



ETFs vs. Futures – ein Vergleich post-2008

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Vice President Institutional Sales, iShares by BlackRock

BlackRock im Überblick

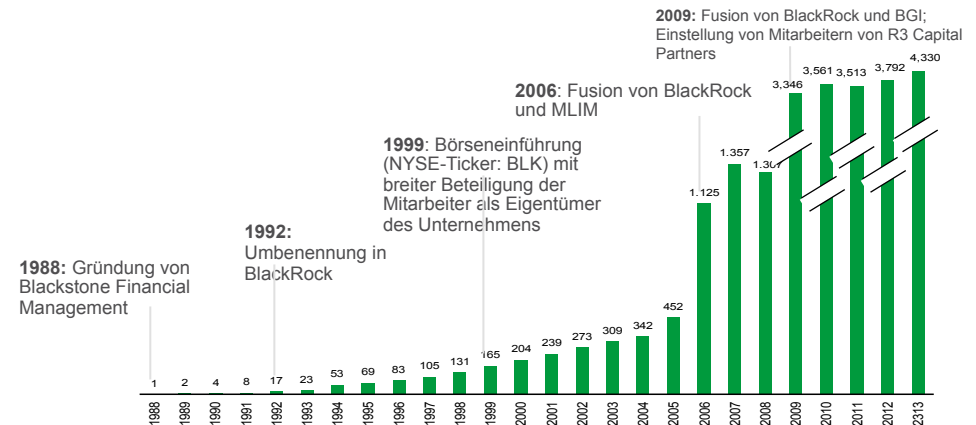
BlackRock auf einen Blick

Wichtige Fakten

- BlackRock wurde 1988 gegründet und 1999 an der Börse gelistet (NYSE-Tickersymbol: BLK).
- Verwaltetes Vermögen: 4,33 Billionen USD
- Mehr als 10.000 Mitarbeiter
- Mehr als 1.700 Anlagespezialisten
- Mehr als 20 Hauptniederlassungen
- Kunden in über 100 Ländern
- Über 700 iShares®-ETFs
- BlackRock Solutions® beaufsichtigt ein Vermögen von ca. 15 Billionen USD
- Der Bereich Financial Markets Advisory verwaltet bzw. berät in Bezug auf ein Vermögen von über 8 Billionen USD.
- Das Transition Management-Team arbeitet mit den Kunden zusammen, um bei der Neupositionierung von Portfolios Kosten einzusparen und Risiken zu reduzieren.



Verwaltetes Vermögen: 4,33 Billionen USD, verteilt auf verschiedene Assetklassen



Leitbild von BlackRock: Schaffung einer besseren finanziellen Zukunft für unsere Kunden, indem wir zur angesehensten Vermögensverwaltungs- und Risikomanagementgesellschaft der Welt werden

BlackRock, Stand 31. Dezember 2013.

Bereit, die Anforderungen unserer Kunden zu erfüllen

Mit seinen weltweit breit gefächerten Kapazitäten ist BlackRock in der Lage, ergebnisorientierte Lösungen anzubieten, die auf die Zielsetzungen einzelner Kunden zugeschnitten sind.

Verwaltetes Vermögen i. H. v. 4,33 Billionen USD

Aktien

2,3 Billionen USD

- Unsere Kapazitäten erstrecken sich auf verschiedene Investmentstile: Index, active fundamental, scientific und absolute Return
- Globale, regionale und sektorspezifische Investments

Anleihen

1,2 Billionen USD

- Management von Strategien auf Basis verschiedener Benchmark-Arten und Stile: Index, fundamental, modellbasiert und absolute Return
- Spezialisierte Fachleute, die sämtliche Marktsektoren abdecken

Alternative Investments

112 Mrd. USD

- Fachspezifische Kapazitäten in den Bereichen Immobilien, Private Equity, Hedgefonds-Direktinvestments, Hedgefonds-Dachfonds, Infrastruktur und erneuerbare Energien
- Unser lösungsorientierter Ansatz umfasst auch den Aufbau von Portfolios mit alternativen Investments.

Multi-Asset

341 Mrd. USD

- Ergebnisorientiert: target-date-, balanced-risk-factor- und liability-driven investing
- Unsere assetklassenübergreifende Betrachtungsweise trägt zu unvoreingenommenen Empfehlungen und Portfolio-Lösungen bei.

Geldmarkt

276 Mrd. USD

- Anerkannt als führender Anbieter, wenn es um Renten und Liquidität geht
- Flexibles Produktangebot, das sich auf mehrere Währungen erstreckt

Größenmäßig anpassbare Dienstleistungen und Infrastruktur

Risiko-management

- Mit einer zentralen Plattform werden die Risiken in den einzelnen Assetklassen analysiert.
- Diese Plattform wird zum Risikomanagement, zur Unterstützung bei Anlageentscheidungen und zur Performance-Analyse eingesetzt.

Beratung

- Beratung börsennotierter und nicht börsennotierter Finanzinstitute in Bezug auf komplexe Kapitalmarktgeschäfte und Bilanzpositionen
- Verwaltung bzw. Beratung zu Vermögens- und Derivate-Portfolios mit einem Volumen von über 8 Billionen USD

Transition-management

- Zusammenarbeit mit Kunden, um bei der Neu-positionierung von Portfolios Kosten einzusparen und Risiken zu senken
- Durchführung von über 3.400 Portfolio-Überleitungen mit einem Gesamtvermögen von 2,5 Billionen USD in den letzten fünf Jahren

Wertpapier-leihe

- Fokussierung auf Research und Technologie sowie eine enge Abstimmung mit dem Portfolio-management, das über der Markt-Performance liegende Renditen anstrebt
- Analyse von Wertpapieren in mehr als 30 Märkten weltweit

Handel

- Pro Tag Abwicklung von über 50.000 Trades in Aktien, Renten, bargeldnahen Anlagen, Devisen und Terminkontrakten
- Rund-um-die-Uhr-Betreuung durch sieben Trading Desks

Verwaltetes Vermögen per 31. Dezember 2013.

Was sind ETFs?

ETFs – EINFACH, TRANSPARENT UND FLEXIBEL

Was ist ein ETF?

Ein ETF ist ein börsengehandelter Indexfonds (Exchange Traded Fund, ETF)

- ▶ Er repräsentiert ein Wertpapierportfolio (aus Aktien, Anleihen oder Alternativen Anlagen zusammengesetzt), welches die Wertentwicklung eines bestimmten Marktindex (wie des DAX®) nachzubilden.
- ▶ Ein ETF wird genau wie eine Aktie an einer Börse ge- und verkauft
- ▶ Dadurch vereinen ETFs die Vorteile von herkömmlichen Fonds und Aktien.



¹ See appendix. There can be no assurance that an active trading market for shares of an ETF will develop or be maintained.

ETFs und Futures post-2008

2014 Index Investitionen in verändertem Beta Umfeld: *Fokus auf Aktien Index Futures und ETFs*

Was passiert im Delta-one Raum? Rückenwind für ETFs und Gegenwind für Futures:

- ▶ Anstieg des ETF Fondsvolumens führt zu größerer Liquidität und kleinerer Geld-Brief-Spanne
- ▶ ETF-Angebot ist stark gewachsen.
- ▶ Durchschnittliche Futuresrollkosten sind gleichzeitig gestiegen.
- ▶ Möglichkeit risikofreies Kapital zum impliziten Futureszins zu reinvestieren ist gefallen.

Warum sind die Rollkosten von Futures gestiegen?

- ▶ Die Abnahme der Arbitrage-Aktivität aufgrund strengerer regulatorischer Anforderungen, sowie gestiegene Kapitalkosten und implizit negative Repo Raten haben den Futures Markt nachhaltig verändert.

Was unterstützt diese Beobachtungen?

1. Neue regulatorische Anforderungen führen zu Änderungen des Geschäftsmodells der Banken.
2. BlackRock/iShares hat ein Modell entwickelt um die historische Entwicklung von ETFs vs. Futures gegenüber ihrer Referenzindizes zu vergleichen.
3. Zahlreiche Broker haben Artikel veröffentlicht, die die Ergebnisse unserer Analyse bestätigen.

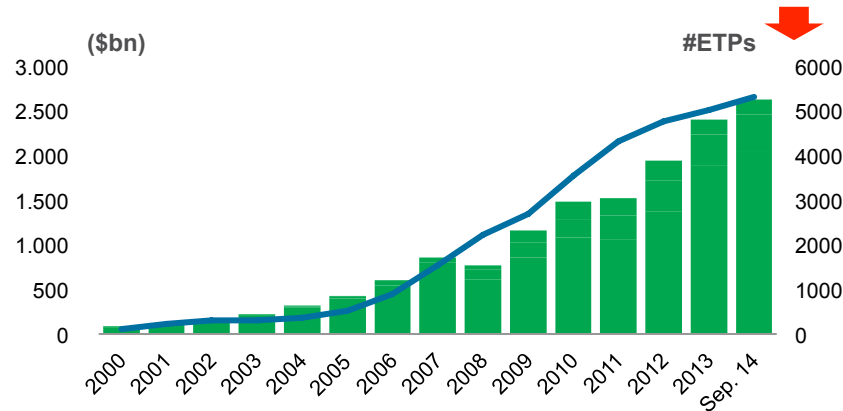
ETF Rückenwind

ETF Rückenwind 1: deutliche Anstiege des verwalteten Vermögens und bei der Produktauswahl.

- In den letzten 10 Jahren hat sich der ETP Markt eindrucksvoll entwickelt, so dass weltweit über 5.166 verschiedene Produkte erhältlich sind – davon sind allein 2,205 in der EMEA-Region aufgelegt. ^[1]

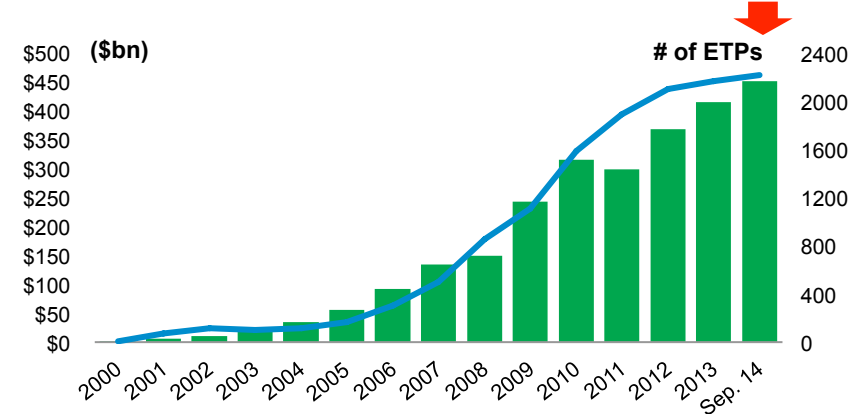
ETPs und ETFs weltweit: verwaltetes Vermögen und Anzahl der Produkte

383 ETPs mit einem verwalteten Vermögen > \$ 1bn



ETPs und ETFs in Europa: verwaltetes Vermögen und Anzahl der Produkte

99 ETPs mit einem verwalteten Vermögen > \$ 1bn

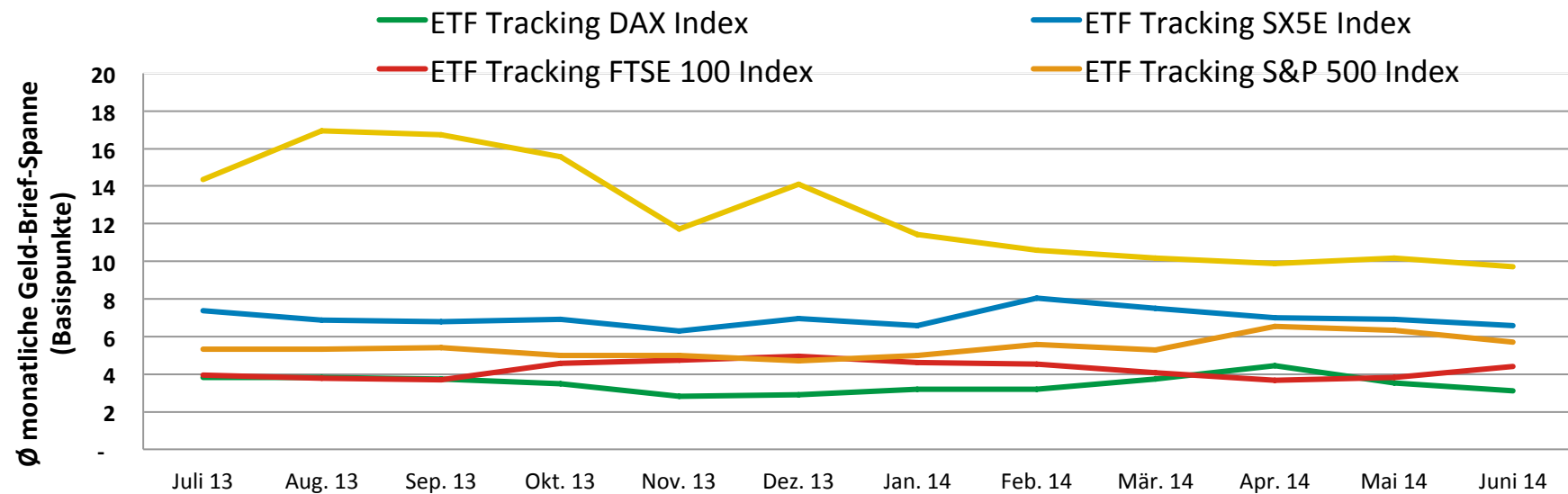


Source: BlackRock, ETP Landscape and Bloomberg.

[1]: Data is as of August 28, 2014 for Europe and August 29, 2014 for the US, Canada, Latin America, Israel, and some Asia ETPs. Some Asia ETP data is as of May 30, 2014. Global ETP flows and assets are sourced using shares outstanding and net asset values from Bloomberg for the US, Canada, Europe, Latin America and some ETPs in Asia. Middle East ETP assets are sourced from the Bank of Israel. ETP flows and assets in China are sourced from Wind. Inflows for years prior to 2010 are sourced from Strategic Insights Simfund. Asset classifications are assigned by the BlackRock based on product definitions from provider websites and product prospectuses. Other static product information is obtained from provider websites, product prospectuses, provider press releases, and provider surveys. Market returns are sourced from Bloomberg.

ETF Rückenwind

ETF Rückenwind 2: Der Anstieg des verwalteten Vermögens führt zu einer höheren Liquidität und einer engeren Geld-Brief-Spanne



- ▶ Die Geld-Brief-Spanne aller iShares Produkte in der EMEA-Region ist seit 2012 um 23% gefallen.
- ▶ Das europäische ETF-Börsenhandelsvolumen betrug 2013 ca. \$615Mrd.; Die gesamte iShares EMEA Primärmarkt-Aktivität betrug 2013 \$102Mrd. (ein Anstieg von 40% im Vergleich zu 2012 \$73Mrd.).
- ▶ Ende August 2014: 52 EMEA iShares haben über \$1Mrd. Verwaltetes Vermögen (Januar 2013: 24).
- ▶ Über \$600Mrd. wurden 2013 in der EMEA-Region gehandelt.

Source: BlackRock, ETP Landscape and Bloomberg. End August 2014, unless otherwise stated.

Gegenwind für Futures

Neue regulatorische Anforderungen; Verändertes Angebot und Nachfrage

1. Angebot und Nachfrage im Aktien Futures Segment:

Bullenphasen führen zu Futurekäufen und Net Delta Käufen von Call Optionsstrategien, sowie zum Verkauf von strukturierten Produkten.

2. Regulatorische Änderungen :

- i. Höhere Kapitalkosten für Banken: Das im Juni 2013 veröffentlichte, überarbeitete Basel III Leverage Ratio Rahmenwerk, ist auf die Änderung von Kapitalnutzungsmöglichkeiten von Banken fokussiert, namentlich: a) Beschränkungen des Liquiditätsdeckungsverhältnisses und b) Tier 1 Kernkapitalanforderungen
- ii. Rückgang der Arbitrageur Aktivitäten: Volcker Regel (US Banken), Einschränkung des Eigenhandels ab Juli 2015.

3. Geändertes Handelsverhalten von Banken:

Berichtsperioden, die höchst sensibel auf Kapitalnutzung reagieren (An den Quartalsenden und besonders zum Jahresende). Das führt zu Druck auf die Finanzierungsraten und erhöhten Kosten rollierender Longpositionen, die schlechter durch synthetische Shortpositionen neutralisiert werden können.

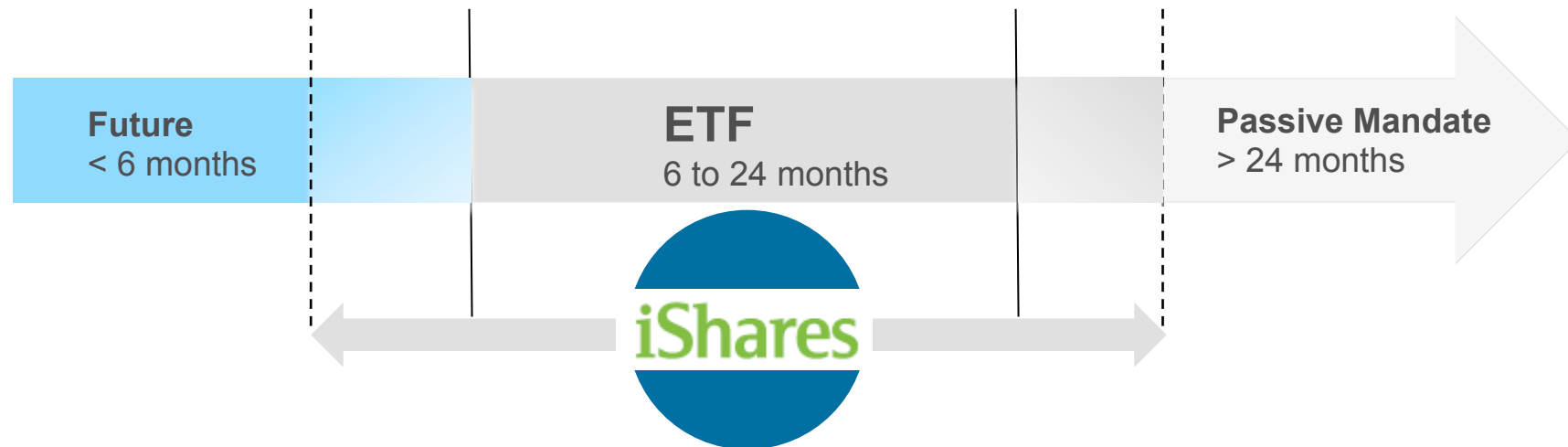
Was unterstützt diese Beobachtungen?

Produktaspekte	ETFs (physisch replizierend)	Futures
1. Operative Aspekte	• Finanziert, börsengehandelt / OTC • Kaufen und halten • Mehrere Handelswährungen	• Börsengehandelt • Benötigt Marginmanagement • Operatives Risiko • Rollierungs Frequenz • Währungsrisiken müssen gemanaged werden
2. Haltekosten	• Gesamtkostenquote • Rebalancing Kosten • Abbildungsmethode • Andere Einnahmen, z.B: Wertpapierleiherträge	• Finanzierungsratenunterschiede (Zinsratenannahmen) • Echte Kosten vs. Fair Value (Ein- und Ausstieg) • Echte Kosten vs. rollierender Fair Value
3. Handelskosten	• Kommissionen • Geld-Brief-Spanne oder Ausgabe-/Rücknahmeaufschlag	• Kommissionen (inclusive 2 pro Rolle) • Geld-Brief-Spanne bei Ein- und Ausstieg • Geld-Brief-Spanne bei jeder Rolle

Source: BlackRock. For illustrative purposes only.

Traditional “Rule of Thumb”

HOLDING PERIOD for Beta Vehicles



Transaction Costs

- ▶ Reduced Transaction Costs
- ▶ ETF fund sizes have increased
- ▶ Trading liquidity and spreads have improved

+

Management Fee

- ▶ Reduction of management fees (i.e. Core range)
- ▶ Intraday liquidity
- ▶ Wider range of benchmarks

Brokerresearch zu Rollkosten

Deutlicher Anstieg der Rollkosten

Table 2: Recent roll mispricing and roll risk statistics (data through May 2014)

Index name	Base ticker	Region	Roll frequency	Roll cost history start	# of rolls	Current roll mispricing	Current roll std deviation	Avg roll cost (last 1 year)	Std dev (last 1 year)	Avg roll cost (avail. history)
KOSPI 200	KM	Asia Pacific	Quarterly	Mar-98	65	-0.43%	0.25%	0.22%	0.55%	-2.21%
S&P ASX 200	XP	Asia Pacific	Quarterly	Mar-04	41	-0.03%	0.04%	0.11%	0.11%	-0.29%
TOPIX	TP	Asia Pacific	Quarterly	Sep-00	55	0.55%	0.04%	0.64%	0.12%	-0.14%
Nikkei 225	NK	Asia Pacific	Quarterly	Sep-00	55	0.50%	0.03%	0.54%	0.11%	0.19%
MSCI Taiwan	TW	Asia Pacific	Monthly	Jan-98	197	0.32%	0.20%	-1.37%	1.44%	-1.98%
Hang Seng	HI	Asia Pacific	Monthly	Jan-97	209	1.87%	0.47%	0.57%	0.84%	-0.89%
NSE Nifty	NZ	Asia Pacific	Monthly	Aug-02	142	0.58%	0.23%	0.39%	1.73%	-5.75%
SGX Nifty	IH	Asia Pacific	Monthly	Aug-02	142	1.01%	0.28%	0.74%	1.92%	-5.18%
Hang Seng China Enterprises	HC	Asia Pacific	Monthly	Dec-03	126	2.74%	0.31%	0.66%	0.68%	-0.88%
MSCI Singapore	QZ	Asia Pacific	Monthly	Jan-99	185	0.63%	0.06%	-0.10%	0.59%	0.66%
TWSE	FT	Asia Pacific	Monthly	Jun-05	108	-2.73%	0.13%	-2.70%	1.30%	-3.04%
FTSE China A50	XU	Asia Pacific	Monthly	Aug-10	46	3.32%	1.62%	-3.52%	2.85%	1.89%
FTSE Bursa Malaysia KLCI	IK	Asia Pacific	Monthly	Jan-00	173	-0.53%	0.46%	0.11%	1.18%	-1.40%
S&P 500	SP	Americas	Quarterly	Mar-98	65	0.29%	0.04%	0.37%	0.07%	0.08%
Russell 2000	RTA	Americas	Quarterly	Mar-98	65	-0.31%	0.04%	-0.31%	0.07%	-0.59%
Russell 1000	RM	Americas	Quarterly	Mar-02	49	0.35%	0.05%	0.40%	0.08%	0.06%
Dow Jones Ind. Avg.	DJ	Americas	Quarterly	Mar-98	65	0.36%	0.04%	0.50%	0.13%	0.00%
S&P MidCap	MD	Americas	Quarterly	Mar-98	65	0.29%	0.04%	0.27%	0.06%	-0.06%
NASDAQ-100	ND	Americas	Quarterly	Mar-98	65	0.37%	0.03%	0.44%	0.08%	-0.20%
S&P/TSX 60	PT	Americas	Quarterly	Dec-99	58	-0.08%	0.07%	-0.23%	0.17%	-0.34%
Bovespa	BZ	Americas	Bi-monthly	Aug-05	59	-2.00%	-	-4.01%	4.16%	-2.14%
EURO STOXX 50	VG	Europe	Quarterly	Sep-98	63	0.87%	0.06%	0.60%	0.22%	0.07%
FTSE 100	Z	Europe	Quarterly	Sep-96	71	0.38%	0.05%	0.47%	0.16%	0.05%
DAX-30	GX	Europe	Quarterly	Sep-96	71	0.66%	0.04%	0.39%	0.20%	-0.05%
S&PMIB	ST	Europe	Quarterly	Sep-96	71	0.58%	0.18%	0.61%	0.15%	0.10%
OMX	QC	Europe	Monthly	Jul-96	215	0.00%	0.02%	0.24%	0.46%	0.12%
CAC-40	CF	Europe	Monthly	Aug-96	214	0.28%	0.12%	0.30%	0.24%	-0.17%
AEX	EO	Europe	Monthly	Mar-97	207	0.24%	0.07%	0.39%	0.26%	0.14%
IBEX-35	IB	Europe	Monthly	Sep-96	213	0.97%	0.18%	0.52%	0.84%	0.04%
SMI	SM	Europe	Quarterly	Sep-98	62	1.58%	0.10%	0.77%	0.68%	0.29%

Source: BofA Merrill Lynch Global Research

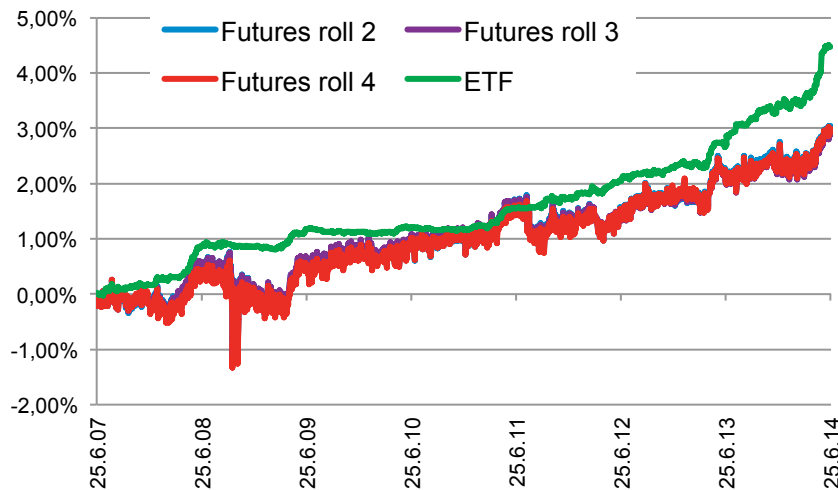
Deutlicher Anstieg
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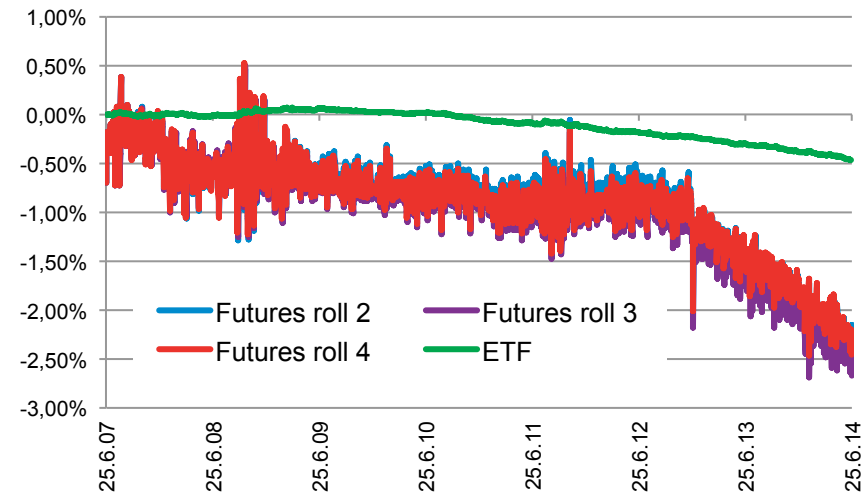
Was unterstützt diese Beobachtungen?

Vergleich der Entwicklung von ETFs vs. Futures gegenüber ihrer Referenzindizes

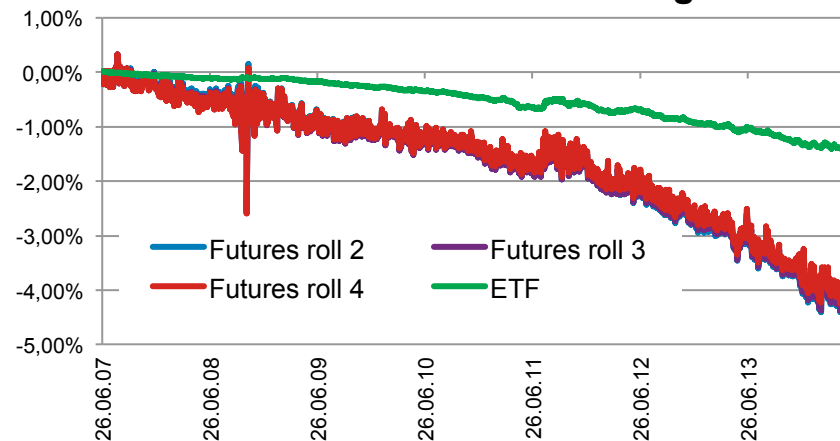
EuroStoxx 50 Performance Vergleich



S&P500 Performance Vergleich



DAX Performance Vergleich



Allgemeines Ergebnis:
Die Performance von
long Futures vs.
Benchmark hat sich im
letzten Jahr
verschlechtert

Source: BlackRock, Bloomberg, Jun 2007 to Jun 2014.

- **Wir haben die Entwicklung von zwei Indexprodukten in den letzten Jahren verfolgt – ETFs und Futures – mit speziellem Fokus auf den Aktienbereich.**

Zunehmende Attraktivität der ETFs als Beta Exposure Instrument aufgrund verbesserter Parameter (Liquidität, Spreads, Bandbreite der abgedeckten Benchmark Indizes).

- **Während der letzten 12 bis 15 Monaten wurden Future Kontrakte immer teurer als ihr historischer Durchschnitt gehandelt – bedingt durch immer komplexere, regulatorische Rahmenbedingungen der Banken, Haupthandelspartner der Futures.**
- **Hinsichtlich der Futureskosten und der wirtschaftlichen Effizienz von Futures, ist zu erwarten, dass die aktuelle Marktentwicklung, für Fully Funded Long Futures Investoren, die eingeschlagene Richtung beibehält.**
- **Wir glauben, dass ETFs als Beta Exposure Instrument weiterhin wachsen werden, sowohl im Bezug auf Fondsvermögen, als auch hinsichtlich der Anzahl der angebotenen Produkte, aufgrund Ihrer immer größeren Effizienz.**

Unterstützung von iShares

INVESTMENT STRATEGY & INSIGHTS TEAM:

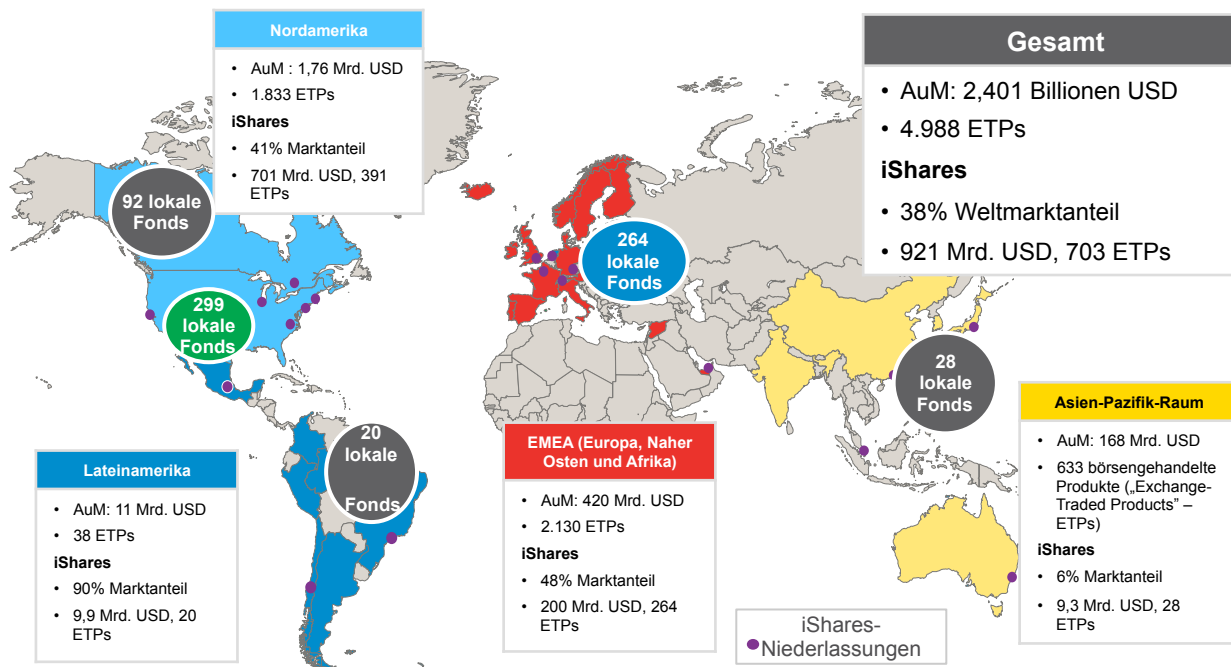
- **Individuell angepasste Analysen ETFs vs. Futures Performance:**
 - Angepasst auf Ihre Cash Management Benchmark / Renditen
 - Angepasst auf Ihre Rollstrategie
 - Berücksichtigung Ihrer Kommissionen und Transaktionskosten
- **Quartalsweise Marktkommentare (Post Futurerolle)**
- **Unterstützung bei der Vorbereitung von Anlagekomitee / Due Diligence Sitzungen**

CAPITAL MARKETS TEAM:

- Beratung hinsichtlich optimaler Handelsstrategien aufbauend auf unsere Handelserfahrung und Broker Dealer Kontakte
- Pre-trade Analysen für iShares Handel (Strategie, Preis, Broker Dealer)
- **Pre-trade Analysen für Wechsel von Futures zu ETFs**
- Post-trade Analysen für ETF Handel

iShares by BlackRock

iShares by BlackRock: marktführende Stellung und Vision



FINANCIAL NEWS

Auszeichnungen im Asset Management

ETF-Anbieter des Jahres 2013

iShares®
by BLACKROCK®

Grundlagen unseres Geschäfts / unsere Wettbewerbsvorteile

- ▶ Führende Marke im Bereich ETF bei Finanzinstituten und Beratern
- ▶ Skaleneffekte im Geschäftsbetrieb und Portfoliomanagement
- ▶ Sehr breit gefächertes Produktangebot
- ▶ Enge Geschäftsbeziehungen im Bereich ETF (zu Händlern und Vertriebsgesellschaften)
- ▶ Gesamteuropäische Produktentwicklungs- und Vertriebskapazitäten
- ▶ Innovationen bei der Produktverwendung
- ▶ Kapitalmarkt-Know-How und Unterstützung im Trading
- ▶ Liquidität des Produktangebots
- ▶ Gedankenführerschaft in Bezug auf Investments und Lösungen

BlackRock, Stand 31. Dezember 2013.

iShares Sales Team – Dedicated Coverage of All iShares Segments



Michael Gruener (MD)
Head EMEA Wealth/
Retail
Jan 2012



Peter Scharl, CFA (D)
Head DE/AT/EE
Jul 2007

INSTITUTIONAL



Hamed Mustafa (D)
Asset Managers &
Coop Organisation
Sep 2007



Thorsten Saemann (D)
Saving Banks
Jul 2012



Caroline Hertrich (VP)
Corporate/Pensions
Aug 2014



Florian Bitsch (AS)
Tier 2 Pensions
NPOs
Aug 2012



Nicolas Werbach (AN)
Asset Managers &
Coop Organisation
Oct 2013 (Aug 2011)

WEALTH / RETAIL



David Wenicker (VP)
Wealth Discretionary
Sep 2013



Thomas Wiedenmann (VP)
Wealth Advisory &
Solutions Jul 2014



Christian Bimüller (VP)
Directbanks, IAMS
Jun 2014



Marianne Schoenleber (AS)
Family Offices, IAMS
Feb 2008



Robert Gebert (AS)
Wealth Advisory &
Solutions, IFA Platforms
Sep 2007



Laura Hegedues (Intern)
IFA and Advisory
Support
Oct 2014

SPECIAL SALES



Marcus Severin (D)
Head of Insurance
BLK & iShares
Sep 2009



Deri Bainge (D)
Fixed Income
Oct 2013



Rizwan Khan (AN)
Insurance, Client
Service
Aug 2013

AUSTRIA / EASTERN EUROPE



Bahram Sadighian (D)
Head of Austria / EE
Nov 2008



Tomas Packa (VP)
EE / Institutional
Aug 2013



Andreas Prossenitsch (AS)
AT Private Wealth
Nov 2013

DEDICATED GERMAN- SPEAKING PARTNERS



Dr. Stephanie Lang (VP)
ISI
Jul 2008



Max Linne (VP)
Capital Markets, CES
Jul 2014

SUPPORT & CLIENT SERVICE



Tatjana Flachs
Team Assistant &
Client Service
Dec 2007



Manuel Bertl
Working Student
Jul 2014

Disclaimer

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For investors in Belgium

Unless indicated otherwise, any decision to invest must be based solely on the information contained in the Company's Prospectus, Key Investor Information Document and the latest half-yearly report and unaudited accounts and/or annual report and audited accounts copies of which can be obtained free of charge from the Fund's Belgian Paying Agent (J.P.Morgan Europe Ltd, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium). Investors should read the fund specific risks in the Key Investor Information Document and the Company's Prospectus.

For investors in Denmark

This document is directed at Professional Investors in Denmark only and the Funds are authorised by Finanstilsynet, the Danish Financial Supervisory Authority. Any decision to invest must be based solely on the information contained in the Company's Prospectus, Key Investor Information Document and the latest half-yearly report and unaudited accounts and/or annual report and audited accounts and the Danish country supplements. Investors should read the fund specific risks in the Key Investor Information Document and the Company's Prospectus. Copies of all documentation can be obtained free of charge from offices of the paying agent in Denmark BlackRock Copenhagen Branch, filial af BlackRock Investment Management (UK) Limited Harbour House, Sundkrogsgade 21, 2100 København Ø, Denmark. This document is strictly confidential and may not be distributed without authorisation from BlackRock Advisors (UK) Limited.

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Disclaimer

For investors in France

Any subscription for shares in a sub-fund of one of the companies will be carried out according to the conditions specified in the full Prospectus, Key Investor Information Document, the French Addendum and in the Supplements of Companies as the case may be. These documents can be obtained by contacting the paying agent of the Company: BNP Paribas Securities Services, 3 rue d'Antin, 75002 Paris, tel: 00 33 1 42 98 10 00 or by visiting the French part of the site www.iShares.eu. The companies are undertakings for collective investment in transferable securities (UCITS) governed by foreign laws and approved by the Financial Regulator in the home state as a UCITS complying with European regulations. The European Directive 2009/65/EC of July 13, 2009 on UCITS, as amended, establishes common rules in order to allow the cross-border marketing of UCITS which comply with it. This common foundation did not prohibit different methods of implementation. This is why a European UCITS may be marketed in France even though the activity of such scheme would not respect rules identical to those which govern the approval of this type of product in France. This sub fund has been authorized for marketing in France by the Autorité des Marchés Financiers. Please note that the distribution of shares of some sub funds of funds is not allowed in France. This document does not constitute an offer or a solicitation in relation to the shares of the funds.

For investors in Germany

The Sales Prospectus and Key Investor Information Document, as well as the annual and semi-annual reports are available free of charge from Commerzbank Kaiserplatz, 60311 Frankfurt am Main, Germany. The Companies intend to fulfil the prerequisites for treatment of their sub-funds as so-called "transparent funds" pursuant to §§ 2 and 4 of the German Investment Tax Act (Investmentsteuergesetz – InvStG). However, it cannot be guaranteed that the requirements will be met. The Companies reserve the right to give up the "transparent status" and to not undertake the necessary publications. Any decision to invest must be based solely on the information contained in the Company's Prospectus, Key Investor Information Document and the latest half-yearly report and unaudited accounts and/or annual report and audited accounts. Investors should read the fund specific risks in the Key Investor Information Document and the Company's Prospectus. Please note that important information about iShares VII funds is available in the current prospectus and other documents that can be obtained free of charge from the paying agent, Deutsche Bank AG Taunusanlage 12, 60325 Frankfurt am Main, Federal Republic of Germany.

For investors in Ireland

This document is strictly confidential and may not be distributed without authorisation from BlackRock Advisors (UK) Limited. With respect to funds that are registered for public offer in Ireland, important information on the Companies is contained in the relevant Prospectus, Key Investor Information Document and other documents, copies of which can be obtained by calling 0845 357 7000, from your broker or financial adviser, by writing to BlackRock Advisors (UK) Limited, iShares Business Development, 12 Throgmorton Avenue, London, EC2N 2DL or by writing to the Manager of the Companies: BlackRock Asset Management Ireland Limited, Block 2, Grand Mill Quay, Barrow Street, Dublin 4, Ireland. Investors should read the fund specific risks in the Key Investor Information Document and the Company's Prospectus.

For investors in Italy

Any application for shares in the funds is on the terms of the Prospectus, Key Investor Information Document, for the Companies. The Shares of certain sub-funds in the Companies have been admitted to listing in Italy and are currently listed on the Mercato Telematico Fondi of Borsa Italiana S.p.A. The list of the sub-funds listed in Italy, the Prospectus, of the Companies, the Documento di quotazione of the iShares funds, the latest annual and semi annual report of the Companies are published (i) on the Companies' internet website at the address www.iShares.com and (ii) on Borsa Italiana S.p.A's website at the address www.borsaitalia.it. These documents are available for the public in Italian version with certification that such documents are a faithful translation of the original documents. Investors are entitled to receive free of charge, even at home, a copy of the above documents, upon written request forwarded to the Companies. Investors should read the fund specific risks in the Key Investor Information Document and the Company's Prospectus. For comprehensive information on the expenses charged to a fund and fees applicable to investors, see the Documento di quotazione and the Prospectus.

Disclaimer

For investors in Luxembourg

The Companies have been notified to the Commission de Surveillance du Secteur Financier in Luxembourg in order to market their shares for sale to the public in Luxembourg and the Companies are notified Undertaking in Collective Investment for Transferable Securities (UCITS). The Companies have not been listed on the Luxembourg Stock Exchange, investors should contact their broker for further information. Investment is subject to the Prospectus, Key Investor Information Document and all documents (the main/umbrella Prospectus, the Supplement[s], the latest and any previous annual and semi-annual reports of the Companies and the Memorandum and Articles of Association of the Companies) will be available in the Luxembourg, free of charge, from the offices of the Local Agent, BNP Paribas Securities Services, Luxembourg Branch 33, rue de Gasperich Howald – Hesperange L-2085 Luxembourg or by visiting the website on www.iShares.com. Investors should read the fund specific risks in the Key Investor Information Document and the Company's Prospectus.

For investors in Sweden

The Funds mentioned are registered for public distribution in Sweden and are authorised by Finansinspektionen, the Swedish Financial Supervisory Authority. Any application for shares in the funds is on the terms of the Prospectus, Key Investor Information Document, for the Companies. Important information on the Companies is contained in the relevant Prospectus, Key Investor Information Document and other documents, copies of which can be obtained free of charge from offices of the paying agent BlackRock Investment Management (UK) Limited, Stockholm Filial Master Samuelsgatan 1, Box 609 S-11411 Stockholm, Sweden. Any decision to invest must be based solely on the information contained in the Company's Prospectus, Key Investor Information Document and the latest half-yearly report and unaudited accounts and/or annual report and audited accounts. Investors should read the fund specific risks in the Key Investor Information Document and the Company's Prospectus. Please note that important information about iShares VII funds is available in the current prospectus and other documents that can be obtained free of charge from the paying agent, Skandinaviska Enskilda Banken AB Sergels Torg 2, SE-106 40 Stockholm Sweden.

For investors in Switzerland

BlackRock Asset Management Schweiz AG, Bahnhofstrasse 39, P.O.Box 2118 CH-8022 Zurich, is the Swiss Representative and JPMorgan Chase Bank, National Association, Columbus, Zurich branch, Dreikönigstrasse 21, 8002 Zurich, the Swiss Paying Agent of the Fund. The Prospectus, Key Investor Information Document, the Articles of Incorporation, the latest and any previous annual and semi-annual reports of the Fund are available free of charge from the Swiss representative. Investors should read the fund specific risks in the Key Investor Information Document and the Prospectus.

For investors in the Netherlands

The Companies have been notified to the Authority Financial Markets in the Dutch Financial Markets Supervision Act of Investment Institutions, regulations enacted pursuant thereto and the supervision thereunder of the Authority Financial Markets. Copies of all documents (the main/umbrella Prospectus, Key Investor Information Document, the Supplement[s], the latest and any previous annual and semi-annual reports of the Companies and the Memorandum and Articles of Association of the Companies) will be available in the Netherlands, free of charge, from the offices of the representative in the Netherlands, BlackRock Advisors (UK) Limited, Rembrandt Toren, 17th floor, Amstelplein 1, 1096 HA Amsterdam, Netherlands or by calling the Dutch representative's information request line on 0800 0233 466. Any decision to invest should be based on the information contained in the Prospectus and the key investor Information Document and the latest half-yearly report and unaudited accounts and/or annual report and audited accounts. Investors should read the fund specific risks in the Key Investor Information Document and the Company's Prospectus.

For investors in the UK

Most of the protections provided by the UK regulatory system do not apply to the operation of the Companies, and compensation will not be available under the UK Financial Services Compensation Scheme on its default. The Companies are recognised schemes for the purposes of the Financial Services and Markets Act 2000. Any decision to invest must be based solely on the information contained in the Company's Prospectus, Key Investor Information Document and the latest half-yearly report and unaudited accounts and/or annual report and audited accounts. Investors should read the fund specific risks in the Key Investor Information Document and the Company's Prospectus.

Disclaimer

Restricted Investors

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