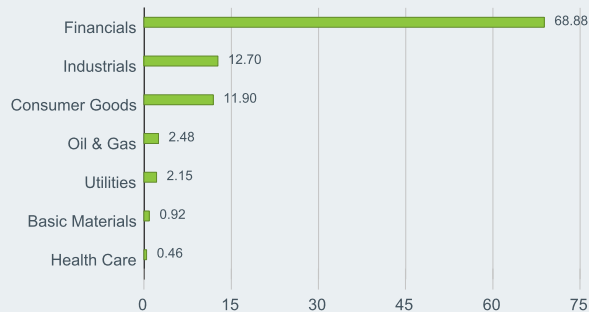
## TOP 10 HOLDINGS (%)

PING AN INSURANCE (GROUP) OF CHINA	9.01
INDUSTRIAL BANK CO. LTD.	6.22
CHINA MERCHANTS BANK CO LTD A	6.03
CHINA MINSHENG BANKING CORP. LTD.	5.72
SHANGHAI PUDONG DEVELOPMENT BANK L	4.75
KWEICHOW MOUTAI LTD A	4.18
CITIC SECURITIES CO. LTD.	3.43
BANK OF COMMUNICATIONS CO. LTD.	3.20
AGRICULTURAL BANK OF CHINA LTD.	3.04
BANK OF BEIJING LTD A	2.92
Total	48.50

Holdings are subject to change.

Performance is calculated based on NAV-to-NAV with dividend reinvested. Performance is calculated in the base currency of the Index Fund, including ongoing charges and taxes, and excluding your trading costs on SEHK. Investment involves risk, including the loss of principal. Past performance does not represent future returns.

## SECTOR BREAKDOWN (%)



Allocations are subject to change. Due to rounding, the total may not be equal to 100%. From 1 September 2016, GICS will increase from 10 to 11 sectors. Real Estate securities, previously classified with Financials, will be reported as a new sector – Real Estate.

## TRADING INFORMATION

Stock Code	2823
ISIN	HK2823028546
Bloomberg NAV	2823NAV
SEDOL	B046M96
Exchange	Hong Kong Stock Exchange
Board Lots	100
Trading Currency	HKD
Bloomberg Ticker	2823 HK

## PARTICIPATING DEALERS

Barclays Bank PLC  
Citigroup Global Markets Asia Limited  
Credit Suisse Securities (Hong Kong) Limited  
Goldman Sachs (Asia) Securities Limited  
The Hongkong and Shanghai Banking Corporation Limited  
J.P. Morgan Broking (Hong Kong) Limited  
Macquarie Bank Limited  
Merrill Lynch Far East Limited  
Morgan Stanley Hong Kong Securities Limited  
Nomura International (Hong Kong) Limited  
Standard Chartered Bank (Hong Kong) Limited  
UBS Securities Hong Kong Limited

**Disclaimer** Unless otherwise specified, all information as of the month end. Sources: BlackRock and FTSE. The above iShares Funds data is for information only.

Investment involves risk, including possible loss of principal. Investment in emerging market countries may involve heightened risks such as increased volatility and lower trading volume, and may be subject to a greater risk of loss than investment in a developed country. Before deciding to invest, investors should read the Prospectus and Key Fact Statements for details, including the risk factors. Performance is calculated on NAV to NAV basis, inclusive of all transaction fees and assumes dividend reinvestment. The investment returns are denominated in base currency, which may be a foreign currency. If so, US/HK dollar-based investors are therefore exposed to fluctuations in the US/HK dollar/foreign currency exchange rate. Rates of exchange may cause the value of investments to go up or down. Investors may not get back the amount they invest. Individual stock prices/performance do not represent the return of the Fund. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Index returns are for illustrative purposes only and do not represent actual iShares Funds or iShares Trusts performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.

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