

# 2025 Annual Financial Statements and Additional Information

## iShares Trust

- iShares iBonds Dec 2034 Term Treasury ETF | IBTP | NASDAQ
- iShares iBonds Dec 2044 Term Treasury ETF | IBGA | NASDAQ
- iShares iBonds Dec 2054 Term Treasury ETF | IBGK | NASDAQ

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# Schedule of Investments

October 31, 2025

iShares® iBonds® Dec 2034 Term Treasury ETF  
(Percentages shown are based on Net Assets)

| Security                                   | Par<br>(000) | Value              |
|--|--------------|--------------------|
| <b>U.S. Government Obligations</b>         |              |                    |
| <b>U.S. Government Obligations — 98.3%</b> |              |                    |
| U.S. Treasury Note/Bond                    |              |                    |
| 3.88%, 08/15/34 .....                      | \$ 53,285    | \$ 52,668,497      |
| 4.00%, 02/15/34 .....                      | 53,061       | 53,095,835         |
| 4.25%, 11/15/34 .....                      | 53,353       | 54,161,936         |
| 4.38%, 05/15/34 .....                      | 53,299       | 54,704,550         |
|  |              | <u>214,630,818</u> |
| <b>Total Long-Term Investments — 98.3%</b> |              |                    |
| <b>(Cost: \$210,849,419)</b> .....         |              | <u>214,630,818</u> |

(a) Affiliate of the Fund.  
(b) Annualized 7-day yield as of period end.

| Security  | Shares | Value                 |
|---|--------|-----------------------|
| <b>Short-Term Securities</b>                      |        |                       |
| <b>Money Market Funds — 0.0%</b>                  |        |                       |
| BlackRock Cash Funds: Treasury, SL Agency Shares, |        |                       |
| 4.05% <sup>(a)(b)</sup> .....                     | 10,000 | 10,000                |
| <b>Total Short-Term Securities — 0.0%</b>         |        |                       |
| <b>(Cost: \$10,000)</b> .....                     |        | <u>10,000</u>         |
| <b>Total Investments — 98.3%</b>                  |        |                       |
| <b>(Cost: \$210,859,419)</b> .....                |        | 214,640,818           |
| <b>Other Assets Less Liabilities — 1.7%</b> ..... |        | <u>3,666,555</u>      |
| <b>Net Assets — 100.0%</b> .....                  |        | <u>\$ 218,307,373</u> |

## Affiliates

Investments in issuers considered to be affiliate(s) of the Fund during the year ended October 31, 2025 for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliated Issuer                                      | Value at<br>10/31/24 | Purchases<br>at Cost | Proceeds<br>from Sales | Net Realized<br>Gain (Loss) | Change in<br>Unrealized<br>Appreciation<br>(Depreciation) | Value at<br>10/31/25 | Shares<br>Held at<br>10/31/25 | Income                   | Capital<br>Gain<br>Distributions<br>from<br>Underlying<br>Funds |
|--|----------------------|----------------------|------------------------|-----------------------------|---|----------------------|-------------------------------|--------------------------|---|
| BlackRock Cash Funds: Treasury, SL Agency Shares ..... | \$ 10,000            | \$ 0 <sup>(a)</sup>  | \$ —                   | \$ —                        | \$ —  | \$ 10,000            | 10,000                        | \$ 10,156 <sup>(b)</sup> | \$ —  |

(a) Represents net amount purchased (sold).

(b) All or a portion represents securities lending income earned from the reinvestment of cash collateral from loaned securities, net of collateral investment fees, and other payments to and from borrowers of securities.

## Fair Value Hierarchy as of Period End

Various inputs are used in determining the fair value of financial instruments at the measurement date. For a description of the input levels and information about the Fund's policy regarding valuation of financial instruments, refer to the Notes to Financial Statements.

The following table summarizes the Fund's financial instruments categorized in the fair value hierarchy. The breakdown of the Fund's financial instruments into major categories is disclosed in the Schedule of Investments above.

| Assets                            | Level 1 | Level 2        | Level 3 | Total          |
|-----------------------------------|---------|----------------|---------|----------------|
| Investments                       |         |                |         |                |
| Long-Term Investments             |         |                |         |                |
| U.S. Government Obligations ..... | \$ —    | \$ 214,630,818 | \$ —    | \$ 214,630,818 |

Schedule of Investments (continued)

October 31, 2025

iShares® iBonds® Dec 2034 Term Treasury ETF

Fair Value Hierarchy as of Period End (continued)

|                          | Level 1          | Level 2              | Level 3     | Total                |
|--------------------------|------------------|----------------------|-------------|----------------------|
| Short-Term Securities    |                  |                      |             |                      |
| Money Market Funds ..... | \$ 10,000        | \$ —                 | \$ —        | \$ 10,000            |
|                          | <u>\$ 10,000</u> | <u>\$214,630,818</u> | <u>\$ —</u> | <u>\$214,640,818</u> |

See notes to financial statements.

# Schedule of Investments

October 31, 2025

iShares® iBonds® Dec 2044 Term Treasury ETF  
(Percentages shown are based on Net Assets)

| Security                                   | Par<br>(000) | Value             |
|--|--------------|-------------------|
| <b>U.S. Government Obligations</b>         |              |                   |
| <b>U.S. Government Obligations — 98.1%</b> |              |                   |
| U.S. Treasury Note/Bond                    |              |                   |
| 3.00%, 11/15/44 .....                      | \$ 7,679     | \$ 6,069,472      |
| 3.13%, 08/15/44 .....                      | 8,978        | 7,261,065         |
| 3.38%, 05/15/44 .....                      | 7,033        | 5,926,042         |
| 3.63%, 02/15/44 .....                      | 7,467        | 6,537,709         |
| 4.13%, 08/15/44 .....                      | 13,319       | 12,466,085        |
| 4.50%, 02/15/44 .....                      | 13,394       | 13,203,554        |
| 4.63%, 05/15/44 .....                      | 13,402       | 13,410,800        |
| 4.63%, 11/15/44 .....                      | 13,365       | 13,349,515        |
|  |              | <u>78,224,242</u> |
| <b>Total Long-Term Investments — 98.1%</b> |              |                   |
| <b>(Cost: \$77,236,188)</b> .....          |              | <u>78,224,242</u> |

## Short-Term Securities

### Money Market Funds — 0.1%

|  |        |           |
|--|--------|-----------|
| BlackRock Cash Funds: Treasury, SL Agency Shares,<br>4.05% <sup>(a)(b)</sup> ..... | 60,000 | \$ 60,000 |
|--|--------|-----------|

### Total Short-Term Securities — 0.1%

|                               |  |               |
|-------------------------------|--|---------------|
| <b>(Cost: \$60,000)</b> ..... |  | <u>60,000</u> |
|-------------------------------|--|---------------|

### Total Investments — 98.2%

|                                   |  |                   |
|-----------------------------------|--|-------------------|
| <b>(Cost: \$77,296,188)</b> ..... |  | <u>78,284,242</u> |
|-----------------------------------|--|-------------------|

### Other Assets Less Liabilities — 1.8%

|       |  |                  |
|-------|--|------------------|
| ..... |  | <u>1,398,466</u> |
|-------|--|------------------|

### Net Assets — 100.0%

|       |  |                      |
|-------|--|----------------------|
| ..... |  | <u>\$ 79,682,708</u> |
|-------|--|----------------------|

<sup>(a)</sup> Affiliate of the Fund.

<sup>(b)</sup> Annualized 7-day yield as of period end.

## Affiliates

Investments in issuers considered to be affiliate(s) of the Fund during the year ended October 31, 2025 for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliated Issuer                                      | Value at<br>10/31/24 | Purchases<br>at Cost     | Proceeds<br>from Sales | Net Realized<br>Gain (Loss) | Change in<br>Unrealized<br>Appreciation<br>(Depreciation) | Value at<br>10/31/25 | Shares<br>Held at<br>10/31/25 | Income                   | Capital<br>Gain<br>Distributions<br>from<br>Underlying<br>Funds |
|--|----------------------|--------------------------|------------------------|-----------------------------|---|----------------------|-------------------------------|--------------------------|---|
| BlackRock Cash Funds: Treasury, SL Agency Shares ..... | \$ 10,000            | \$ 50,000 <sup>(a)</sup> | \$ —                   | \$ —                        | \$ —  | \$ 60,000            | 60,000                        | \$ 12,080 <sup>(b)</sup> | \$ —  |

<sup>(a)</sup> Represents net amount purchased (sold).

<sup>(b)</sup> All or a portion represents securities lending income earned from the reinvestment of cash collateral from loaned securities, net of collateral investment fees, and other payments to and from borrowers of securities.

## Fair Value Hierarchy as of Period End

Various inputs are used in determining the fair value of financial instruments at the measurement date. For a description of the input levels and information about the Fund's policy regarding valuation of financial instruments, refer to the Notes to Financial Statements.

The following table summarizes the Fund's financial instruments categorized in the fair value hierarchy. The breakdown of the Fund's financial instruments into major categories is disclosed in the Schedule of Investments above.

|                                   | Level 1          | Level 2             | Level 3     | Total               |
|-----------------------------------|------------------|---------------------|-------------|---------------------|
| <b>Assets</b>                     |                  |                     |             |                     |
| <b>Investments</b>                |                  |                     |             |                     |
| Long-Term Investments             |                  |                     |             |                     |
| U.S. Government Obligations ..... | \$ —             | \$78,224,242        | \$ —        | \$78,224,242        |
| Short-Term Securities             |                  |                     |             |                     |
| Money Market Funds .....          | 60,000           | —                   | —           | 60,000              |
|                                   | <u>\$ 60,000</u> | <u>\$78,224,242</u> | <u>\$ —</u> | <u>\$78,284,242</u> |

See notes to financial statements.

# Schedule of Investments

October 31, 2025

iShares® iBonds® Dec 2054 Term Treasury ETF  
(Percentages shown are based on Net Assets)

| Security  | Par<br>(000) | Value               |
|---|--------------|---------------------|
| <b>U.S. Government Obligations</b>                |              |                     |
| <b>U.S. Government Obligations — 98.1%</b>        |              |                     |
| U.S. Treasury Note/Bond                           |              |                     |
| 4.25%, 02/15/54 .....                             | \$ 624       | \$ 581,563          |
| 4.25%, 08/15/54 .....                             | 625          | 582,391             |
| 4.50%, 11/15/54 .....                             | 625          | 607,448             |
| 4.63%, 05/15/54 .....                             | 624          | 619,377             |
|   |              | <u>2,390,779</u>    |
| <b>Total Investments — 98.1%</b>                  |              |                     |
| (Cost: \$2,460,553) .....                         |              | 2,390,779           |
| <b>Other Assets Less Liabilities — 1.9%</b> ..... |              | <u>46,923</u>       |
| <b>Net Assets — 100.0%</b> .....                  |              | <u>\$ 2,437,702</u> |

## Affiliates

Investments in issuers considered to be affiliate(s) of the Fund during the year ended October 31, 2025 for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

| Affiliated Issuer   | Value at<br>10/31/24 | Purchases<br>at Cost | Proceeds<br>from Sales | Net Realized<br>Gain (Loss) | Change in<br>Unrealized<br>Appreciation<br>(Depreciation) | Value at<br>10/31/25 | Shares<br>Held at<br>10/31/25 | Income | Capital<br>Gain<br>Distributions<br>from<br>Underlying<br>Funds |
|---|----------------------|----------------------|------------------------|-----------------------------|---|----------------------|-------------------------------|--------|---|
| BlackRock Cash Funds: Treasury, SL Agency Shares <sup>(a)</sup> ..... | \$ —                 | \$ 0 <sup>(b)</sup>  | \$ —                   | \$ —                        | \$ —  | \$ —                 | —                             | \$ 147 | \$ —  |

<sup>(a)</sup> As of period end, the entity is no longer held.

<sup>(b)</sup> Represents net amount purchased (sold).

## Fair Value Hierarchy as of Period End

Various inputs are used in determining the fair value of financial instruments at the measurement date. For a description of the input levels and information about the Fund's policy regarding valuation of financial instruments, refer to the Notes to Financial Statements.

The following table summarizes the Fund's financial instruments categorized in the fair value hierarchy. The breakdown of the Fund's financial instruments into major categories is disclosed in the Schedule of Investments above.

|                                   | Level 1 | Level 2     | Level 3 | Total       |
|-----------------------------------|---------|-------------|---------|-------------|
| Assets                            |         |             |         |             |
| Investments                       |         |             |         |             |
| Long-Term Investments             |         |             |         |             |
| U.S. Government Obligations ..... | \$ —    | \$2,390,779 | \$ —    | \$2,390,779 |

See notes to financial statements.

# Statements of Assets and Liabilities

October 31, 2025

|   | iShares<br>iBonds Dec<br>2034<br>Term Treasury<br>ETF | iShares<br>iBonds Dec<br>2044 Term<br>Treasury ETF | iShares<br>iBonds Dec<br>2054 Term<br>Treasury ETF |
|---|---|--|--|
| <b>ASSETS</b>                                       |   |  |  |
| Investments, at value — unaffiliated <sup>(a)</sup> | \$214,630,818   | \$78,224,242                                       | \$2,390,779  |
| Investments, at value — affiliated <sup>(b)</sup>   | 10,000  | 60,000   | —  |
| Cash  | 4,094   | 266  | 71   |
| Receivables:  |   |  |  |
| Investments sold                                    | 661,776   | 845,528  | 9,425  |
| Dividends — affiliated                              | 345   | 349  | —  |
| Interest — unaffiliated                             | 3,012,062   | 1,148,981  | 37,572   |
| Total assets  | <u>218,319,095</u>                                    | <u>80,279,366</u>                                  | <u>2,437,847</u>                                   |
| <b>LIABILITIES</b>                                  |   |  |  |
| Payables:   |   |  |  |
| Investments purchased                               | —   | 591,950  | —  |
| Investment advisory fees                            | 11,722  | 4,708  | 145  |
| Total liabilities                                   | <u>11,722</u>   | <u>596,658</u>                                     | <u>145</u>   |
| <b>Commitments and contingent liabilities</b>       |   |  |  |
| NET ASSETS  | <u>\$218,307,373</u>                                  | <u>\$79,682,708</u>                                | <u>\$2,437,702</u>                                 |
| <b>NET ASSETS CONSIST OF</b>                        |   |  |  |
| Paid-in capital                                     | \$214,545,773   | \$78,979,755                                       | \$2,535,091  |
| Accumulated earnings (loss)                         | 3,761,600   | 702,953  | (97,389)   |
| NET ASSETS  | <u>\$218,307,373</u>                                  | <u>\$79,682,708</u>                                | <u>\$2,437,702</u>                                 |
| <b>NET ASSET VALUE</b>                              |   |  |  |
| Shares outstanding                                  | 8,400,000   | 3,150,000  | 100,000  |
| Net asset value                                     | \$ 25.99  | \$ 25.30   | \$ 24.38   |
| Shares authorized                                   | Unlimited   | Unlimited  | Unlimited  |
| Par value   | None  | None   | None   |
| <sup>(a)</sup> Investments, at cost — unaffiliated  | \$210,849,419   | \$77,236,188                                       | \$2,460,553  |
| <sup>(b)</sup> Investments, at cost — affiliated    | \$ 10,000   | \$ 60,000  | \$ —   |

See notes to financial statements.

# Statements of Operations

Year Ended October 31, 2025

|  | iShares<br>iBonds Dec<br>2034<br>Term Treasury<br>ETF | iShares<br>iBonds Dec<br>2044 Term<br>Treasury ETF | iShares<br>iBonds<br>Dec 2054<br>Term<br>Treasury<br>ETF |
|--|---|--|--|
| <b>INVESTMENT INCOME</b>                                   |   |  |  |
| Dividends — affiliated .....                               | \$ 9,918  | \$ 10,821  | \$ 147   |
| Interest — unaffiliated .....                              | 4,918,206   | 2,759,267  | 110,179  |
| Securities lending income — affiliated — net .....         | 238   | 1,259  | —  |
| Total investment income .....                              | <u>4,928,362</u>                                      | <u>2,771,347</u>                                   | <u>110,326</u>   |
| <b>EXPENSES</b>  |   |  |  |
| Investment advisory .....                                  | 80,795  | 41,382   | 1,681  |
| Total expenses .....                                       | 80,795  | 41,382   | 1,681  |
| Less:  |   |  |  |
| Investment advisory fees waived .....                      | (209)   | (227)  | (3)  |
| Total expenses after fees waived .....                     | 80,586  | 41,155   | 1,678  |
| Net investment income .....                                | <u>4,847,776</u>                                      | <u>2,730,192</u>                                   | <u>108,648</u>   |
| <b>REALIZED AND UNREALIZED GAIN (LOSS)</b>                 |   |  |  |
| Net realized gain (loss) from:                             |   |  |  |
| Investments — unaffiliated .....                           | (560,733)   | (566,076)  | (32,514)   |
| In-kind redemptions — unaffiliated <sup>(a)</sup> .....    | 248,291   | 98,815   | —  |
|  | <u>(312,442)</u>                                      | <u>(467,261)</u>                                   | <u>(32,514)</u>  |
| Net change in unrealized appreciation (depreciation) on:   |   |  |  |
| Investments — unaffiliated .....                           | 4,274,209   | 1,401,111  | (43,434)   |
|  | <u>4,274,209</u>                                      | <u>1,401,111</u>                                   | <u>(43,434)</u>  |
| Net realized and unrealized gain (loss) .....              | <u>3,961,767</u>                                      | <u>933,850</u>                                     | <u>(75,948)</u>  |
| NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS ..... | <u>\$8,809,543</u>                                    | <u>\$3,664,042</u>                                 | <u>\$ 32,700</u>   |

<sup>(a)</sup> See Note 2 of the Notes to Financial Statements.

See notes to financial statements.

# Statements of Changes in Net Assets

|   | iShares              |                         | iShares             |                         |
|---|----------------------|-------------------------|---------------------|-------------------------|
|   | iBonds Dec 2034      | Term Treasury ETF       | iBonds Dec 2044     | Term Treasury ETF       |
|   | Year Ended           | Period From             | Year Ended          | Period From             |
|   | 10/31/25             | 06/11/24 <sup>(a)</sup> | 10/31/25            | 06/11/24 <sup>(a)</sup> |
|   |                      | to 10/31/24             |                     | to 10/31/24             |
| <b>INCREASE (DECREASE) IN NET ASSETS</b>                                  |                      |                         |                     |                         |
| <b>OPERATIONS</b>   |                      |                         |                     |                         |
| Net investment income .....   | \$ 4,847,776         | \$ 263,876              | \$ 2,730,192        | \$ 183,505              |
| Net realized gain (loss) .....  | (312,442)            | (140,055)               | (467,261)           | 110,686                 |
| Net change in unrealized appreciation (depreciation) .....                | 4,274,209            | (492,810)               | 1,401,111           | (413,057)               |
| Net increase (decrease) in net assets resulting from operations .....     | <u>8,809,543</u>     | <u>(368,989)</u>        | <u>3,664,042</u>    | <u>(118,866)</u>        |
| <b>DISTRIBUTIONS TO SHAREHOLDERS<sup>(b)</sup></b>                        |                      |                         |                     |                         |
| Decrease in net assets resulting from distributions to shareholders ..... | <u>(4,265,092)</u>   | <u>(165,570)</u>        | <u>(2,482,272)</u>  | <u>(126,064)</u>        |
| <b>CAPITAL SHARE TRANSACTIONS</b>   |                      |                         |                     |                         |
| Net increase in net assets derived from capital share transactions .....  | <u>179,435,577</u>   | <u>34,861,904</u>       | <u>63,287,402</u>   | <u>15,458,466</u>       |
| <b>NET ASSETS</b>   |                      |                         |                     |                         |
| Total increase in net assets .....  | 183,980,028          | 34,327,345              | 64,469,172          | 15,213,536              |
| Beginning of year .....   | <u>34,327,345</u>    | <u>—</u>                | <u>15,213,536</u>   | <u>—</u>                |
| End of year .....   | <u>\$218,307,373</u> | <u>\$34,327,345</u>     | <u>\$79,682,708</u> | <u>\$15,213,536</u>     |

<sup>(a)</sup> Commencement of operations.

<sup>(b)</sup> Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

See notes to financial statements.

# Statements of Changes in Net Assets (continued)

|   | iShares<br>iBonds Dec 2054 Term Treasury<br>ETF |   |
|---|---|---|
|   | Year Ended<br>10/31/25                          | Period From<br>06/11/24 <sup>(a)</sup><br>to 10/31/24 |
| <b>INCREASE (DECREASE) IN NET ASSETS</b>                                  |   |   |
| <b>OPERATIONS</b>   |   |   |
| Net investment income.....  | \$ 108,648                                      | \$ 50,307   |
| Net realized gain (loss) .....  | (32,514)  | 88,483  |
| Net change in unrealized appreciation (depreciation) .....                | (43,434)  | (26,340)  |
| Net increase in net assets resulting from operations.....                 | <u>32,700</u>                                   | <u>112,450</u>  |
| <b>DISTRIBUTIONS TO SHAREHOLDERS<sup>(b)</sup></b>                        |   |   |
| Decrease in net assets resulting from distributions to shareholders ..... | <u>(121,740)</u>                                | <u>(41,135)</u>                                       |
| <b>CAPITAL SHARE TRANSACTIONS</b>   |   |   |
| Net increase in net assets derived from capital share transactions .....  | <u>—</u>  | <u>2,455,427</u>                                      |
| <b>NET ASSETS</b>   |   |   |
| Total increase (decrease) in net assets .....                             | (89,040)  | 2,526,742   |
| Beginning of year .....   | <u>2,526,742</u>                                | <u>—</u>  |
| End of year .....   | <u>\$2,437,702</u>                              | <u>\$2,526,742</u>                                    |

<sup>(a)</sup> Commencement of operations.

<sup>(b)</sup> Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

See notes to financial statements.

# Financial Highlights

(For a share outstanding throughout each period)

|   | iShares iBonds Dec 2034 Term Treasury ETF |   |
|---|---|---|
|   | Year Ended<br>10/31/25                    | Period From<br>06/11/24 <sup>(a)</sup><br>to 10/31/24 |
| <b>Net asset value, beginning of period</b> .....             | <u>\$ 25.43</u>                           | <u>\$ 25.00</u>                                       |
| Net investment income <sup>(b)</sup> .....                    | 1.07                                      | 0.40  |
| Net realized and unrealized gain <sup>(c)</sup> .....         | <u>0.48</u>                               | <u>0.24</u>   |
| Net increase from investment operations .....                 | <u>1.55</u>                               | <u>0.64</u>   |
| Distributions from net investment income <sup>(d)</sup> ..... | <u>(0.99)</u>                             | <u>(0.21)</u>   |
| <b>Net asset value, end of period</b> .....                   | <u>\$ 25.99</u>                           | <u>\$ 25.43</u>                                       |
| <b>Total Return<sup>(e)</sup></b>                             |   |   |
| Based on net asset value .....                                | <u>6.24%</u>                              | <u>2.51%<sup>(f)</sup></u>                            |
| <b>Ratios to Average Net Assets<sup>(g)</sup></b>             |   |   |
| Total expenses .....  | <u>0.07%</u>                              | <u>0.07%<sup>(h)</sup></u>                            |
| Total expenses after fees waived .....                        | <u>0.07%</u>                              | <u>0.07%<sup>(h)</sup></u>                            |
| Net investment income .....                                   | <u>4.20%</u>                              | <u>3.95%<sup>(h)</sup></u>                            |
| <b>Supplemental Data</b>                                      |   |   |
| Net assets, end of period (000) .....                         | <u>\$218,307</u>                          | <u>\$34,327</u>                                       |
| Portfolio turnover rate <sup>(i)</sup> .....                  | <u>14%</u>                                | <u>61%</u>  |

<sup>(a)</sup> Commencement of operations.

<sup>(b)</sup> Based on average shares outstanding.

<sup>(c)</sup> The amounts reported for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period due to the timing of capital share transactions in relation to the fluctuating market values of the Fund's underlying securities.

<sup>(d)</sup> Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

<sup>(e)</sup> Where applicable, assumes the reinvestment of distributions.

<sup>(f)</sup> Not annualized.

<sup>(g)</sup> Excludes fees and expenses incurred indirectly as a result of investments in underlying funds.

<sup>(h)</sup> Annualized.

<sup>(i)</sup> Portfolio turnover rate excludes in-kind transactions, if any.

See notes to financial statements.

# Financial Highlights (continued)

(For a share outstanding throughout each period)

|   | iShares iBonds Dec 2044 Term Treasury ETF |   |
|---|---|---|
|   | Year Ended<br>10/31/25                    | Period From<br>06/11/24 <sup>(a)</sup><br>to 10/31/24 |
| <b>Net asset value, beginning of period</b> .....             | <u>\$ 25.36</u>                           | <u>\$ 25.00</u>                                       |
| Net investment income <sup>(b)</sup> .....                    | 1.14                                      | 0.44  |
| Net realized and unrealized gain (loss) <sup>(c)</sup> .....  | <u>(0.11)</u>                             | <u>0.15</u>   |
| Net increase from investment operations .....                 | <u>1.03</u>                               | <u>0.59</u>   |
| Distributions from net investment income <sup>(d)</sup> ..... | <u>(1.09)</u>                             | <u>(0.23)</u>   |
| <b>Net asset value, end of period</b> .....                   | <u>\$ 25.30</u>                           | <u>\$ 25.36</u>                                       |
| <br><b>Total Return<sup>(e)</sup></b>                         |   |   |
| Based on net asset value .....                                | <u>4.22%</u>                              | <u>2.32%<sup>(f)</sup></u>                            |
| <br><b>Ratios to Average Net Assets<sup>(g)</sup></b>         |   |   |
| Total expenses .....  | <u>0.07%</u>                              | <u>0.07%<sup>(h)</sup></u>                            |
| Total expenses after fees waived .....                        | <u>0.07%</u>                              | <u>0.07%<sup>(h)</sup></u>                            |
| Net investment income .....                                   | <u>4.62%</u>                              | <u>4.37%<sup>(h)</sup></u>                            |
| <br><b>Supplemental Data</b>                                  |   |   |
| Net assets, end of period (000) .....                         | <u>\$79,683</u>                           | <u>\$15,214</u>                                       |
| Portfolio turnover rate <sup>(i)</sup> .....                  | <u>19%</u>                                | <u>51%</u>  |

<sup>(a)</sup> Commencement of operations.

<sup>(b)</sup> Based on average shares outstanding.

<sup>(c)</sup> The amounts reported for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period due to the timing of capital share transactions in relation to the fluctuating market values of the Fund's underlying securities.

<sup>(d)</sup> Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

<sup>(e)</sup> Where applicable, assumes the reinvestment of distributions.

<sup>(f)</sup> Not annualized.

<sup>(g)</sup> Excludes fees and expenses incurred indirectly as a result of investments in underlying funds.

<sup>(h)</sup> Annualized.

<sup>(i)</sup> Portfolio turnover rate excludes in-kind transactions, if any.

See notes to financial statements.

# Financial Highlights (continued)

(For a share outstanding throughout each period)

|  | iShares iBonds Dec 2054 Term Treasury ETF |   |
|--|---|---|
|  | Year Ended<br>10/31/25                    | Period From<br>06/11/24 <sup>(a)</sup><br>to 10/31/24 |
| <b>Net asset value, beginning of period</b> .....            | <u>\$25.27</u>                            | <u>\$25.00</u>  |
| Net investment income <sup>(b)</sup> .....                   | 1.09                                      | 0.42  |
| Net realized and unrealized gain (loss) <sup>(c)</sup> ..... | <u>(0.76)</u>                             | <u>0.19</u>   |
| Net increase from investment operations .....                | <u>0.33</u>                               | <u>0.61</u>   |
| <b>Distributions<sup>(d)</sup></b>                           |   |   |
| From net investment income .....                             | (1.09)                                    | (0.34)  |
| From net realized gain .....                                 | <u>(0.13)</u>                             | <u>—</u>  |
| Total distributions .....                                    | <u>(1.22)</u>                             | <u>(0.34)</u>   |
| <b>Net asset value, end of period</b> .....                  | <u>\$24.38</u>                            | <u>\$25.27</u>  |
| <b>Total Return<sup>(e)</sup></b>                            |   |   |
| Based on net asset value .....                               | <u>1.42%</u>                              | <u>2.39%<sup>(f)</sup></u>                            |
| <b>Ratios to Average Net Assets<sup>(g)</sup></b>            |   |   |
| Total expenses .....   | <u>0.07%</u>                              | <u>0.07%<sup>(h)</sup></u>                            |
| Total expenses after fees waived .....                       | <u>0.07%</u>                              | <u>0.07%<sup>(h)</sup></u>                            |
| Net investment income .....                                  | <u>4.52%</u>                              | <u>4.19%<sup>(h)</sup></u>                            |
| <b>Supplemental Data</b>                                     |   |   |
| Net assets, end of period (000) .....                        | <u>\$2,438</u>                            | <u>\$2,527</u>  |
| Portfolio turnover rate <sup>(i)</sup> .....                 | <u>28%</u>                                | <u>104%</u>   |

<sup>(a)</sup> Commencement of operations.

<sup>(b)</sup> Based on average shares outstanding.

<sup>(c)</sup> The amounts reported for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period due to the timing of capital share transactions in relation to the fluctuating market values of the Fund's underlying securities.

<sup>(d)</sup> Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

<sup>(e)</sup> Where applicable, assumes the reinvestment of distributions.

<sup>(f)</sup> Not annualized.

<sup>(g)</sup> Excludes fees and expenses incurred indirectly as a result of investments in underlying funds.

<sup>(h)</sup> Annualized.

<sup>(i)</sup> Portfolio turnover rate excludes in-kind transactions, if any.

See notes to financial statements.

# Notes to Financial Statements

## 1. ORGANIZATION

iShares Trust (the “Trust”) is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company. The Trust is organized as a Delaware statutory trust and is authorized to have multiple series or portfolios.

These financial statements relate only to the following funds (each, a “Fund” and collectively, the “Funds”):

| <i>iShares ETF</i>                  | <i>Diversification Classification</i> |
|-------------------------------------|---------------------------------------|
| iBonds Dec 2034 Term Treasury ..... | Diversified                           |
| iBonds Dec 2044 Term Treasury ..... | Diversified                           |
| iBonds Dec 2054 Term Treasury ..... | Diversified                           |

## 2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”), which may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates. Each Fund is considered an investment company under U.S. GAAP and follows the accounting and reporting guidance applicable to investment companies. Below is a summary of significant accounting policies:

**Investment Transactions and Income Recognition:** For financial reporting purposes, investment transactions are recorded on the dates the transactions are executed. Realized gains and losses on investment transactions are determined using the specific identification method. Dividend income and capital gain distributions, if any, are recorded on the ex-dividend date. Non-cash dividends, if any, are recorded on the ex-dividend date at fair value. Interest income, including amortization and accretion of premiums and discounts on debt securities, is recognized daily on an accrual basis.

**Cash:** The Funds may maintain cash at their custodian which, at times may exceed United States federally insured limits. The Funds may, at times, have outstanding cash disbursements that exceed deposited cash amounts at the custodian during the reporting period. The Funds are obligated to repay the custodian for any overdraft, including any related costs or expenses, where applicable. For financial reporting purposes, overdraft fees, if any, are included in interest expense in the Statements of Operations.

**In-kind Redemptions:** For financial reporting purposes, in-kind redemptions are treated as sales of securities resulting in realized capital gains or losses to the Funds. Because such gains or losses are not taxable to the Funds and are not distributed to existing Fund shareholders, the gains or losses are reclassified from accumulated net realized gain (loss) to paid-in capital at the end of the Funds’ tax year. These reclassifications have no effect on net assets or net asset value (“NAV”) per share.

**Distributions:** Dividends and distributions paid by each Fund are recorded on the ex-dividend dates. Distributions are determined on a tax basis and may differ from net investment income and net realized capital gains for financial reporting purposes. Dividends and distributions are paid in U.S. dollars and cannot be automatically reinvested in additional shares of the Funds.

**Indemnifications:** In the normal course of business, each Fund enters into contracts that contain a variety of representations that provide general indemnification. The Funds’ maximum exposure under these arrangements is unknown because it involves future potential claims against the Funds, which cannot be predicted with any certainty.

**Segment Reporting:** The Funds adopted Financial Accounting Standards Board Update 2023-07, Segment Reporting (Topic 280) – Improvements to Reportable Segment Disclosures (“ASU 2023-07”) during the period. The Funds’ adoption of the new standard impacted financial statement disclosures only and did not affect each Fund’s financial position or results of operations.

The Chief Financial Officer acts as the Funds’ Chief Operating Decision Maker (“CODM”) and is responsible for assessing performance and allocating resources with respect to each Fund. The CODM has concluded that each Fund operates as a single operating segment since each Fund has a single investment strategy as disclosed in its prospectus, against which the CODM assesses performance. The financial information provided to and reviewed by the CODM is presented within each Fund’s financial statements.

## 3. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

**Investment Valuation Policies:** Each Fund’s investments are valued at fair value (also referred to as “market value” within the financial statements) each day that the Fund’s listing exchange is open and, for financial reporting purposes, as of the report date. U.S. GAAP defines fair value as the price a fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Board of Trustees of the Trust (the “Board”) of each Fund has approved the designation of BlackRock Fund Advisors (“BFA”), the Funds’ investment adviser, as the valuation designee for each Fund. Each Fund determines the fair values of its financial instruments using various independent dealers or pricing services under BFA’s policies. If a security’s market price is not readily available or does not otherwise accurately represent the fair value of the security, the security will be valued in accordance with BFA’s policies and procedures as reflecting fair value. BFA has formed a committee (the “Valuation Committee”) to develop pricing policies and procedures and to oversee the pricing function for all financial instruments, with assistance from other BlackRock pricing committees.

**Fair Value Inputs and Methodologies:** The following methods and inputs are used to establish the fair value of each Fund's assets and liabilities:

- Fixed-income investments for which market quotations are readily available are generally valued using the last available bid price provided by independent dealers or third-party pricing services. Pricing services generally value fixed income securities assuming orderly transactions of an institutional round lot size, but a fund may hold or transact in such securities in smaller, odd lot sizes. Odd lots of securities in certain asset classes may trade at lower prices than institutional round lots, and the value ultimately realized when the securities are sold could differ from the prices used by a fund. The pricing services may use matrix pricing or valuation models that utilize certain inputs and assumptions to derive values, including transaction data (e.g., recent representative bids and offers), market data, credit quality information, perceived market movements, news, and other relevant information. Certain fixed-income securities, including asset-backed and mortgage related securities may be valued based on valuation models that consider the estimated cash flows of each tranche of the entity, establish a benchmark yield and develop an estimated tranche specific spread to the benchmark yield based on the unique attributes of the tranche. The amortized cost method of valuation may be used with respect to debt obligations with sixty days or less remaining to maturity unless BFA determines such method does not represent fair value.
- Investments in open-end U.S. mutual funds (including money market funds) are valued at that day's NAV.

If events (e.g., market volatility, company announcement or a natural disaster) occur that are expected to materially affect the value of such investment, or in the event that application of these methods of valuation results in a price for an investment that is deemed not to be representative of the market value of such investment, or if a price is not available, the investment will be valued by the Valuation Committee in accordance with BFA's policies and procedures as reflecting fair value ("Fair Valued Investments"). The fair valuation approaches that may be used by the Valuation Committee include market approach, income approach and cost approach. Valuation techniques such as discounted cash flow, use of market comparables and matrix pricing are types of valuation approaches and are typically used in determining fair value. When determining the price for Fair Valued Investments, the Valuation Committee seeks to determine the price that each Fund might reasonably expect to receive or pay from the current sale or purchase of that asset or liability in an arm's-length transaction. Fair value determinations shall be based upon all available factors that the Valuation Committee deems relevant and consistent with the principles of fair value measurement as of the measurement date.

Fair value pricing could result in a difference between the prices used to calculate a fund's NAV and the prices used by the fund's underlying index, which in turn could result in a difference between the fund's performance and the performance of the fund's underlying index.

**Fair Value Hierarchy:** Various inputs are used in determining the fair value of financial instruments at the measurement date. These inputs to valuation techniques are categorized into a fair value hierarchy consisting of three broad levels for financial reporting purposes as follows:

- Level 1 – Unadjusted price quotations in active markets/exchanges that each Fund has the ability to access for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – Inputs that are unobservable and significant to the entire fair value measurement for the asset or liability (including the Valuation Committee's assumptions used in determining the fair value of financial instruments).

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Investments classified within Level 3 have significant unobservable inputs used by the Valuation Committee in determining the price for Fair Valued Investments. Level 3 investments include equity or debt issued by privately held companies or funds that may not have a secondary market and/or may have a limited number of investors. The categorization of a value determined for financial instruments is based on the pricing transparency of the financial instruments and is not necessarily an indication of the risks associated with investing in those securities.

#### 4. SECURITIES AND OTHER INVESTMENTS

**Securities Lending:** Each Fund may lend its securities to approved borrowers, such as brokers, dealers and other financial institutions. The borrower pledges and maintains with the Fund collateral consisting of cash, an irrevocable letter of credit issued by an approved bank, or securities issued or guaranteed by the U.S. government. The initial collateral received by each Fund is required to have a value of at least 102% of the current market value of the loaned securities for securities traded on U.S. exchanges and a value of at least 105% for all other securities. The collateral is maintained thereafter at a value equal to at least 100% of the current market value of the securities on loan. The market value of the loaned securities is determined at the close of each business day of the Fund and any additional required collateral is delivered to the Fund or excess collateral is returned by the Fund, on the next business day. During the term of the loan, each Fund is entitled to all distributions made on or in respect of the loaned securities but does not receive interest income on securities received as collateral. Loans of securities are terminable at any time and the borrower, after notice, is required to return borrowed securities within the standard time period for settlement of securities transactions.

As of period end, any securities on loan were collateralized by cash and/or U.S. Government obligations. Cash collateral invested in money market funds managed by BFA, or its affiliates is disclosed in the Schedule of Investments. Any non-cash collateral received cannot be sold, re-invested or pledged by the Fund, except in the event of borrower default. The securities on loan, if any, are also disclosed in each Fund's Schedule of Investments. The market value of any securities on loan and the value of any related cash collateral are disclosed in the Statements of Assets and Liabilities.

The risks of securities lending include the risk that the borrower may not provide additional collateral when required or may not return the securities when due. To mitigate these risks, each Fund benefits from a borrower default indemnity provided by BlackRock Finance, Inc. BlackRock Finance, Inc.'s indemnity allows for full replacement of

## Notes to Financial Statements (continued)

the securities loaned to the extent the collateral received does not cover the value of the securities loaned in the event of borrower default. Each Fund could incur a loss if the value of an investment purchased with cash collateral falls below the market value of the loaned securities or if the value of an investment purchased with cash collateral falls below the value of the original cash collateral received. Such losses are borne entirely by each Fund.

### 5. INVESTMENT ADVISORY AGREEMENT AND OTHER TRANSACTIONS WITH AFFILIATES

**Investment Advisory Fees:** Pursuant to an Investment Advisory Agreement with the Trust, BFA manages the investment of each Fund's assets. BFA is a California corporation indirectly owned by BlackRock, Inc. ("BlackRock"). Under the Investment Advisory Agreement, BFA is responsible for substantially all expenses of the Funds, except (i) interest and taxes; (ii) brokerage commissions and other expenses connected with the execution of portfolio transactions; (iii) distribution fees; (iv) the advisory fee payable to BFA; and (v) litigation expenses and any extraordinary expenses (in each case as determined by a majority of the independent trustees).

For its investment advisory services to each Fund, BFA is entitled to an annual investment advisory fee of 0.07%, accrued daily and paid monthly by the Funds, based on the average daily net assets of each Fund.

**Expense Waivers:** A fund may incur its pro rata share of fees and expenses attributable to its investments in other investment companies ("acquired fund fees and expenses"). The total of the investment advisory fee and acquired fund fees and expenses, if any, is a fund's total annual operating expenses. Total expenses as shown in the Statements of Operations does not include acquired fund fees and expenses.

BFA has contractually agreed to waive a portion of its investment advisory fee for each Fund through the termination date of such Fund, in an amount equal to acquired fund fees and expenses, if any, attributable to each Fund's investments in other funds advised by BFA or its affiliates.

These amounts are included in investment advisory fees waived in the Statements of Operations. For the year ended October 31, 2025, the amounts waived in investment advisory fees pursuant to these arrangements were as follows:

| <i>iShares ETF</i>                 | <i>Amounts Waived</i> |
|------------------------------------|-----------------------|
| iBonds Dec 2034 Term Treasury..... | \$ 209                |
| iBonds Dec 2044 Term Treasury..... | 227                   |
| iBonds Dec 2054 Term Treasury..... | 3                     |

**Distributor:** BlackRock Investments, LLC ("BRIL"), an affiliate of BFA, is the distributor for each Fund. Pursuant to the distribution agreement, BFA is responsible for any fees or expenses for distribution services provided to the Funds.

**Securities Lending:** The U.S. Securities and Exchange Commission has issued an exemptive order which permits BlackRock Institutional Trust Company, N.A. ("BTC"), an affiliate of BFA, to serve as securities lending agent for the Funds, subject to applicable conditions. As securities lending agent, BTC bears all operational costs directly related to securities lending, including any custodial costs. Each Fund is responsible for fees in connection with the investment of cash collateral received for securities on loan (the "collateral investment fees"). The cash collateral is invested in a money market fund, BlackRock Cash Funds: Institutional or BlackRock Cash Funds: Treasury, managed by BFA, or its affiliates. However, BTC has agreed to reduce the amount of securities lending income it receives in order to effectively limit the collateral investment fees each Fund bears to an annual rate of 0.04%. The SL Agency Shares of such money market fund will not be subject to a sales load, distribution fee or service fee. BlackRock Cash Funds: Institutional may impose a discretionary liquidity fee of up to 2% on all redemptions. Discretionary liquidity fees may be imposed or terminated at any time at the discretion of the board of directors of the money market fund, or its delegate, if it is determined that such fee would be, or would not be, respectively, in the best interest of the money market fund. Additionally, BlackRock Cash Funds: Institutional will impose a mandatory liquidity fee if the money market fund's total net redemptions on a single day exceed 5% of the money market fund's net assets, unless the amount of the fee is less than 0.01% of the value of the shares redeemed. BlackRock Cash Funds: Institutional will determine the size of the mandatory liquidity fee by making a good faith estimate of certain costs the money market fund would incur if it were to sell a pro rata amount of each security in the portfolio to satisfy the amount of net redemptions on that day. There is no limit to the size of a mandatory liquidity fee. If BlackRock Cash Funds: Institutional cannot estimate the costs of selling a pro rata amount of each portfolio security in good faith and supported by data, it is required to apply a default liquidity fee of 1% on the value of shares redeemed on that day.

Securities lending income is generally equal to the total of income earned from the reinvestment of cash collateral (and excludes collateral investment fees), and any fees or other payments to and from borrowers of securities. Each Fund retains a portion of the securities lending income and remits the remaining portion to BTC as compensation for its services as securities lending agent.

Pursuant to the current securities lending agreement, each Fund retains 82% of securities lending income (which excludes collateral investment fees), and the amount retained can never be less than 70% of the total of securities lending income plus the collateral investment fees.

In addition, commencing the business day following the date that the aggregate securities lending income plus the collateral investment fees generated across the iShares ETF Complex in that calendar year exceeds a specified threshold, each Fund, pursuant to the securities lending agreement, will retain for the remainder of that calendar year 85% of securities lending income (which excludes collateral investment fees) and the amount retained can never be less than 70% of the total of securities lending income plus the collateral investment fees.

## Notes to Financial Statements (continued)

The share of securities lending income earned by each Fund is shown as securities lending income – affiliated – net in its Statements of Operations. For the year ended October 31, 2025, the Funds paid BTC the following amounts for securities lending agent services:

| <i>iShares ETF</i>                  | <i>Amounts</i> |
|-------------------------------------|----------------|
| iBonds Dec 2034 Term Treasury ..... | \$ 79          |
| iBonds Dec 2044 Term Treasury ..... | 263            |

**Trustees and Officers:** Certain trustees and/or officers of the Company are directors and/or officers of BlackRock or its affiliates.

**Other Transactions:** Each Fund may invest its positive cash balances in certain money market funds managed by BFA or an affiliate. The income earned on these temporary cash investments is shown as dividends – affiliated in the Statements of Operations.

A fund, in order to improve its portfolio liquidity and its ability to track its underlying index, may invest in shares of other iShares funds that invest in securities in the fund's underlying index.

## 6. PURCHASES AND SALES

For the year ended October 31, 2025, purchases and sales of investments, excluding short-term securities and in-kind transactions, were as follows:

| <i>iShares ETF</i>                  | <i>U.S. Government Securities</i> |               |
|-------------------------------------|-----------------------------------|---------------|
|                                     | <i>Purchases</i>                  | <i>Sales</i>  |
| iBonds Dec 2034 Term Treasury ..... | \$ 15,773,420                     | \$ 16,392,157 |
| iBonds Dec 2044 Term Treasury ..... | 11,038,158                        | 11,099,627    |
| iBonds Dec 2054 Term Treasury ..... | 672,183                           | 689,139       |

For the year ended October 31, 2025, in-kind transactions were as follows:

| <i>iShares ETF</i>                  | <i>In-kind<br/>Purchases</i> | <i>In-kind<br/>Sales</i> |
|-------------------------------------|------------------------------|--------------------------|
| iBonds Dec 2034 Term Treasury ..... | \$ 183,627,755               | \$ 6,298,433             |
| iBonds Dec 2044 Term Treasury ..... | 64,699,656                   | 2,450,152                |

## 7. INCOME TAX INFORMATION

Each Fund is treated as an entity separate from the Trust's other funds for federal income tax purposes. It is each Fund's policy to comply with the requirements of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies, and to distribute substantially all of its taxable income to its shareholders. Therefore, no U.S. federal income tax provision is required.

Management has analyzed tax laws and regulations and their application to the Funds as of October 31, 2025, inclusive of the open tax return years, and does not believe that there are any uncertain tax positions that require recognition of a tax liability in the Funds' financial statements. Management's analysis is based on the tax laws and judicial and administrative interpretations thereof in effect as of the date of these financial statements, all of which are subject to change, possibly with retroactive effect, which may impact the Funds' NAV.

U.S. GAAP requires that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. These reclassifications have no effect on net assets or NAV per share. As of October 31, 2025, permanent differences attributable to realized gains (losses) from in-kind redemptions were reclassified to the following accounts:

| <i>iShares ETF</i>                  | <i>Paid-in Capital</i> | <i>Accumulated<br/>Earnings (Loss)</i> |
|-------------------------------------|------------------------|--|
| iBonds Dec 2034 Term Treasury ..... | \$ 248,292             | \$ (248,292)                           |
| iBonds Dec 2044 Term Treasury ..... | 98,815                 | (98,815)                               |

The tax character of distributions paid was as follows:

| <i>iShares ETF</i>            | <i>Year Ended<br/>10/31/25</i> | <i>Year Ended<br/>10/31/24</i> |
|-------------------------------|--------------------------------|--------------------------------|
| iBonds Dec 2034 Term Treasury |                                |                                |
| Ordinary income .....         | \$ 4,265,092                   | \$ 165,570                     |
| iBonds Dec 2044 Term Treasury |                                |                                |
| Ordinary income .....         | \$ 2,482,272                   | \$ 126,064                     |

## Notes to Financial Statements (continued)

| <i>iShares ETF</i>                                    | Year Ended<br>10/31/25 | Year Ended<br>10/31/24 |
|---|------------------------|------------------------|
| iBonds Dec 2054 Term Treasury<br>Ordinary income..... | \$ 121,740             | \$ 41,135              |

As of October 31, 2025, the tax components of accumulated earnings (losses) were as follows:

| <i>iShares ETF</i>                 | Undistributed<br>Ordinary Income | Non-expiring<br>Capital Loss<br>Carryforwards <sup>(a)</sup> | Net Unrealized<br>Gains (Losses) <sup>(b)</sup> | Total        |
|------------------------------------|----------------------------------|--|---|--------------|
| iBonds Dec 2034 Term Treasury..... | \$ 680,990                       | \$ (614,480)   | \$ 3,695,090                                    | \$ 3,761,600 |
| iBonds Dec 2044 Term Treasury..... | 305,361                          | (585,964)  | 983,556   | 702,953      |
| iBonds Dec 2054 Term Treasury..... | 9,214                            | (30,837)   | (75,766)  | (97,389)     |

<sup>(a)</sup> Amounts available to offset future realized capital gains.

<sup>(b)</sup> The difference between book-basis and tax-basis unrealized gains (losses) was attributable primarily to the tax deferral of losses on wash sales.

As of October 31, 2025, gross unrealized appreciation and depreciation based on cost of investments (including short positions and derivatives, if any) for U.S. federal income tax purposes were as follows:

| <i>iShares ETF</i>                 | Tax Cost       | Gross Unrealized<br>Appreciation | Gross Unrealized<br>Depreciation | Net Unrealized<br>Appreciation<br>(Depreciation) |
|------------------------------------|----------------|----------------------------------|----------------------------------|--|
| iBonds Dec 2034 Term Treasury..... | \$ 210,945,728 | \$ 3,695,090                     | \$ —                             | \$ 3,695,090                                     |
| iBonds Dec 2044 Term Treasury..... | 77,300,686     | 983,556                          | —                                | 983,556  |
| iBonds Dec 2054 Term Treasury..... | 2,466,545      | —                                | (75,766)                         | (75,766)   |

## 8. PRINCIPAL RISKS

In the normal course of business, each Fund invests in securities or other instruments and may enter into certain transactions, and such activities subject each Fund to various risks, including, among others, fluctuations in the market (market risk) or failure of an issuer to meet all of its obligations. The value of securities or other instruments may also be affected by various factors, including, without limitation: (i) the general economy; (ii) the overall market as well as local, regional or global political and/or social instability; (iii) regulation, taxation, tariffs or international tax treaties between various countries; or (iv) currency, interest rate or price fluctuations. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, or other events could have a significant impact on the Funds and their investments. Each Fund's prospectus provides details of the risks to which the Fund is subject.

BFA uses an indexing approach to try to achieve each Fund's investment objective. The Funds are not actively managed, and BFA generally does not attempt to take defensive positions under any market conditions, including declining markets.

The Funds may be exposed to additional risks when reinvesting cash collateral in money market funds that do not seek to maintain a stable NAV per share of \$1.00, which may be subject to mandatory and discretionary liquidity fees under certain circumstances.

**Market Risk:** Each Fund may be exposed to prepayment risk, which is the risk that borrowers may exercise their option to prepay principal earlier than scheduled during periods of declining interest rates, which would force each Fund to reinvest in lower yielding securities. Each Fund may also be exposed to reinvestment risk, which is the risk that income from each Fund's portfolio will decline if each Fund invests the proceeds from matured, traded or called fixed-income securities at market interest rates that are below each Fund portfolio's current earnings rate.

**Counterparty Credit Risk:** The Funds may be exposed to counterparty credit risk, or the risk that an entity may fail to or be unable to perform on its commitments related to unsettled or open transactions, including making timely interest and/or principal payments or otherwise honoring its obligations. The Funds manage counterparty credit risk by entering into transactions only with counterparties that BFA believes have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose the Funds to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of the Funds' exposure to market, issuer and counterparty credit risks with respect to these financial assets is approximately their value recorded in the Statements of Assets and Liabilities, less any collateral held by the Funds.

**Geographic/Asset Class Risk:** A diversified portfolio, where this is appropriate and consistent with a fund's objectives, minimizes the risk that a price change of a particular investment will have a material impact on the NAV of a fund. The investment concentrations within each Fund's portfolio are disclosed in its Schedule of Investments.

The Funds invest a significant portion of their assets in securities of issuers located in the United States. A decrease in imports or exports, changes in trade regulations, inflation and/or an economic recession in the United States may have a material adverse effect on the U.S. economy and the securities listed on U.S. exchanges. Proposed and adopted policy and legislative changes in the United States may also have a significant effect on U.S. markets generally, as well as on the value of certain securities. Governmental agencies project that the United States will continue to maintain elevated public debt levels for the foreseeable future which may constrain future economic

## Notes to Financial Statements (continued)

growth. Circumstances could arise that could prevent the timely payment of interest or principal on U.S. government debt, such as reaching the legislative “debt ceiling.” Such non-payment would result in substantial negative consequences for the U.S. economy and the global financial system. If U.S. relations with certain countries deteriorate, it could adversely affect issuers that rely on the United States for trade. The United States has also experienced increased internal unrest and discord. If these trends were to continue, they may have an adverse impact on the U.S. economy and the issuers in which the Funds invest.

The Funds invest a significant portion of their assets in fixed-income securities and/or use derivatives tied to the fixed-income markets. Changes in market interest rates or economic conditions may affect the value and/or liquidity of such investments. Interest rate risk is the risk that prices of bonds and other fixed-income securities will decrease as interest rates rise and increase as interest rates fall. The Funds may be subject to a greater risk of rising interest rates during a period of historically low interest rates. Changing interest rates may have unpredictable effects on markets, may result in heightened market volatility, and could negatively impact the Funds’ performance.

**Significant Shareholder Redemption Risk:** Certain shareholders may own or manage a substantial amount of fund shares and/or hold their fund investments for a limited period of time. Large redemptions of fund shares by these shareholders may force a fund to sell portfolio securities, which may negatively impact the fund’s NAV, increase the fund’s brokerage costs, and/or accelerate the realization of taxable income/gains and cause the fund to make additional taxable distributions to shareholders.

## 9. CAPITAL SHARE TRANSACTIONS

Capital shares are issued and redeemed by each Fund only in aggregations of a specified number of shares or multiples thereof (“Creation Units”) at NAV. Except when aggregated in Creation Units, shares of each Fund are not redeemable.

Transactions in capital shares were as follows:

|                                      | Year Ended<br>10/31/25 |                       | Year Ended<br>10/31/24 <sup>(a)</sup> |                      |
|--------------------------------------|------------------------|-----------------------|---------------------------------------|----------------------|
|                                      | Shares                 | Amount                | Shares                                | Amount               |
| <i>iShares ETF</i>                   |                        |                       |                                       |                      |
| <i>iBonds Dec 2034 Term Treasury</i> |                        |                       |                                       |                      |
| Shares sold .....                    | 7,300,000              | \$ 185,837,927        | 1,350,000                             | \$ 34,861,904        |
| Shares redeemed .....                | (250,000)              | (6,402,350)           | —                                     | —                    |
|                                      | <u>7,050,000</u>       | <u>\$ 179,435,577</u> | <u>1,350,000</u>                      | <u>\$ 34,861,904</u> |
| <i>iBonds Dec 2044 Term Treasury</i> |                        |                       |                                       |                      |
| Shares sold .....                    | 2,650,000              | \$ 65,783,321         | 700,000                               | \$ 18,113,377        |
| Shares redeemed .....                | (100,000)              | (2,495,919)           | (100,000)                             | (2,654,911)          |
|                                      | <u>2,550,000</u>       | <u>\$ 63,287,402</u>  | <u>600,000</u>                        | <u>\$ 15,458,466</u> |
| <i>iBonds Dec 2054 Term Treasury</i> |                        |                       |                                       |                      |
| Shares sold .....                    | —                      | \$ —                  | 150,000                               | \$ 3,787,861         |
| Shares redeemed .....                | —                      | —                     | (50,000)                              | (1,332,434)          |
|                                      | <u>—</u>               | <u>\$ —</u>           | <u>100,000</u>                        | <u>\$ 2,455,427</u>  |

<sup>(a)</sup> The Funds commenced operations on June 11, 2024.

The consideration for the purchase of Creation Units of a fund in the Trust generally consists of the in-kind deposit of a designated portfolio of securities and a specified amount of cash. Certain funds in the Trust may be offered in Creation Units solely or partially for cash in U.S. dollars. Authorized Participants purchasing and redeeming Creation Units may pay a purchase transaction fee and a redemption transaction fee directly to BRIL, to offset transfer and other transaction costs associated with the issuance and redemption of Creation Units, including Creation Units for cash. Authorized Participants transacting in Creation Units for cash may also pay an additional variable charge to compensate the relevant fund for certain transaction costs (i.e., stamp taxes, taxes on currency or other financial transactions, and brokerage costs) and market impact expenses relating to investing in portfolio securities. Such variable charges, if any, are included in shares sold in the table above.

To the extent applicable, to facilitate the timely settlement of orders for the Funds using a clearing facility outside of the continuous net settlement process, the Funds, at their sole discretion, may permit an Authorized Participant to post cash as collateral in anticipation of the delivery of all or a portion of the applicable Deposit Securities or Fund Securities, as further described in the applicable Authorized Participant Agreement. The collateral process is subject to a Control Agreement among the Authorized Participant, each Funds’ custodian, and the Funds. In the event that the Authorized Participant fails to deliver all or a portion of the applicable Deposit Securities or Fund Securities, the Funds may exercise control over such collateral pursuant to the terms of the Control Agreement in order to purchase the applicable Deposit Securities or Fund Securities.

From time to time, settlement of securities related to in-kind contributions or in-kind redemptions may be delayed. In such cases, securities related to in-kind transactions are reflected as a receivable or a payable in the Statements of Assets and Liabilities.

## 10. SUBSEQUENT EVENTS

Management has evaluated the impact of all subsequent events on the Funds through the date the financial statements were available to be issued and has determined that there were no subsequent events requiring adjustment or additional disclosure in the financial statements.

# Report of Independent Registered Public Accounting Firm

To the Board of Trustees of iShares Trust and Shareholders of each of the three funds listed in the table below

## **Opinions on the Financial Statements**

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of each of the funds listed in the table below (three of the funds constituting iShares Trust, hereafter collectively referred to as the "Funds") as of October 31, 2025, the related statements of operations for the year ended October 31, 2025 and the statements of changes in net assets and the financial highlights for the year ended October 31, 2025 and for the period June 11, 2024 (commencement of operations) through October 31, 2024, including the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds listed in the table below as of October 31, 2025, the results of each of their operations for the year ended October 31, 2025, and the changes in their net assets and each of the financial highlights for the year ended October 31, 2025 and for the period June 11, 2024 (commencement of operations) through October 31, 2025 in conformity with accounting principles generally accepted in the United States of America.

|   |
|---|
| iShares iBonds Dec 2034 Term Treasury ETF |
| iShares iBonds Dec 2044 Term Treasury ETF |
| iShares iBonds Dec 2054 Term Treasury ETF |

## **Basis for Opinions**

These financial statements are the responsibility of the Funds' management. Our responsibility is to express an opinion on the Funds' financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Funds in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of October 31, 2025 by correspondence with the custodian, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinions.

/s/PricewaterhouseCoopers LLP  
Philadelphia, Pennsylvania  
December 22, 2025

We have served as the auditor of one or more BlackRock investment companies since 2000.

## Important Tax Information (unaudited)

The Funds hereby designate the following amounts, or maximum amounts allowable by law, of distributions from direct federal obligation interest for the fiscal year ended October 31, 2025:

| <i>iShares ETF</i>                  |    | <i>Federal Obligation Interest</i> |
|-------------------------------------|----|------------------------------------|
| iBonds Dec 2034 Term Treasury ..... | \$ | 4,847,537                          |
| iBonds Dec 2044 Term Treasury ..... |    | 2,728,933                          |
| iBonds Dec 2054 Term Treasury ..... |    | 108,648                            |

The law varies in each state as to whether and what percent of ordinary income dividends attributable to federal obligations is exempt from state income tax. Shareholders are advised to check with their tax advisers to determine if any portion of the dividends received is exempt from state income tax.

The Funds hereby designate the following amounts, or maximum amounts allowable by law, as interest income eligible to be treated as a Section 163(j) interest dividend for the fiscal year ended October 31, 2025:

| <i>iShares ETF</i>                  |    | <i>Interest Dividends</i> |
|-------------------------------------|----|---------------------------|
| iBonds Dec 2034 Term Treasury ..... | \$ | 4,847,537                 |
| iBonds Dec 2044 Term Treasury ..... |    | 2,728,933                 |
| iBonds Dec 2054 Term Treasury ..... |    | 108,648                   |

The Funds hereby designate the following amounts, or maximum amounts allowable by law, as interest-related dividends and qualified short-term capital gains eligible for exemption from U.S. withholding tax for nonresident aliens and foreign corporations for the fiscal year ended October 31, 2025:

| <i>iShares ETF</i>                  |    | <i>Interest-Related Dividends</i> | <i>Qualified Short-Term Capital Gains</i> |
|-------------------------------------|----|-----------------------------------|---|
| iBonds Dec 2034 Term Treasury ..... | \$ | 4,847,537                         | \$ —                                      |
| iBonds Dec 2044 Term Treasury ..... |    | 2,728,933                         | —   |
| iBonds Dec 2054 Term Treasury ..... |    | 108,648                           | 13,134                                    |

## Additional Information

### Premium/Discount Information

Information on the Fund's net asset value, market price, premiums and discounts, and bid-ask spreads can be found at [iShares.com](http://iShares.com).

### Electronic Delivery

Shareholders can sign up for e-mail notifications announcing that the shareholder report or prospectus has been posted on the iShares website at [iShares.com](http://iShares.com). Once you have enrolled, you will no longer receive prospectuses and shareholder reports in the mail.

To enroll in electronic delivery:

- Go to [icsdelivery.com](http://icsdelivery.com).
- If your brokerage firm is not listed, electronic delivery may not be available. Please contact your broker-dealer or financial advisor.

### Changes in and Disagreements with Accountants

Not applicable.

### Proxy Results

Not applicable.

### Remuneration Paid to Trustees, Officers, and Others

Because BFA has agreed in the Investment Advisory Agreements to cover all operating expenses of the Funds, subject to certain exclusions as provided for therein, BFA pays the compensation to each Independent Trustee for services to the Funds from BFA's investment advisory fees.

### Availability of Portfolio Holdings Information

A description of the Company's policies and procedures with respect to the disclosure of the Fund's portfolio securities is available in the Fund Prospectus. The Fund discloses its portfolio holdings daily and provides information regarding its top holdings in Fund fact sheets, when available, at [iShares.com](http://iShares.com).

# Board Review and Approval of Investment Advisory Contract

## iShares iBonds Dec 2034 Term Treasury ETF, iShares iBonds Dec 2044 Term Treasury ETF, iShares iBonds Dec 2054 Term Treasury ETF (each the “Fund”)

Under Section 15(c) of the Investment Company Act of 1940 (the “1940 Act”), the Trust’s Board of Trustees (the “Board”), including a majority of Board Members who are not “interested persons” of the Trust (as that term is defined in the 1940 Act) (the “Independent Board Members”), is required annually to consider the approval of the Investment Advisory Agreement between the Trust and BFA (the “Advisory Agreement”) on behalf of the Fund. The Board’s consideration entails a year-long process whereby the Board and its committees (composed solely of Independent Board Members) assess BlackRock’s services to the Fund, including investment management; fund accounting; administrative and shareholder services; oversight of the Fund’s service providers; risk management and oversight; and legal and compliance services; including the ability to meet applicable legal and regulatory requirements. The Independent Board Members requested, and BFA provided, such information as the Independent Board Members, with advice from independent counsel, deemed reasonably necessary to evaluate the Advisory Agreement. At meetings held on May 9, 2025 and May 23, 2025, a committee composed of all of the Independent Board Members (the “15(c) Committee”), with independent counsel, met with management and reviewed and discussed information provided in response to initial requests of the 15(c) Committee and/or its independent counsel. Prior to and in preparation for the meetings, the Board received and reviewed materials specifically relating to matters relevant to the renewal of the Advisory Agreement. Following discussion, the 15(c) Committee subsequently requested certain additional information, which management agreed to provide. At a meeting held on June 10-11, 2025, the Board, including the Independent Board Members, reviewed the additional information provided by management in response to these requests.

After extensive discussions and deliberations, the Board, including all of the Independent Board Members, approved the continuance of the Advisory Agreement for the Fund, based on a review of qualitative and quantitative information provided by BFA and their cumulative experience as Board Members. The Board noted its satisfaction with the extent and quality of information provided and its frequent interactions with management, as well as the detailed responses and other information provided by BFA. The Independent Board Members were advised by their independent counsel throughout the process, including about the legal standards applicable to their review. In approving the continuance of the Advisory Agreement for the Fund, the Board, including the Independent Board Members, considered various factors, including: (i) the expenses and performance of the Fund; (ii) the nature, extent and quality of the services provided by BFA; (iii) the costs of services provided to the Fund and profits realized by BFA and its affiliates; (iv) potential economies of scale and the sharing of related benefits; (v) the fees and services provided for other comparable funds/accounts managed by BFA and its affiliates if any; and (vi) other benefits to BFA and/or its affiliates.

The Board Members did not identify any particular information or any single factor as determinative, and each Board Member may have attributed different weights to the various matters and factors considered. The material factors, considerations and conclusions that formed the basis for the Board, including the Independent Board Members, to approve the continuance of the Advisory Agreement are discussed below.

**Expenses and Performance of the Fund:** The Board reviewed statistical information prepared by Broadridge Financial Solutions, Inc. (“Broadridge”), an independent provider of investment company data, regarding the expense ratio components, including gross and net total expenses, fees and expenses of other fund(s) in which the Fund invests (if applicable), and waivers/reimbursements (if applicable) of the Fund in comparison with the same information for other ETFs, objectively selected by Broadridge as comprising the Fund’s applicable expense peer group pursuant to Broadridge’s proprietary ETF methodology (the “Peer Group”). The Board was provided with a detailed description of the proprietary ETF methodology used by Broadridge to determine the Fund’s Peer Group. The Board noted that, due to the limitations in providing comparable funds in the Peer Group, the statistical information provided in Broadridge’s report may or may not provide meaningful direct comparisons to the Fund in all instances. The Board also noted that the investment advisory fee rate and overall expenses (net of any waivers and reimbursements) for the Fund were lower than the median of the investment advisory fee rates and overall expenses (net of any waivers and reimbursements) of the funds in its Peer Group, excluding iShares funds. In addition, to the extent that any of the comparison funds included in the Peer Group, excluding iShares funds, track the same index as the Fund, Broadridge also provided, and the Board reviewed, a comparison of the Fund’s performance for the one-year, three-year, five-year, ten-year, and since inception periods, as applicable, and for the quarter ended December 31, 2024, to that of such relevant comparison fund(s) for the same periods. The Board noted that the Fund seeks to track its specified underlying index and that, during the year, the Board received periodic reports on the Fund’s short- and longer-term performance in comparison with its underlying index. Such periodic comparative performance information, including additional detailed information as requested by the Board, was also considered. The Board noted that the Fund generally performed in line with its underlying index over the relevant periods.

Based on this review, the other relevant factors and information considered at the meeting, and their general knowledge of ETF pricing, the Board concluded that the investment advisory fee rate and expense level and the historical performance of the Fund supported the Board’s approval of the continuance of the Advisory Agreement for the coming year.

**Nature, Extent and Quality of Services Provided:** Based on management’s representations, including information about ongoing enhancements and initiatives with respect to the iShares product line and BFA’s business, including with respect to capital markets support and analysis, technology, portfolio management, product design and quality, compliance and risk management, global public policy and other services, the Board expected that there would be no diminution in the scope of services required of or provided by BFA under the Advisory Agreement for the coming year as compared with the scope of services provided by BFA during prior years. In reviewing the scope of these services, the Board considered BFA’s investment philosophy and experience, noting that BFA and its affiliates have committed significant resources over time, including during the past year, to support the iShares funds and their shareholders and have made significant investments into the iShares business. The Board also considered BFA’s compliance program and its compliance record with respect to the Fund, including related programs implemented pursuant to regulatory requirements. In that regard, the Board noted that BFA reports to the Board about portfolio management and compliance matters on a periodic basis in connection with regularly scheduled meetings of the Board, and on other occasions as necessary and appropriate, and has provided information and made relevant officers and other employees of BFA (and its affiliates) available as needed to provide further assistance with these matters. The Board also reviewed the background and experience of the persons responsible for the day-to-day management of the Fund, as well as the resources available to them in managing the Fund. In addition to the above considerations, the Board reviewed and considered detailed presentations regarding the investment performance of iShares funds, investment and risk management processes and strategies provided at the

## Board Review and Approval of Investment Advisory Contract (continued)

May 9, 2025 meeting and throughout the year, and matters related to BFA's portfolio compliance program and other compliance programs and services, as well as BlackRock's continued investments in its ETF business.

Based on review of this information, and the performance information discussed above, the Board concluded that the nature, extent and quality of services provided to the Fund under the Advisory Agreement supported the Board's approval of the continuance of the Advisory Agreement for the coming year.

**Costs of Services Provided to the Fund and Profits Realized by BFA and its Affiliates:** The Board reviewed information about the estimated profitability to BlackRock in managing the Fund, based on the fees payable to BFA and its affiliates (including fees under the Advisory Agreement), and other sources of revenue and expense to BFA and its affiliates from the Fund's operations for the last calendar year. The Board reviewed BlackRock's methodology for calculating estimated profitability of the iShares funds, noting that the 15(c) Committee and the Board had focused on the methodology and profitability presentation. The Board recognized that profitability may be affected by numerous factors, including, among other things, fee waivers by BFA, the types of funds managed, expense allocations and business mix. The Board thus recognized that calculating and comparing profitability at individual fund levels is challenging. The Board discussed with management the sources of direct and ancillary revenue, including the revenues to BTC, a BlackRock affiliate, from securities lending by the Fund. The Board also discussed BFA's estimated profit margin as reflected in the Fund's profitability analysis and reviewed information regarding potential economies of scale (as discussed below).

Based on this review, the Board concluded that the information considered with respect to the profits realized by BFA and its affiliates under the Advisory Agreement and from other relationships between the Fund and BFA and/or its affiliates, if any, and related costs of the services provided as well as the other factors considered at the meeting, supported the Board's approval of the continuance of the Advisory Agreement for the coming year.

**Economies of Scale:** The Board reviewed information and considered the extent to which economies of scale might be realized as the assets of the Fund increase, noting that the issue of potential economies of scale had been focused on by the 15(c) Committee and the Board during their meetings and addressed by management. The 15(c) Committee and the Board received information regarding BlackRock's historical estimated profitability (as discussed above), including BFA's and its affiliates' estimated costs in providing services. The estimated cost information distinguished, among other things, between fixed and variable costs, and showed how the level and nature of fixed and variable costs may impact the existence or size of scale benefits, with the Board recognizing that potential economies of scale are difficult to measure. The 15(c) Committee and the Board reviewed information provided by BFA regarding the sharing of scale benefits with the iShares funds through various means, including, as applicable, through breakpoints, waivers, or other fee reductions, as well as through additional investment in the iShares business, including enhancements to or the provision of additional infrastructure and services to the iShares funds and their shareholders and, with respect to New Funds, set management fees at levels that anticipate scale over time. The Board noted that the Advisory Agreement for the Fund did not provide for breakpoints in the Fund's investment advisory fee rate as the assets of the Fund increase. However, the Board noted that it would continue to assess the appropriateness of adding breakpoints in the future.

The Board concluded that this review of potential economies of scale and the sharing of related benefits, as well as the other factors considered at the meeting, supported the Board's approval of the continuance of the Advisory Agreement for the coming year.

**Fees and Services Provided for Other Comparable Funds/Accounts Managed by BFA and its Affiliates:** The Board received and considered information regarding the investment advisory/management fee rates for other funds/accounts in the U.S. for which BFA (or its affiliates) provides investment advisory/management services, including open-end funds registered under the 1940 Act (including sub-advised funds), collective trust funds and institutional separate accounts (collectively, the "Other Accounts").

The Board received detailed information regarding how the Other Accounts generally differ from the Fund, including in terms of the types of services and generally more extensive character and scope of services provided to the Fund, as well as other significant differences. In that regard, the Board considered that the pricing of services to institutional clients is typically based on a number of factors beyond the nature and extent of the specific services to be provided and often depends on the overall relationship between the client and its affiliates and the adviser and its affiliates. In addition, the Board considered the relative complexity and inherent risks and challenges of managing and providing other services to the Fund, as a publicly traded investment vehicle, as compared to the Other Accounts, particularly those that are institutional clients, in light of differing regulatory requirements and client-imposed mandates. The Board acknowledged BFA's representation that the iShares funds are fundamentally different investment vehicles from the Other Accounts in its consideration of relevant qualitative and quantitative comparative information provided. The Board noted that BFA and its affiliates do not manage Other Accounts with substantially the same investment objective and strategy as the Fund and that track the same index as the Fund.

The Board also acknowledged management's assertion that, for certain iShares funds, and for client segmentation purposes, BlackRock has launched an iShares fund that may provide a similar investment exposure at a lower investment advisory fee rate.

The Board considered the "all-inclusive" nature of the Fund's advisory fee structure, and the Fund's expenses borne by BFA under this arrangement and noted that the investment advisory fee rate under the Advisory Agreement for the Fund was generally higher than the investment advisory/management fee rates for certain of the Other Accounts (particularly institutional clients) and concluded that the differences appeared to be consistent with the factors discussed.

**Other Benefits to BFA and/or its Affiliates:** The Board reviewed other benefits or ancillary revenue received by BFA and/or its affiliates in connection with the services provided to the Fund by BFA, both direct and indirect, including, but not limited to, payment of revenue to BTC, the Fund's securities lending agent, for loaning portfolio securities, as applicable (which was included in the profit margins reviewed by the Board pursuant to BFA's estimated profitability methodology), payment of advisory fees or other fees to BFA (or its affiliates) in connection with any investments by the Fund in other funds (including cash sweep vehicles) for which BFA (or its affiliates) provides investment advisory services or other services. The Board further considered other direct benefits that might accrue to BFA, including actual and potential reductions in the Fund's expenses that are borne by BFA under the "all-inclusive" management fee arrangement, due in part to the size and scope of BFA's investment operations servicing the Fund (and other funds in the iShares complex) as well as in response to a changing market environment. The Board also reviewed and considered information provided by BFA concerning authorized participant primary market order processing services that are provided by BlackRock Investments, LLC ("BRIL"), an affiliate of BFA, and paid

## Board Review and Approval of Investment Advisory Contract (continued)

for by authorized participants under the ETF Servicing Platform. The Board also noted the revenue received by BFA and/or its affiliates pursuant to an agreement that permits a service provider to use certain portions of BlackRock's technology platform to service accounts managed by BFA and/or its affiliates, including the iShares funds. The Board noted that BFA generally does not use soft dollars or consider the value of research or other services that may be provided to BFA (including its affiliates) in selecting brokers for portfolio transactions for the Fund. The Board also considered other indirect and intangible benefits to BlackRock as a result of its advisory relationships with the Fund, including without limitation, BlackRock's potential benefits to its profile and standing in the investment community as a result of providing investment advisory services to the iShares funds.

The Board concluded that any such ancillary benefits would not be disadvantageous to the Fund and thus would not alter the Board's conclusion with respect to the appropriateness of approving the continuance of the Advisory Agreement for the coming year.

**Conclusion:** Based on a review of the factors described above, as well as such other factors as deemed appropriate by the Board, the Board, including all of the Independent Board Members, determined that the Fund's investment advisory fee rate under the Advisory Agreement does not constitute a fee that is so disproportionately large as to bear no reasonable relationship to the services rendered and that could not have been the product of arm's-length bargaining, and concluded to approve the continuance of the Advisory Agreement for the coming year.

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## Want to know more?

iShares.com | 1-800-474-2737

**This report is intended for the Funds' shareholders. It may not be distributed to prospective investors unless it is preceded or accompanied by the current prospectus.**

**Investing involves risk, including possible loss of principal.**

The iShares Funds are distributed by BlackRock Investments, LLC (together with its affiliates, "BlackRock").

The iShares Funds are not sponsored, endorsed, issued, sold or promoted by ICE Data Indices, LLC, nor does this company make any representation regarding the advisability of investing in the iShares Funds. BlackRock is not affiliated with the company listed above.

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