

# iShares CSI A-Share Consumer Discretionary Index ETF\* (\* This is a synthetic ETF)

As of 31/07/2016

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

Investors should note:

- The Index Fund aims to provide investment results that, before fees and expenses, closely correspond to the performance of its underlying index. The Index Fund is subject to concentration risk as a result of investing into a single country and sector. Additional risks are involved in investments concentrating within sectors. Adverse developments within sectors/industries may affect the value of the underlying Securities in which the Index Fund invests.
- The Index Fund does not invest directly in China A Shares but instead gains access to the A share market by investing into China A-Share Access Products (CAAPs), which are derivative instruments linked to an A share or the Index issued by third parties ("CAAP Issuers"). A CAAP represents only an obligation of each CAAP Issuer to provide the economic performance equivalent to holding the underlying A Shares.
- The qualified foreign institutional investors ("QFII") policy and rules are subject to change and any such change could adversely impact the Index Fund. In the worst case scenario, this could lead to CAAPs not being able to be issued and the Index Fund having to be terminated.
- The Index Fund is subject to counterparty risk associated with each CAAP Issuer and may suffer losses to the extent that the value of collateral is less than the value of CAAPs delivered by CAAP Issuer. Any loss would result in a reduction in the net asset value ("NAV") of the Index Fund and impair the ability of the Index Fund to achieve its investment objective to track its Underlying Index. In the event of any default by a CAAP Issuer dealing may be suspended and the Index Fund may not continue to trade.
- Changes in the NAV of the Index Fund may deviate from the performance of the Underlying Index due to factors such as fees and expenses, liquidity of the index constituents, as well as changes to the Underlying Index. The tracking error risk is also heightened by the significant amount of collateral required to be posted to the Index Fund to collateralize all counterparty exposures.

Given the tax uncertainties pending further clarification from the PRC, investors should note that the Index Fund's estimated realized tax provision, as recently adjusted in light of Caishui [2014] No.79, (please refer to the section headed Taxes of the Prospectus for details) may be more than or less than the actual tax liability. This may result in a positive or negative impact to the NAV of the Index Fund. The PRC authorities may also remove or modify the "temporary" exemption from capital gain tax ("CGT") provided by Caishui [2014] No.79 with or without notice, and if so, the PRC tax authorities may seek to collect tax on capital gains realized on the Index Fund's PRC investments and the resultant tax liability would be eventually borne by investors. As with any NAV adjustment, investors may be advantaged or disadvantaged depending upon when the investors purchased/subscribed and/or sold/redeemed the units of the relevant Index Fund.

- Generally, investments in emerging markets are subject to a greater risk of loss than investments in a developed market due to greater political, economic, taxation and regulatory uncertainty and risks linked to volatility and market liquidity, etc.
- The Manager may at its discretion pay dividends out of the capital of the Index Fund. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the Index Fund are charged to/paid out of the capital of the Index Fund. A payment of dividends 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 Index Fund's capital may result in an immediate reduction of the NAV per Unit.
- The Index Fund is not actively managed and will not adopt any temporary defensive position against any market downturn. When there is a decline in the Underlying Index, the Index Fund will also decrease in value.
- The units of the Index Fund are traded on the SEHK. Their prices on the SEHK are based on secondary market trading factors and may deviate significantly from the NAV of the Index Fund.

## INVESTMENT OBJECTIVE

The iShares CSI A-Share Consumer Discretionary Index ETF\* (\*This is a synthetic ETF) aims to provide investment results that, before fees and expenses, closely correspond to the performance of the CSI 300 Consumer Discretionary 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	5.32%	1.88%	-17.06%	-22.07%	14.08%	3.44%	6.03%
Index	5.57%	2.61%	-15.91%	-22.15%	15.69%	5.96%	8.70%

## CALENDAR YEAR PERFORMANCE

	2015	2014	2013	2012	2011
Index Fund	21.62%	22.73%	20.42%	5.34%	-24.25%
Index	21.34%	22.79%	26.91%	10.08%	-22.38%

\*Performance shown from index fund launch date to calendar year end.

## FUND DETAILS

Listing Date	20/07/2010
Inception Date	15/07/2010
Index	CSI 300 Consumer Discretionary Index
Number of Holdings	41
Net Assets	29,450,772 HKD
Management Fee	0.99%
Units Outstanding	1,500,000
Domicile	Hong Kong
Base Currency	HKD
Bloomberg Index Ticker	CSICU012

## TOP 10 HOLDINGS (%)

MIDEA GROUP LTD A	9.33
GREE ELECTRIC APPLIANCES INC OF ZH	8.50
SAIC MOTOR CORP LTD A	7.85
SUNING COMMERCE LTD A	4.01
CHONGQING CHANGAN AUTOMOBILE LTD A	3.77
QINGDAO HAIER LTD A	3.46
WANDA CINEMA LINE CORP A	3.45
BYD LTD A	3.37
SHANGHAI ORIENTAL PEARL MEDIA CO L	3.17
ZHENGZHOU YUTONG BUS LTD A	3.17
<b>Total</b>	<b>50.08</b>

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%.

## PARTICIPATING DEALERS

Citigroup Global Markets Asia Limited  
CLSA Limited  
Credit Suisse Securities (Hong Kong) Limited  
Goldman Sachs (Asia) Securities Limited  
The Hongkong and Shanghai Banking Corporation Limited  
ING Bank N.V.  
Morgan Stanley Hong Kong Securities Limited  
Nomura International (Hong Kong) Limited  
RBS Asia Limited  
Standard Chartered Bank (Hong Kong) Limited  
UBS Securities Hong Kong Limited

## TRADING INFORMATION

Stock Code	3001
ISIN	HK0000066206
Bloomberg NAV	3001NAV
SEDOL	B42M131
Exchange	Hong Kong Stock Exchange
Board Lots	100
Trading Currency	HKD
Bloomberg Ticker	3001 HK

**Disclaimer** Unless otherwise specified, all information as of the month end. Sources: BlackRock and CSI. 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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