

2018 ANNUAL REPORT



**iShares Trust**

- ▶ iShares Short Treasury Bond ETF | SHV | NASDAQ
- ▶ iShares 1-3 Year Treasury Bond ETF | SHY | NASDAQ
- ▶ iShares 3-7 Year Treasury Bond ETF | IEI | NASDAQ
- ▶ iShares 7-10 Year Treasury Bond ETF | IEF | NASDAQ
- ▶ iShares 10-20 Year Treasury Bond ETF | TLH | NYSE Arca
- ▶ iShares 20+ Year Treasury Bond ETF | TLT | NASDAQ



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# Management's Discussion of Fund Performance

## *iSHARES® TRUST*

### **U.S. TREASURY BOND MARKET OVERVIEW**

The U.S. Treasury bond market declined modestly during the 12 months ended February 28, 2018 ("reporting period"). The Bloomberg Barclays U.S. Treasury Bond Index returned -0.56% for the reporting period, compared with the 0.51% return of the Bloomberg Barclays U.S. Aggregate Bond Index, a broad measure of U.S. bond performance.

The primary factors affecting the U.S. Treasury bond market during the reporting period were a strengthening U.S. economy and federal tax reform. The final nine months of 2017 featured the strongest three consecutive quarters of economic growth in more than 12 years. Key economic drivers included an increase in manufacturing activity and the lowest unemployment rate since December 2000.

In December 2017, the U.S. government passed federal tax reform legislation that included a steep reduction in corporate tax rates and a modest decrease in individual tax rates. The tax reform improved investors' expectations for capital spending and economic growth, but it also raised concerns about federal budget deficits and higher inflation.

The annual consumer inflation rate remained near the 2% level targeted by the U.S. Federal Reserve Bank ("Fed"). However, signs of increasing inflation emerged late in the reporting period, including a sharp rise in energy prices and higher prices at the producer level. Inflation is typically measured in terms of both final (consumer) and intermediate (producer) goods; the Fed targets inflation in final goods.

In this environment, the Fed raised its short-term interest rate target three times during the reporting period to its highest level since October 2008. The Fed also began to reduce the amount of U.S. Treasury bonds and mortgage-backed securities on its balance sheet in October 2017. The interest rate increases and balance sheet reduction were part of the Fed's plan to gradually reverse substantial economic stimulus measures, implemented in response to the 2008 credit crisis, and re-establish more normal monetary policy conditions.

A stronger economy, expectations of rising growth and inflation due to the tax cuts, and the Fed's interest rate increases led to higher U.S. Treasury bond yields and lower U.S. Treasury bond prices, particularly in the latter half of the reporting period. Short-term U.S. Treasury yields rose steadily throughout the reporting period in response to the Fed's interest rate increases in March 2017, June 2017, and December 2017. For the reporting period, the three-month U.S. Treasury yield rose from 0.53% to 1.65%, the two-year U.S. Treasury yield rose from 1.22% to 2.25%, and the three-year U.S. Treasury yield rose from 1.49% to 2.42%.

In contrast, intermediate- and long-term U.S. Treasury yields declined during the first half of the reporting period, reflecting little inflationary pressure and a lack of fiscal stimulus from the federal government. However, intermediate- and long-term U.S. Treasury yields reversed course over the last six months of the reporting period amid improving economic growth, increasing inflation, and the Fed's move to reduce its holdings of U.S. Treasury bonds. In particular, yields rose sharply in early 2018 following the approval of federal tax reform legislation at the end of 2017.

Among intermediate-term bonds, the seven-year U.S. Treasury yield rose from 2.19% to 2.80% for the reporting period, while the 10-year U.S. Treasury yield rose from 2.36% to 2.87%. Yields on the longest-term U.S. Treasury bonds had the smallest increase, with the 20-year U.S. Treasury yield rising from 2.70% to 3.02% and the 30-year U.S. Treasury yield rising from 2.97% to 3.13%.

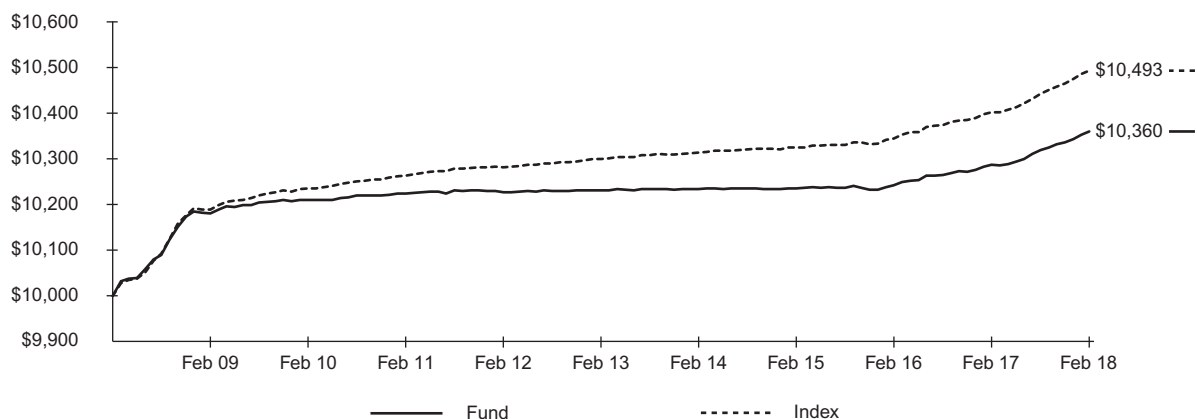
# Management's Discussion of Fund Performance

## iSHARES® SHORT TREASURY BOND ETF

Performance as of February 28, 2018

	Average Annual Total Returns			Cumulative Total Returns		
	NAV	MARKET	INDEX	NAV	MARKET	INDEX
1 Year	0.71%	0.71%	0.88%	0.71%	0.71%	0.88%
5 Years	0.25%	0.25%	0.37%	1.26%	1.26%	1.88%
10 Years	0.35%	0.35%	0.48%	3.60%	3.55%	4.93%

### GROWTH OF \$10,000 INVESTMENT (AT NET ASSET VALUE)



Index performance through June 30, 2016 reflects the performance of the Bloomberg Barclays U.S. Short Treasury Bond Index. Index performance beginning on July 1, 2016 reflects the performance of the ICE U.S. Treasury Short Bond Index.

Past performance is no guarantee of future results. Performance results do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares. See "About Fund Performance" on page 18 for more information.

### Shareholder Expenses

Actual			Hypothetical 5% Return			
Beginning Account Value (9/1/17)	Ending Account Value (2/28/18)	Expenses Paid During Period <sup>a</sup>	Beginning Account Value (9/1/17)	Ending Account Value (2/28/18)	Expenses Paid During Period <sup>a</sup>	Annualized Expense Ratio
\$ 1,000.00	\$ 1,004.00	\$ 0.75	\$ 1,000.00	\$ 1,024.10	\$ 0.75	0.15%

<sup>a</sup> Expenses are calculated using the Fund's annualized expense ratio (as disclosed in the table), multiplied by the average account value for the period, multiplied by the number of days in the period (181 days) and divided by the number of days in the year (365 days). See "Shareholder Expenses" on page 18 for more information.

# Management's Discussion of Fund Performance (Continued)

## iSHARES® SHORT TREASURY BOND ETF

The **iShares Short Treasury Bond ETF** (the "Fund") seeks to track the investment results of an index composed of U.S. Treasury bonds with remaining maturities between one month and one year, as represented by the ICE U.S. Treasury Short Bond Index (the "Index"). The Fund invests in a representative sample of securities included in the Index that collectively has an investment profile similar to the Index. Due to the use of representative sampling, the Fund may or may not hold all of the securities that are included in the Index. For the 12-month reporting period ended February 28, 2018, the total return for the Fund was 0.71%, net of fees, while the total return for the Index was 0.88%.

### ALLOCATION BY INVESTMENT TYPE As of 2/28/18

<i>Investment Type</i>	<i>Percentage of Total Investments*</i>
U.S. Government Obligations	<u>100.00%</u>
<b>TOTAL</b>	<b><u>100.00%</u></b>

### FIVE LARGEST FUND HOLDINGS As of 2/28/18

<i>Security</i>	<i>Percentage of Total Investments*</i>
U.S. Treasury Bill, 1.41%, 05/03/18	10.03%
U.S. Treasury Note/Bond, 1.50%, 02/28/19	7.78
U.S. Treasury Bill, 1.09%, 03/01/18	6.51
U.S. Treasury Note/Bond, 1.25%, 11/30/18	6.18
U.S. Treasury Bill, 1.28%, 04/05/18	<u>4.95</u>
<b>TOTAL</b>	<b><u>35.45%</u></b>

\* Excludes money market funds.

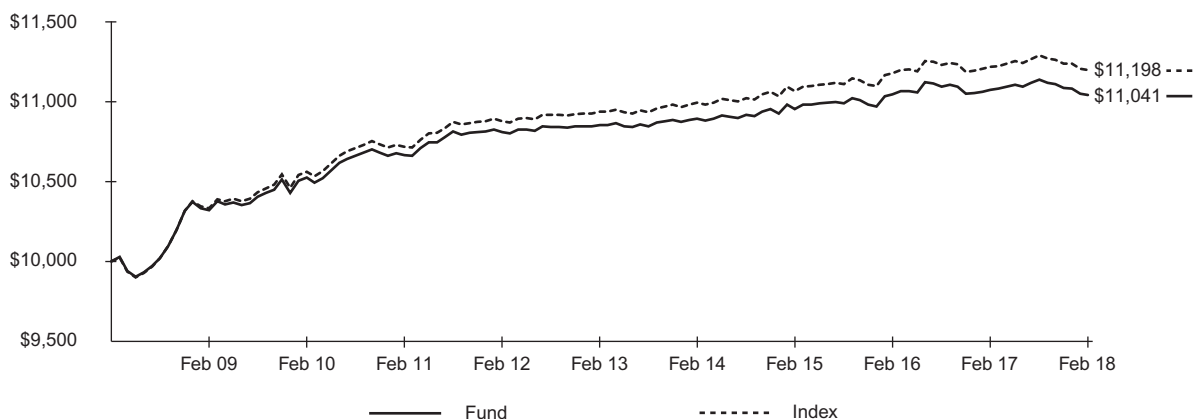
# Management's Discussion of Fund Performance

## iSHARES® 1-3 YEAR TREASURY BOND ETF

Performance as of February 28, 2018

	Average Annual Total Returns			Cumulative Total Returns		
	NAV	MARKET	INDEX	NAV	MARKET	INDEX
1 Year	(0.29)%	(0.27)%	(0.17)%	(0.29)%	(0.27)%	(0.17)%
5 Years	0.34%	0.34%	0.47%	1.73%	1.73%	2.40%
10 Years	1.00%	0.99%	1.14%	10.41%	10.36%	11.98%

### GROWTH OF \$10,000 INVESTMENT (AT NET ASSET VALUE)



Index performance through March 31, 2016 reflects the performance of the Bloomberg Barclays U.S. 1-3 Year Treasury Bond Index. Index performance beginning on April 1, 2016 reflects the performance of the ICE U.S. Treasury 1-3 Year Bond Index.

Past performance is no guarantee of future results. Performance results do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares. See "About Fund Performance" on page 18 for more information.

### Shareholder Expenses

Actual			Hypothetical 5% Return			
Beginning Account Value (9/1/17)	Ending Account Value (2/28/18)	Expenses Paid During Period <sup>a</sup>	Beginning Account Value (9/1/17)	Ending Account Value (2/28/18)	Expenses Paid During Period <sup>a</sup>	Annualized Expense Ratio
\$ 1,000.00	\$ 991.40	\$ 0.74	\$ 1,000.00	\$ 1,024.10	\$ 0.75	0.15%

<sup>a</sup> Expenses are calculated using the Fund's annualized expense ratio (as disclosed in the table), multiplied by the average account value for the period, multiplied by the number of days in the period (181 days) and divided by the number of days in the year (365 days). See "Shareholder Expenses" on page 18 for more information.



# Management's Discussion of Fund Performance (Continued)

## iSHARES® 1-3 YEAR TREASURY BOND ETF

The iShares 1-3 Year Treasury Bond ETF (the "Fund") seeks to track the investment results of an index composed of U.S. Treasury bonds with remaining maturities between one and three years, as represented by the ICE U.S. Treasury 1-3 Year Bond Index (the "Index"). The Fund invests in a representative sample of securities included in the Index that collectively has an investment profile similar to the Index. Due to the use of representative sampling, the Fund may or may not hold all of the securities that are included in the Index. For the 12-month reporting period ended February 28, 2018, the total return for the Fund was -0.29%, net of fees, while the total return for the Index was -0.17%.

### ALLOCATION BY MATURITY As of 2/28/18

Maturity	<i>Percentage of Total Investments*</i>
0-1 Year	0.14%
1-2 Years	42.38
2-3 Years	50.23
3-4 Years	<u>7.25</u>
<b>TOTAL</b>	<b><u>100.00%</u></b>

### FIVE LARGEST FUND HOLDINGS As of 2/28/18

Security	<i>Percentage of Total Investments*</i>
U.S. Treasury Note/Bond, 1.63%, 04/30/19	7.79%
U.S. Treasury Note/Bond, 1.25%, 03/31/21	5.39
U.S. Treasury Note/Bond, 2.13%, 08/31/20	5.13
U.S. Treasury Note/Bond, 1.63%, 03/31/19	4.81
U.S. Treasury Note/Bond, 1.63%, 06/30/20	<u>4.11</u>
<b>TOTAL</b>	<b><u>27.23%</u></b>

\* Excludes money market funds.

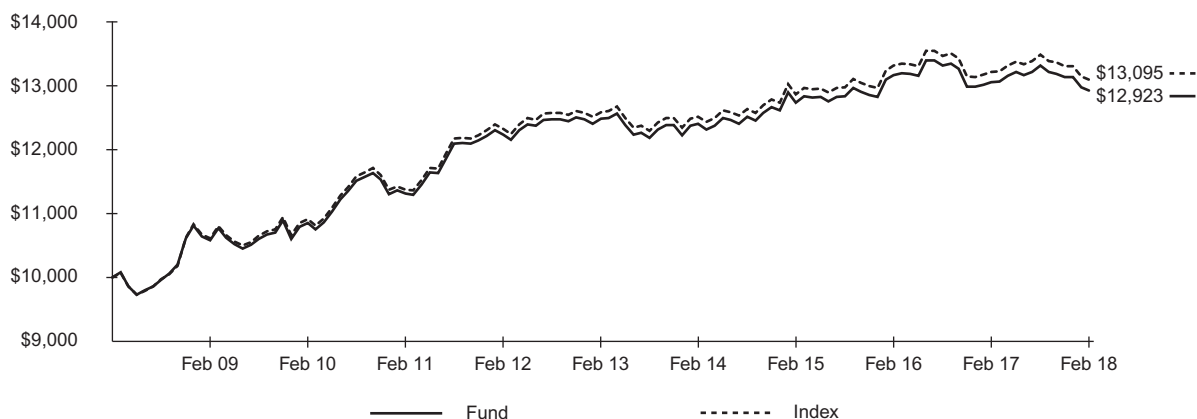
# Management's Discussion of Fund Performance

## iSHARES® 3-7 YEAR TREASURY BOND ETF

Performance as of February 28, 2018

	Average Annual Total Returns			Cumulative Total Returns		
	NAV	MARKET	INDEX	NAV	MARKET	INDEX
1 Year	(0.98)%	(0.92)%	(0.87)%	(0.98)%	(0.92)%	(0.87)%
5 Years	0.70%	0.70%	0.80%	3.57%	3.57%	4.09%
10 Years	2.60%	2.59%	2.73%	29.23%	29.17%	30.95%

### GROWTH OF \$10,000 INVESTMENT (AT NET ASSET VALUE)



Index performance through March 31, 2016 reflects the performance of the Bloomberg Barclays U.S. 3-7 Year Treasury Bond Index. Index performance beginning on April 1, 2016 reflects the performance of the ICE U.S. Treasury 3-7 Year Bond Index.

Past performance is no guarantee of future results. Performance results do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares. See "About Fund Performance" on page 18 for more information.

### Shareholder Expenses

Actual			Hypothetical 5% Return			
Beginning Account Value (9/1/17)	Ending Account Value (2/28/18)	Expenses Paid During Period <sup>a</sup>	Beginning Account Value (9/1/17)	Ending Account Value (2/28/18)	Expenses Paid During Period <sup>a</sup>	Annualized Expense Ratio
\$ 1,000.00	\$ 971.10	\$ 0.73	\$ 1,000.00	\$ 1,024.10	\$ 0.75	0.15%

<sup>a</sup> Expenses are calculated using the Fund's annualized expense ratio (as disclosed in the table), multiplied by the average account value for the period, multiplied by the number of days in the period (181 days) and divided by the number of days in the year (365 days). See "Shareholder Expenses" on page 18 for more information.

# Management's Discussion of Fund Performance (Continued)

## iSHARES® 3-7 YEAR TREASURY BOND ETF

The iShares 3-7 Year Treasury Bond ETF (the "Fund") seeks to track the investment results of an index composed of U.S. Treasury bonds with remaining maturities between three and seven years, as represented by the ICE U.S. Treasury 3-7 Year Bond Index (the "Index"). The Fund invests in a representative sample of securities included in the Index that collectively has an investment profile similar to the Index. Due to the use of representative sampling, the Fund may or may not hold all of the securities that are included in the Index. For the 12-month reporting period ended February 28, 2018, the total return for the Fund was -0.98%, net of fees, while the total return for the Index was -0.87%.

### ALLOCATION BY MATURITY As of 2/28/18

<i>Maturity</i>	<i>Percentage of Total Investments*</i>
3-4 Years	37.08%
4-5 Years	19.92
5-6 Years	17.20
6-7 Years	23.28
7-8 Years	2.52
<b>TOTAL</b>	<b><u>100.00%</u></b>

### FIVE LARGEST FUND HOLDINGS As of 2/28/18

<i>Security</i>	<i>Percentage of Total Investments*</i>
U.S. Treasury Note/Bond, 2.25%, 04/30/21	10.20%
U.S. Treasury Note/Bond, 1.88%, 04/30/22	7.85
U.S. Treasury Note/Bond, 2.75%, 02/15/24	7.63
U.S. Treasury Note/Bond, 2.38%, 08/15/24	6.81
U.S. Treasury Note/Bond, 2.00%, 02/15/25	6.09
<b>TOTAL</b>	<b><u>38.58%</u></b>

\* Excludes money market funds.

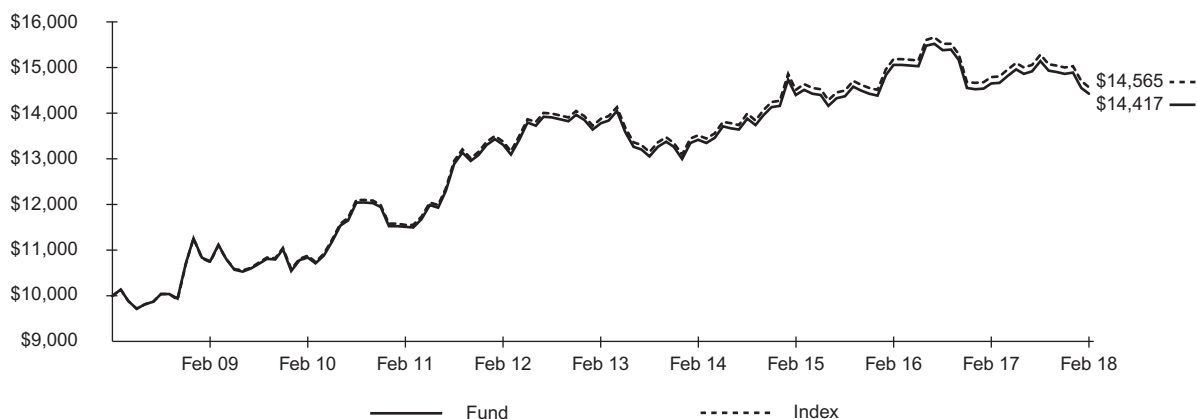
# Management's Discussion of Fund Performance

## iSHARES® 7-10 YEAR TREASURY BOND ETF

Performance as of February 28, 2018

	Average Annual Total Returns			Cumulative Total Returns		
	NAV	MARKET	INDEX	NAV	MARKET	INDEX
1 Year	(1.59)%	(1.52)%	(1.49)%	(1.59)%	(1.52)%	(1.49)%
5 Years	0.91%	0.91%	0.98%	4.61%	4.62%	5.00%
10 Years	3.73%	3.72%	3.83%	44.17%	44.11%	45.65%

### GROWTH OF \$10,000 INVESTMENT (AT NET ASSET VALUE)



Index performance through March 31, 2016 reflects the performance of the Bloomberg Barclays U.S. 7-10 Year Treasury Bond Index. Index performance beginning on April 1, 2016 reflects the performance of the ICE U.S. Treasury 7-10 Year Bond Index.

Past performance is no guarantee of future results. Performance results do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares. See "About Fund Performance" on page 18 for more information.

### Shareholder Expenses

Actual			Hypothetical 5% Return			
Beginning Account Value (9/1/17)	Ending Account Value (2/28/18)	Expenses Paid During Period <sup>a</sup>	Beginning Account Value (9/1/17)	Ending Account Value (2/28/18)	Expenses Paid During Period <sup>a</sup>	Annualized Expense Ratio
\$ 1,000.00	\$ 952.80	\$ 0.73	\$ 1,000.00	\$ 1,024.10	\$ 0.75	0.15%

<sup>a</sup> Expenses are calculated using the Fund's annualized expense ratio (as disclosed in the table), multiplied by the average account value for the period, multiplied by the number of days in the period (181 days) and divided by the number of days in the year (365 days). See "Shareholder Expenses" on page 18 for more information.

# Management's Discussion of Fund Performance (Continued)

## iSHARES® 7-10 YEAR TREASURY BOND ETF

The iShares 7-10 Year Treasury Bond ETF (the "Fund") seeks to track the investment results of an index composed of U.S. Treasury bonds with remaining maturities between seven and ten years, as represented by the ICE U.S. Treasury 7-10 Year Bond Index (the "Index"). The Fund invests in a representative sample of securities included in the Index that collectively has an investment profile similar to the Index. Due to the use of representative sampling, the Fund may or may not hold all of the securities that are included in the Index. For the 12-month reporting period ended February 28, 2018, the total return for the Fund was -1.59%, net of fees, while the total return for the Index was -1.49%.

### ALLOCATION BY MATURITY As of 2/28/18

<i>Maturity</i>	<i>Percentage of Total Investments*</i>
7-8 Years	45.98%
8-9 Years	33.61
9-10 Years	20.18
10-11 Years	<u>0.23</u>
<b>TOTAL</b>	<b><u>100.00%</u></b>

### FIVE LARGEST FUND HOLDINGS As of 2/28/18

<i>Security</i>	<i>Percentage of Total Investments*</i>
U.S. Treasury Note/Bond, 1.63%, 02/15/26	18.14%
U.S. Treasury Note/Bond, 2.25%, 11/15/25	15.42
U.S. Treasury Note/Bond, 2.38%, 05/15/27	14.39
U.S. Treasury Note/Bond, 1.63%, 05/15/26	14.16
U.S. Treasury Note/Bond, 2.00%, 11/15/26	<u>8.50</u>
<b>TOTAL</b>	<b><u>70.61%</u></b>

\* Excludes money market funds.

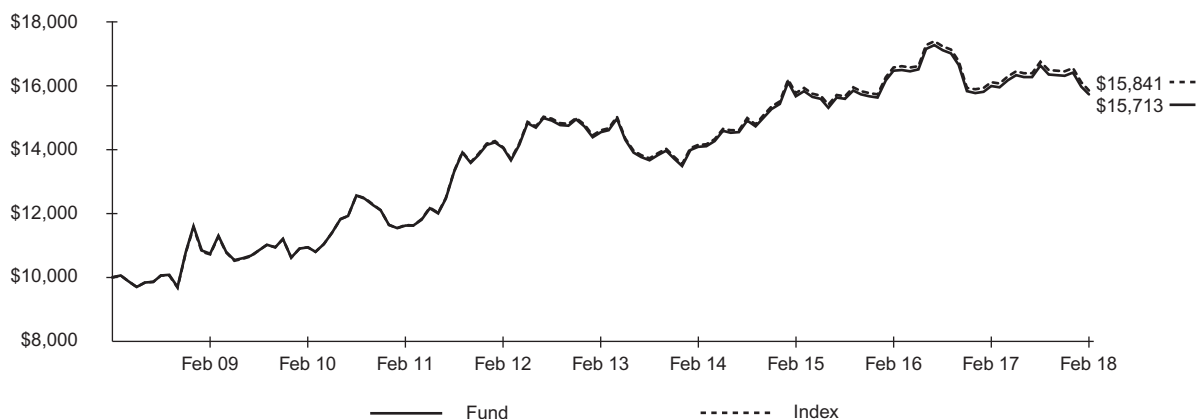
# Management's Discussion of Fund Performance

## iSHARES® 10-20 YEAR TREASURY BOND ETF

Performance as of February 28, 2018

	Average Annual Total Returns			Cumulative Total Returns		
	NAV	MARKET	INDEX	NAV	MARKET	INDEX
1 Year	(1.66)%	(1.62)%	(1.58)%	(1.66)%	(1.62)%	(1.58)%
5 Years	1.55%	1.55%	1.64%	7.98%	8.02%	8.47%
10 Years	4.62%	4.62%	4.71%	57.13%	57.07%	58.41%

### GROWTH OF \$10,000 INVESTMENT (AT NET ASSET VALUE)



Index performance through June 30, 2016 reflects the performance of the Bloomberg Barclays U.S. 10-20 Year Treasury Bond Index. Index performance beginning on July 1, 2016 reflects the performance of the ICE U.S. Treasury 10-20 Year Bond Index.

Past performance is no guarantee of future results. Performance results do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares. See "About Fund Performance" on page 18 for more information.

### Shareholder Expenses

Actual			Hypothetical 5% Return			
Beginning Account Value (9/1/17)	Ending Account Value (2/28/18)	Expenses Paid During Period <sup>a</sup>	Beginning Account Value (9/1/17)	Ending Account Value (2/28/18)	Expenses Paid During Period <sup>a</sup>	Annualized Expense Ratio
\$ 1,000.00	\$ 945.50	\$ 0.72	\$ 1,000.00	\$ 1,024.10	\$ 0.75	0.15%

<sup>a</sup> Expenses are calculated using the Fund's annualized expense ratio (as disclosed in the table), multiplied by the average account value for the period, multiplied by the number of days in the period (181 days) and divided by the number of days in the year (365 days). See "Shareholder Expenses" on page 18 for more information.

# Management's Discussion of Fund Performance (Continued)

## iSHARES® 10-20 YEAR TREASURY BOND ETF

The iShares 10-20 Year Treasury Bond ETF (the "Fund") seeks to track the investment results of an index composed of U.S. Treasury bonds with remaining maturities between ten and twenty years, as represented by the ICE U.S. Treasury 10-20 Year Bond Index (the "Index"). The Fund invests in a representative sample of securities included in the Index that collectively has an investment profile similar to the Index. Due to the use of representative sampling, the Fund may or may not hold all of the securities that are included in the Index. For the 12-month reporting period ended February 28, 2018, the total return for the Fund was -1.66%, net of fees, while the total return for the Index was -1.58%.

### ALLOCATION BY MATURITY

As of 2/28/18

<i>Maturity</i>	<i>Percentage of Total Investments*</i>
8-9 Years	0.09%
10-11 Years	22.67
11-12 Years	11.67
12-13 Years	22.18
17-18 Years	24.33
18-19 Years	0.44
19-20 Years	13.73
20-21 Years	4.89
<b>TOTAL</b>	<b><u>100.00%</u></b>

### FIVE LARGEST FUND HOLDINGS

As of 2/28/18

<i>Security</i>	<i>Percentage of Total Investments*</i>
U.S. Treasury Note/Bond, 4.50%, 02/15/36	24.33%
U.S. Treasury Note/Bond, 6.13%, 08/15/29	11.67
U.S. Treasury Note/Bond, 6.25%, 05/15/30	11.24
U.S. Treasury Note/Bond, 5.38%, 02/15/31	10.94
U.S. Treasury Note/Bond, 5.25%, 02/15/29	10.59
<b>TOTAL</b>	<b><u>68.77%</u></b>

\* Excludes money market funds.

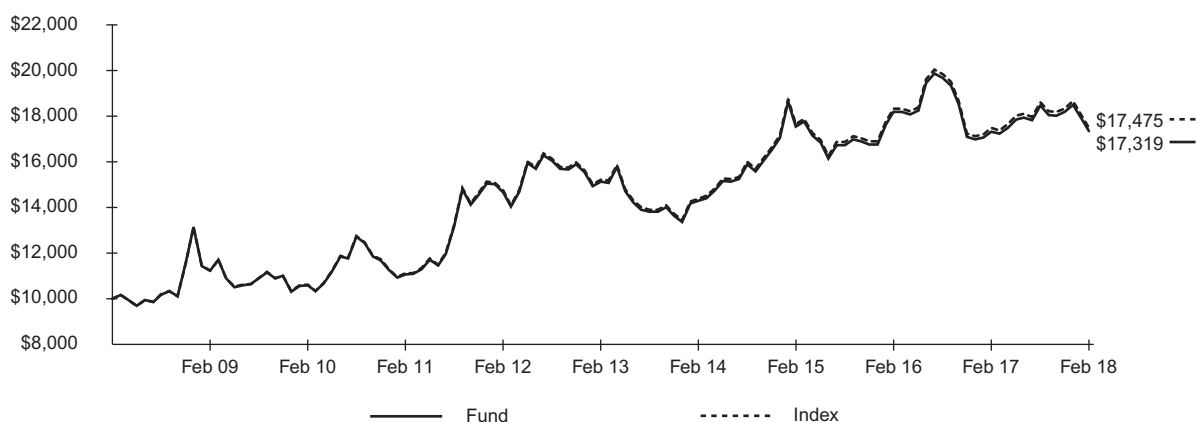
# Management's Discussion of Fund Performance

## iSHARES® 20+ YEAR TREASURY BOND ETF

Performance as of February 28, 2018

	Average Annual Total Returns			Cumulative Total Returns		
	NAV	MARKET	INDEX	NAV	MARKET	INDEX
1 Year	0.04%	0.01%	0.10%	0.04%	0.01%	0.10%
5 Years	2.76%	2.75%	2.83%	14.56%	14.53%	14.96%
10 Years	5.65%	5.66%	5.74%	73.19%	73.46%	74.75%

### GROWTH OF \$10,000 INVESTMENT (AT NET ASSET VALUE)



Index performance through March 31, 2016 reflects the performance of the Bloomberg Barclays U.S. 20+ Year Treasury Bond Index. Index performance beginning on April 1, 2016 reflects the performance of the ICE U.S. Treasury 20+ Year Bond Index.

Past performance is no guarantee of future results. Performance results do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares. See "About Fund Performance" on page 18 for more information.

### Shareholder Expenses

Actual			Hypothetical 5% Return			
Beginning Account Value (9/1/17)	Ending Account Value (2/28/18)	Expenses Paid During Period <sup>a</sup>	Beginning Account Value (9/1/17)	Ending Account Value (2/28/18)	Expenses Paid During Period <sup>a</sup>	Annualized Expense Ratio
\$ 1,000.00	\$ 939.30	\$ 0.72	\$ 1,000.00	\$ 1,024.10	\$ 0.75	0.15%

<sup>a</sup> Expenses are calculated using the Fund's annualized expense ratio (as disclosed in the table), multiplied by the average account value for the period, multiplied by the number of days in the period (181 days) and divided by the number of days in the year (365 days). See "Shareholder Expenses" on page 18 for more information.



# Management's Discussion of Fund Performance (Continued)

## iSHARES® 20+ YEAR TREASURY BOND ETF

The iShares 20+ Year Treasury Bond ETF (the "Fund") seeks to track the investment results of an index composed of U.S. Treasury bonds with remaining maturities greater than twenty years, as represented by the ICE U.S. Treasury 20+ Year Bond Index (the "Index"). The Fund invests in a representative sample of securities included in the Index that collectively has an investment profile similar to the Index. Due to the use of representative sampling, the Fund may or may not hold all of the securities that are included in the Index. For the 12-month reporting period ended February 28, 2018, the total return for the Fund was 0.04%, net of fees, while the total return for the Index was 0.10%.

### ALLOCATION BY MATURITY

As of 2/28/18

<i>Maturity</i>	<i>Percentage of Total Investments*</i>
11-20 Years	1.29%
21-30 Years	<u>98.71</u>
<b>TOTAL</b>	<b><u>100.00%</u></b>

### FIVE LARGEST FUND HOLDINGS

As of 2/28/18

<i>Security</i>	<i>Percentage of Total Investments*</i>
U.S. Treasury Note/Bond, 2.50%, 02/15/45	8.80%
U.S. Treasury Note/Bond, 3.00%, 11/15/45	8.46
U.S. Treasury Note/Bond, 2.50%, 02/15/46	7.09
U.S. Treasury Note/Bond, 2.88%, 05/15/43	7.01
U.S. Treasury Note/Bond, 3.13%, 08/15/44	<u>6.87</u>
<b>TOTAL</b>	<b><u>38.23%</u></b>

\* Excludes money market funds.

# About Fund Performance

Past performance is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Performance data current to the most recent month-end is available at [www.ishares.com](http://www.ishares.com). Performance results assume reinvestment of all dividends and capital gain distributions and do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares. The investment return and principal value of shares will vary with changes in market conditions. Shares may be worth more or less than their original cost when they are redeemed or sold in the market. Performance for certain funds may reflect a waiver of a portion of investment advisory fees. Without such a waiver, performance would have been lower.

Net asset value or “NAV” is the value of one share of a fund as calculated in accordance with the standard formula for valuing mutual fund shares. The price used to calculate market return (“Market Price”) is determined by using the midpoint between the highest bid and the lowest offer on the primary stock exchange on which shares of a fund are listed for trading, as of the time that such fund’s NAV is calculated. Certain funds may have a NAV which is determined prior to the opening of regular trading on its listed exchange and their market returns are calculated using the midpoint of the bid/ask spread as of the opening of regular trading on the exchange. Market and NAV returns assume that dividends and capital gain distributions have been reinvested at Market Price and NAV, respectively.

An index is a statistical composite that tracks a specified financial market or sector. Unlike a fund, an index does not actually hold a portfolio of securities and therefore does not incur the expenses incurred by a fund. These expenses negatively impact fund performance. Also, market returns do not include brokerage commissions that may be payable on secondary market transactions. If brokerage commissions were included, market returns would be lower.

## Shareholder Expenses

As a shareholder of a Fund, you incur two types of costs: (1) transaction costs, including brokerage commissions on purchases and sales of fund shares and (2) ongoing costs, including management fees and other fund expenses. The expense example, which is based on an investment of \$1,000 invested on September 1, 2017 and held through February 28, 2018, is intended to help you understand your ongoing costs (in dollars and cents) of investing in a Fund and to compare these costs with the ongoing costs of investing in other funds.

**Actual Expenses** — The table provides information about actual account values and actual expenses. Annualized expense ratios reflect contractual and voluntary fee waivers, if any. To estimate the expenses that you paid on your account over the period, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number corresponding to your Fund under the heading entitled “Expenses Paid During Period.”

**Hypothetical Example for Comparison Purposes** — The table also provides information about hypothetical account values and hypothetical expenses based on each Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses. You may use this information to compare the ongoing costs of investing in your Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as brokerage commissions paid on purchases and sales of fund shares. Therefore, the hypothetical examples are useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

# Schedule of Investments

## iSHARES® SHORT TREASURY BOND ETF

February 28, 2018

<i>Security</i>	<i>Principal (000s)</i>	<i>Value</i>	<i>Security</i>	<i>Principal or Shares (000s)</i>	<i>Value</i>
<b>U.S. GOVERNMENT OBLIGATIONS — 106.68%</b>			1.38%, 12/31/18	\$ 232,092	\$ 230,813,681
U.S. Treasury Bill			1.38%, 02/28/19	273,496	271,530,247
0.33%, 03/29/18 <sup>a</sup>	\$ 528	\$ 527,393	1.50%, 08/31/18	343,254	342,543,358
1.09%, 03/01/18 <sup>a</sup>	660,222	660,221,600	1.50%, 12/31/18	455,163	453,047,202
1.28%, 04/05/18 <sup>a</sup>	502,586	501,870,162	1.50%, 01/31/19	346,012	344,119,747
1.31%, 05/24/18 <sup>a</sup>	7,120	7,093,460	1.50%, 02/28/19	793,760	789,078,054
1.36%, 04/12/18 <sup>a</sup>	137,394	137,150,061	1.75%, 10/31/18	14,216	14,196,009
1.36%, 05/17/18 <sup>a</sup>	104,577	104,225,545	2.38%, 05/31/18	155,532	155,805,047
1.38%, 09/13/18 <sup>a</sup>	7,120	7,050,701	2.38%, 06/30/18	152,977	153,263,832
1.41%, 05/03/18 <sup>a</sup>	1,020,104	1,017,386,055	2.63%, 04/30/18	7,192	7,205,221
1.46%, 06/28/18 <sup>a</sup>	265,580	264,127,094	2.88%, 03/31/18	402,161	402,637,054
1.62%, 08/02/18 <sup>a</sup>	268,612	266,606,887			<u>10,141,301,455</u>
1.65%, 05/31/18 <sup>a</sup>	486,708	484,711,855	<b>TOTAL U.S. GOVERNMENT OBLIGATIONS</b>		
U.S. Treasury Note/Bond			<b>(Cost: \$10,150,571,113)</b>		10,141,301,455
0.63%, 04/30/18	435,411	434,778,844	<b>MONEY MARKET FUNDS — 7.73%</b>		
0.75%, 03/31/18	39,269	39,247,197	BlackRock Cash Funds: Treasury,		
0.75%, 04/15/18	310,712	310,426,661	SL Agency Shares		
0.88%, 03/31/18	225,144	225,042,028	1.32% <sup>b,c</sup>	734,819	<u>734,818,519</u>
0.88%, 07/15/18	138,992	138,503,357	<b>TOTAL MONEY MARKET FUNDS</b>		
0.88%, 10/15/18	54,538	54,173,703	<b>(Cost: \$734,818,519)</b>		<u>734,818,519</u>
1.00%, 03/15/18	38,375	38,370,610	<b>TOTAL INVESTMENTS</b>		
1.00%, 05/15/18	68,984	68,897,862	<b>IN SECURITIES — 114.41%</b>		
1.00%, 05/31/18	52,060	51,973,918	<b>(Cost: \$10,885,389,632)</b>		10,876,119,974
1.00%, 08/15/18	406,515	404,927,051	<b>Other Assets, Less Liabilities — (14.41)%</b>		<u>(1,369,516,730)</u>
1.13%, 06/15/18	364,222	363,568,677	<b>NET ASSETS — 100.00%</b>		<u>\$ 9,506,603,244</u>
1.25%, 11/15/18	109,796	109,221,286			
1.25%, 11/30/18	629,924	626,356,073			
1.38%, 07/31/18	381,004	380,259,853			
1.38%, 09/30/18	281,278	280,344,070			

<sup>a</sup> Rates are discount rates or a range of discount rates at the time of purchase.

<sup>b</sup> Affiliate of the Fund.

<sup>c</sup> Annualized 7-day yield as of period end.

### Affiliates (Note 2)

Investments in issuers considered to be affiliates of the Fund during the year ended February 28, 2018, for purposes of Section 2(a)(3) of the 1940 Act were as follows:

<i>Affiliated issuer</i>	<i>Shares held at 02/28/17 (000s)</i>	<i>Shares purchased (000s)</i>	<i>Shares sold (000s)</i>	<i>Shares held at 02/28/18 (000s)</i>	<i>Value at 02/28/18</i>	<i>Income</i>	<i>Net realized gain (loss)<sup>a</sup></i>	<i>Change in appreciation (depreciation)</i>
BlackRock Cash Funds: Treasury, SL Agency Shares	278,392	456,427 <sup>b</sup>	—	734,819	\$734,818,519	\$1,134,022 <sup>c</sup>	\$ —	\$ —

<sup>a</sup> Includes realized capital gain distributions from an affiliated fund, if any.

<sup>b</sup> Net of shares purchased and sold.

<sup>c</sup> Includes the Fund's portion of securities lending income earned from the reinvestment of cash collateral from loaned securities (excluding collateral investment fees), net of fees and other payments to and from borrowers of securities.

# Schedule of Investments (Continued)

## iSHARES® SHORT TREASURY BOND ETF

February 28, 2018

### Fair Value Measurements

Various inputs are used in determining the fair value of financial instruments. For description of the input levels and information about the Fund's policy regarding valuation of financial instruments, see Note 1.

The following table summarizes the value of the Fund's investments according to the fair value hierarchy as of February 28, 2018. The breakdown of the Fund's investments into major categories is disclosed in the Schedule of Investments above.

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Investments				
Assets				
U.S. government obligations	\$ —	\$10,141,301,455	\$ —	\$10,141,301,455
Money market funds	734,818,519	—	—	734,818,519
Total	<u>\$734,818,519</u>	<u>\$10,141,301,455</u>	<u>\$ —</u>	<u>\$10,876,119,974</u>

See notes to financial statements.

# Schedule of Investments

## iSHARES® 1-3 YEAR TREASURY BOND ETF

February 28, 2018

<i>Security</i>	<i>Principal (000s)</i>	<i>Value</i>	<i>Security</i>	<i>Principal or Shares (000s)</i>	<i>Value</i>
<b>U.S. GOVERNMENT OBLIGATIONS — 99.53%</b>					
U.S. Treasury Note/Bond			1.63%, 06/30/19	\$ 95,292	\$ 94,618,256
			1.63%, 07/31/19	250,892	248,931,906
0.75%, 07/15/19	\$ 238,662	\$ 234,056,568	1.63%, 08/31/19	131,219	130,096,462
0.75%, 08/15/19	4,451	4,358,904	1.63%, 12/31/19	238,024	235,327,636
0.88%, 06/15/19	1,526	1,501,203	1.63%, 03/15/20	88,000	86,827,813
0.88%, 09/15/19	49,743	48,738,425	1.63%, 06/30/20	468,836	461,180,790
1.00%, 03/15/19	14,402	14,236,602	1.63%, 07/31/20	44,749	43,986,869
1.00%, 09/30/19	72,259	70,915,434	1.63%, 11/30/20	184,614	180,820,758
1.00%, 10/15/19	128,925	126,422,042	1.75%, 09/30/19	254,976	253,123,441
1.13%, 12/31/19	74,850	73,358,847	1.75%, 12/31/20	106,944	105,018,173
1.13%, 03/31/20	155,000	151,306,641	1.88%, 06/30/20	144,000	142,453,125
1.13%, 04/30/20	66,880	65,197,550	2.00%, 07/31/20	358,515	355,504,033
1.13%, 02/28/21	124,695	119,960,487	2.00%, 09/30/20	80,743	79,989,188
1.25%, 03/31/19	295,609	292,860,759	2.00%, 11/30/20	354,854	351,111,397
1.25%, 04/30/19	24,000	23,754,375	2.00%, 02/28/21	58,000	57,268,203
1.25%, 06/30/19	70,572	69,725,687	2.13%, 08/31/20	579,320	575,902,916
1.25%, 01/31/20	9,368	9,190,520	2.13%, 01/31/21	210,676	208,906,650
1.25%, 02/29/20	18,585	18,211,122	2.25%, 02/15/21	1,287	1,280,816
1.25%, 03/31/21	627,440	605,062,942	2.38%, 12/31/20	87,138	87,056,308
1.38%, 02/28/19	7,112	7,060,883	2.63%, 08/15/20	25,215	25,371,609
1.38%, 12/15/19	68,580	67,543,263	2.63%, 11/15/20	266,843	268,500,346
1.38%, 01/15/20	228,322	224,629,604	3.13%, 05/15/19	56,500	57,151,074
1.38%, 02/15/20	91,685	90,102,002	3.38%, 11/15/19	4,000	4,075,625
1.38%, 02/29/20	288,126	283,038,382	3.50%, 05/15/20	299,779	307,343,737
1.38%, 03/31/20	118,051	115,814,487	3.63%, 08/15/19	302,811	308,938,193
1.38%, 04/30/20	283,869	278,235,975	3.63%, 02/15/20	4,000	4,102,344
1.38%, 05/31/20	317,922	311,240,672	8.75%, 08/15/20	78,668	90,631,067
1.38%, 08/31/20	5,682	5,546,387			<u>11,227,713,924</u>
1.38%, 10/31/20	52,398	51,036,880	<b>TOTAL U.S. GOVERNMENT OBLIGATIONS</b>		
1.38%, 01/31/21	118,420	114,913,657	<b>(Cost: \$11,366,421,429)</b>		11,227,713,924
1.38%, 04/30/21	216,408	209,231,032			
1.50%, 01/31/19	4	3,978	<b>SHORT-TERM INVESTMENTS — 0.54%</b>		
1.50%, 02/28/19	8,333	8,283,848	<b>MONEY MARKET FUNDS — 0.54%</b>		
1.50%, 03/31/19	34,675	34,446,091	BlackRock Cash Funds: Treasury,		
1.50%, 05/31/19	273,106	270,940,751	SL Agency Shares		
1.50%, 11/30/19	49,033	48,412,426	1.32% <sup>a,b</sup>	60,794	60,794,081
1.50%, 04/15/20	91,551	90,020,382			<u>60,794,081</u>
1.50%, 05/15/20	189,749	186,420,981	<b>TOTAL SHORT-TERM INVESTMENTS</b>		
1.50%, 05/31/20	274,036	269,036,983	<b>(Cost: \$60,794,081)</b>		60,794,081
1.50%, 06/15/20	253,726	249,018,193			
1.50%, 07/15/20	207,372	203,354,168			
1.63%, 03/31/19	542,882	539,955,529			
1.63%, 04/30/19	880,208	875,050,527			

# Schedule of Investments (Continued)

## iSHARES® 1-3 YEAR TREASURY BOND ETF

February 28, 2018

	<i>Value</i>
<b>TOTAL INVESTMENTS</b>	
<b>IN SECURITIES — 100.07%</b>	
(Cost: \$11,427,215,510)	\$11,288,508,005
<b>Other Assets, Less Liabilities — (0.07)%</b>	<u>(7,360,108)</u>
<b>NET ASSETS — 100.00%</b>	<u>\$11,281,147,897</u>

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

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

### Affiliates (Note 2)

Investments in issuers considered to be affiliates of the Fund during the year ended February 28, 2018, for purposes of Section 2(a)(3) of the 1940 Act were as follows:

<i>Affiliated issuer</i>	<i>Shares held at 02/28/17 (000s)</i>		<i>Shares purchased (000s)</i>	<i>Shares sold (000s)</i>	<i>Shares held at 02/28/18</i>		<i>Value at 02/28/18</i>	<i>Income</i>	<i>Net realized gain (loss)<sup>a</sup></i>	<i>Change in unrealized appreciation (depreciation)</i>
	<i>02/28/17</i>	<i>02/28/18</i>			<i>02/28/18</i>	<i>02/28/18</i>				
BlackRock Cash Funds: Treasury, SL Agency Shares	13,743	47,051 <sup>b</sup>	—	60,794	<u>\$60,794,081</u>	<u>\$571,813<sup>c</sup></u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	

<sup>a</sup> Includes realized capital gain distributions from an affiliated fund, if any.

<sup>b</sup> Net of shares purchased and sold.

<sup>c</sup> Includes the Fund's portion of securities lending income earned from the reinvestment of cash collateral from loaned securities (excluding collateral investment fees), net of fees and other payments to and from borrowers of securities.

### Fair Value Measurements

Various inputs are used in determining the fair value of financial instruments. For description of the input levels and information about the Fund's policy regarding valuation of financial instruments, see Note 1.

The following table summarizes the value of the Fund's investments according to the fair value hierarchy as of February 28, 2018. The breakdown of the Fund's investments into major categories is disclosed in the Schedule of Investments above.

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Investments				
Assets				
U.S. government obligations	\$ —	\$11,227,713,924	\$ —	\$11,227,713,924
Money market funds	<u>60,794,081</u>	<u>—</u>	<u>—</u>	<u>60,794,081</u>
Total	<u>\$60,794,081</u>	<u>\$11,227,713,924</u>	<u>\$ —</u>	<u>\$11,288,508,005</u>

See notes to financial statements.

# Schedule of Investments

## iSHARES® 3-7 YEAR TREASURY BOND ETF

February 28, 2018

Security	Principal (000s)	Value	Security	Principal or Shares (000s)	Value
<b>U.S. GOVERNMENT OBLIGATIONS — 99.46%</b>					
U.S. Treasury Note/Bond					
1.13%, 08/31/21	\$ 393,486	\$ 375,133,569	2.13%, 11/30/23	\$ 40,544	\$ 39,264,330
1.25%, 03/31/21	100	96,434	2.13%, 02/29/24	42,496	41,030,413
1.38%, 06/30/23	27,138	25,373,064	2.13%, 05/15/25	185,200	176,800,891
1.38%, 08/31/23	9,828	9,163,458	2.25%, 03/31/21	142,401	141,544,370
1.50%, 01/31/22	168,523	161,814,994	2.25%, 04/30/21	722,282	717,598,449
1.50%, 02/28/23	13,585	12,848,438	2.25%, 07/31/21	96,094	95,271,946
1.50%, 03/31/23	920	869,220	2.25%, 12/31/23	1,804	1,757,209
1.63%, 11/15/22	6,829	6,525,430	2.25%, 01/31/24	22,648	22,041,989
1.63%, 04/30/23	86,629	82,246,411	2.25%, 11/15/24	340,251	328,807,403
1.75%, 11/30/21	14,990	14,564,893	2.38%, 08/15/24	490,387	478,682,840
1.75%, 02/28/22	95,869	92,873,094	2.50%, 05/15/24	343,327	338,284,385
1.75%, 03/31/22	124,362	120,383,387	2.75%, 11/15/23	88,892	89,051,728
1.75%, 04/30/22	25,740	24,888,368	2.75%, 02/15/24	536,028	536,342,080
1.75%, 05/31/22	48,861	47,189,038	7.13%, 02/15/23	11,053	13,350,746
1.75%, 06/30/22	55,678	53,727,095			<u>7,031,747,665</u>
1.75%, 09/30/22	28,003	26,939,761	<b>TOTAL U.S. GOVERNMENT OBLIGATIONS</b>		
1.75%, 01/31/23	9,944	9,532,645	(Cost: \$7,261,809,317)		7,031,747,665
1.75%, 05/15/23	379,398	362,280,628	<b>SHORT-TERM INVESTMENTS — 0.63%</b>		
1.88%, 01/31/22	204,426	199,147,657	<b>MONEY MARKET FUNDS — 0.63%</b>		
1.88%, 02/28/22	26,408	25,704,572	BlackRock Cash Funds: Treasury,		
1.88%, 03/31/22	169,991	165,309,413	SL Agency Shares		
1.88%, 04/30/22	568,434	552,224,752	1.32% <sup>a,b</sup>	44,585	44,584,680
1.88%, 07/31/22	31,034	30,070,249			<u>44,584,680</u>
1.88%, 08/31/22	61,649	59,712,836	<b>TOTAL SHORT-TERM INVESTMENTS</b>		
1.88%, 09/30/22	145,924	141,164,369	(Cost: \$44,584,680)		44,584,680
2.00%, 02/28/21	100	98,738	<b>TOTAL INVESTMENTS</b>		
2.00%, 05/31/21	89,184	87,856,692	<b>IN SECURITIES — 100.09%</b>		
2.00%, 08/31/21	243,896	239,646,873	(Cost: \$7,306,393,997)		7,076,332,345
2.00%, 10/31/21	210,072	206,083,913	<b>Other Assets, Less Liabilities — (0.09)%</b>		(6,681,021)
2.00%, 12/31/21	23,800	23,311,914	<b>NET ASSETS — 100.00%</b>		<u>\$7,069,651,324</u>
2.00%, 07/31/22	1,570	1,530,627			
2.00%, 10/31/22	52,419	50,946,763			
2.00%, 11/30/22	5,303	5,151,782			
2.00%, 05/31/24	17,228	16,472,256			
2.00%, 06/30/24	48,778	46,600,138			
2.00%, 02/15/25	451,403	428,250,964			
2.13%, 06/30/21	9,197	9,089,977			
2.13%, 08/15/21	207,084	204,430,736			
2.13%, 09/30/21	13,433	13,246,821			
2.13%, 06/30/22	76,298	74,810,785			
2.13%, 12/31/22	4,718	4,606,132			

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

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

# Schedule of Investments (Continued)

## iSHARES® 3-7 YEAR TREASURY BOND ETF

February 28, 2018

### Affiliates (Note 2)

Investments in issuers considered to be affiliates of the Fund during the year ended February 28, 2018, for purposes of Section 2(a)(3) of the 1940 Act were as follows:

Affiliated issuer	Shares	Shares	Shares	Shares	Value at 02/28/18	Income	Net realized gain (loss) <sup>a</sup>	Change in unrealized appreciation (depreciation)
	held at 02/28/17 (000s)	purchased (000s)	held at 02/28/18 (000s)	held at 02/28/18 (000s)				
BlackRock Cash Funds: Treasury, SL Agency Shares	15,292	29,293 <sup>b</sup>	—	44,585	\$44,584,680	\$349,008 <sup>c</sup>	\$ —	\$ —

<sup>a</sup> Includes realized capital gain distributions from an affiliated fund, if any.

<sup>b</sup> Net of shares purchased and sold.

<sup>c</sup> Includes the Fund's portion of securities lending income earned from the reinvestment of cash collateral from loaned securities (excluding collateral investment fees), net of fees and other payments to and from borrowers of securities.

### Fair Value Measurements

Various inputs are used in determining the fair value of financial instruments. For description of the input levels and information about the Fund's policy regarding valuation of financial instruments, see Note 1.

The following table summarizes the value of the Fund's investments according to the fair value hierarchy as of February 28, 2018. The breakdown of the Fund's investments into major categories is disclosed in the Schedule of Investments above.

	Level 1	Level 2	Level 3	Total
Investments				
Assets				
U.S. government obligations	\$ —	\$7,031,747,665	\$ —	\$7,031,747,665
Money market funds	44,584,680	—	—	44,584,680
Total	\$44,584,680	\$7,031,747,665	\$ —	\$7,076,332,345

See notes to financial statements.



# Schedule of Investments

## iSHARES® 7-10 YEAR TREASURY BOND ETF

February 28, 2018

<i>Security</i>	<i>Principal (000s)</i>	<i>Value</i>	<i>Security</i>	<i>Shares (000s)</i>	<i>Value</i>
<b>U.S. GOVERNMENT OBLIGATIONS — 99.81%</b>			<b>SHORT-TERM INVESTMENTS — 0.44%</b>		
U.S. Treasury Note/Bond			<b>MONEY MARKET FUNDS — 0.44%</b>		
1.50%, 08/15/26	\$ 255,697	\$ 229,448,374	BlackRock Cash Funds: Treasury,		
1.63%, 02/15/26	1,658,865	1,514,168,095	SL Agency Shares		
1.63%, 05/15/26	1,299,757	1,182,626,551	1.32% <sup>a,b</sup>	37,151	\$ 37,150,551
2.00%, 08/15/25	746,308	704,910,850			<u>37,150,551</u>
2.00%, 11/15/26	760,648	709,304,446	<b>TOTAL SHORT-TERM INVESTMENTS</b>		
2.13%, 05/15/25	347,356	331,602,864	<b>(Cost: \$37,150,551)</b>		
2.25%, 11/15/25	1,342,346	1,287,655,405	<b>TOTAL INVESTMENTS</b>		
2.25%, 02/15/27	720,317	684,301,150	<b>IN SECURITIES — 100.25%</b>		
2.25%, 08/15/27	510,887	483,965,178	<b>(Cost: \$8,827,817,135)</b>		
2.38%, 05/15/27	1,252,289	1,201,072,046	<b>Other Assets, Less Liabilities — (0.25)%</b>		
5.25%, 11/15/28	16,000	19,463,750	<b>NET ASSETS — 100.00%</b>		
		<u>8,348,518,709</u>	<u>\$8,364,364,740</u>		
<b>TOTAL U.S. GOVERNMENT OBLIGATIONS</b>					
<b>(Cost: \$8,790,666,584)</b>			8,348,518,709		

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

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

### Affiliates (Note 2)

Investments in issuers considered to be affiliates of the Fund during the year ended February 28, 2018, for purposes of Section 2(a)(3) of the 1940 Act were as follows:

<i>Affiliated issuer</i>	<i>Shares held at 02/28/17 (000s)</i>	<i>Shares purchased (000s)</i>	<i>Shares sold (000s)</i>	<i>Shares held at 02/28/18 (000s)</i>	<i>Value at 02/28/18</i>	<i>Net realized Income</i>	<i>Change in unrealized appreciation (depreciation)</i>
BlackRock Cash Funds: Treasury, SL Agency Shares	73,802	—	(36,651) <sup>b</sup>	37,151	\$37,150,551	\$357,308	\$ —

<sup>a</sup> Includes realized capital gain distributions from an affiliated fund, if any.

<sup>b</sup> Net of shares purchased and sold.

### Fair Value Measurements

Various inputs are used in determining the fair value of financial instruments. For description of the input levels and information about the Fund's policy regarding valuation of financial instruments, see Note 1.

The following table summarizes the value of the Fund's investments according to the fair value hierarchy as of February 28, 2018. The breakdown of the Fund's investments into major categories is disclosed in the Schedule of Investments above.

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Investments				
Assets				
U.S. government obligations	\$ —	\$8,348,518,709	\$ —	\$8,348,518,709
Money market funds	37,150,551	—	—	37,150,551
<b>Total</b>	<u>\$37,150,551</u>	<u>\$8,348,518,709</u>	<u>\$ —</u>	<u>\$8,385,669,260</u>

See notes to financial statements.

# Schedule of Investments

## iSHARES® 10-20 YEAR TREASURY BOND ETF

February 28, 2018

Security	Principal (000s)	Value
<b>U.S. GOVERNMENT OBLIGATIONS — 98.36%</b>		
U.S. Treasury Note/Bond		
2.25%, 02/15/27	\$ 475	\$ 451,630
4.25%, 05/15/39	6,157	7,313,602
4.38%, 02/15/38	29,000	34,890,625
4.38%, 11/15/39	14,124	17,075,695
4.50%, 02/15/36	100,258	121,468,470
4.75%, 02/15/37	1,759	2,205,164
5.00%, 05/15/37	26,056	33,639,721
5.25%, 11/15/28	25,306	30,784,111
5.25%, 02/15/29	43,310	52,863,699
5.38%, 02/15/31	43,173	54,607,099
5.50%, 08/15/28	23,908	29,526,133
6.13%, 08/15/29	44,348	58,263,523
6.25%, 05/15/30	41,797	56,090,711
		<u>499,180,183</u>
<b>TOTAL U.S. GOVERNMENT OBLIGATIONS</b>		<b>499,180,183</b>
<b>(Cost: \$543,274,565)</b>		

Security	Shares (000s)	Value
<b>SHORT-TERM INVESTMENTS — 1.94%</b>		
<b>MONEY MARKET FUNDS — 1.94%</b>		
BlackRock Cash Funds: Treasury, SL Agency Shares		
1.32% <sup>a,b</sup>	9,827	\$ 9,826,580
		<u>9,826,580</u>
<b>TOTAL SHORT-TERM INVESTMENTS</b>		<b>9,826,580</b>
<b>(Cost: \$9,826,580)</b>		
<b>TOTAL INVESTMENTS</b>		
<b>IN SECURITIES — 100.30%</b>		
<b>(Cost: \$553,101,145)</b>		509,006,763
<b>Other Assets, Less Liabilities — (0.30)%</b>		<u>(1,516,451)</u>
<b>NET ASSETS — 100.00%</b>		<u><u>\$507,490,312</u></u>

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

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

### Affiliates (Note 2)

Investments in issuers considered to be affiliates of the Fund during the year ended February 28, 2018, for purposes of Section 2(a)(3) of the 1940 Act were as follows:

Affiliated issuer	Shares held at 02/28/17 (000s)	Shares purchased (000s)	Shares sold (000s)	Shares held at 02/28/18 (000s)	Value at 02/28/18	Net realized Income	Net realized gain (loss) <sup>a</sup>	Change in unrealized appreciation (depreciation)
BlackRock Cash Funds: Treasury, SL Agency Shares	6,759	3,068 <sup>b</sup>	—	9,827	\$9,826,580	\$25,503	\$ —	\$ —

<sup>a</sup> Includes realized capital gain distributions from an affiliated fund, if any.

<sup>b</sup> Net of shares purchased and sold.

### Fair Value Measurements

Various inputs are used in determining the fair value of financial instruments. For description of the input levels and information about the Fund's policy regarding valuation of financial instruments, see Note 1.

The following table summarizes the value of the Fund's investments according to the fair value hierarchy as of February 28, 2018. The breakdown of the Fund's investments into major categories is disclosed in the Schedule of Investments above.

	Level 1	Level 2	Level 3	Total
Investments				
Assets				
U.S. government obligations	\$ —	\$499,180,183	\$ —	\$499,180,183
Money market funds	9,826,580	—	—	9,826,580
Total	<u>\$9,826,580</u>	<u>\$499,180,183</u>	<u>\$ —</u>	<u>\$509,006,763</u>

See notes to financial statements.

# Schedule of Investments

## iSHARES® 20+ YEAR TREASURY BOND ETF

February 28, 2018

<i>Security</i>	<i>Principal (000s)</i>	<i>Value</i>	<i>Security</i>	<i>Principal or Shares (000s)</i>	<i>Value</i>
<b>U.S. GOVERNMENT OBLIGATIONS — 98.69%</b>					
U.S. Treasury Note/Bond					
2.50%, 02/15/45	\$658,981	\$ 583,403,674	4.38%, 05/15/40	\$ 3,964	\$ 4,798,709
2.50%, 02/15/46	532,734	469,991,643	4.50%, 02/15/36	2,631	3,187,015
2.50%, 05/15/46	458,473	404,100,615	4.50%, 05/15/38	20,868	25,537,093
2.75%, 08/15/42	228,110	214,209,641	4.63%, 02/15/40	213,389	266,727,415
2.75%, 11/15/42	217,533	204,013,757	5.00%, 05/15/37	11,545	14,905,743
2.88%, 05/15/43	485,071	464,587,641			<u>6,630,771,633</u>
2.88%, 08/15/45	370,050	352,747,082	<b>TOTAL U.S. GOVERNMENT OBLIGATIONS</b>		
2.88%, 11/15/46	230,936	219,659,924	<b>(Cost: \$7,295,071,831)</b>		6,630,771,633
3.00%, 11/15/44	288,942	282,384,372	<b>SHORT-TERM INVESTMENTS — 1.64%</b>		
3.00%, 05/15/45	29,442	28,760,958	<b>MONEY MARKET FUNDS — 1.64%</b>		
3.00%, 11/15/45	574,853	561,245,149	BlackRock Cash Funds: Treasury, SL Agency Shares		
3.00%, 02/15/47	313,603	305,787,521	1.32% <sup>a,b</sup>	110,138	110,137,644
3.00%, 05/15/47	219,384	213,813,509			<u>110,137,644</u>
3.13%, 11/15/41	5,363	5,390,653	<b>TOTAL SHORT-TERM INVESTMENTS</b>		
3.13%, 02/15/43	208,869	209,326,101	<b>(Cost: \$110,137,644)</b>		<u>110,137,644</u>
3.13%, 08/15/44	455,368	455,545,976	<b>TOTAL INVESTMENTS</b>		
3.38%, 05/15/44	155,732	162,794,794	<b>IN SECURITIES — 100.33%</b>		
3.63%, 08/15/43	230,098	250,662,573	<b>(Cost: \$7,405,209,475)</b>		6,740,909,277
3.75%, 08/15/41	7,925	8,799,314	<b>Other Assets, Less Liabilities — (0.33)%</b>		<u>(22,241,237)</u>
3.75%, 11/15/43	69,067	76,771,843	<b>NET ASSETS — 100.00%</b>		<u>\$6,718,668,040</u>
3.88%, 08/15/40	213,325	241,099,140			
4.25%, 05/15/39	85,481	101,538,858			
4.25%, 11/15/40	269,983	321,754,230			
4.38%, 02/15/38	56,292	67,725,831			
4.38%, 11/15/39	90,573	109,500,859			

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

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

### Affiliates (Note 2)

Investments in issuers considered to be affiliates of the Fund during the year ended February 28, 2018, for purposes of Section 2(a)(3) of the 1940 Act were as follows:

<i>Affiliated issuer</i>	<i>Shares</i>			<i>Shares</i>			<i>Change in</i>	
	<i>held at 02/28/17 (000s)</i>	<i>Shares purchased (000s)</i>	<i>Shares sold (000s)</i>	<i>held at 02/28/18 (000s)</i>	<i>Value at 02/28/18</i>	<i>Income</i>	<i>Net realized gain (loss)<sup>a</sup> (depreciation)</i>	<i>unrealized appreciation</i>
BlackRock Cash Funds: Treasury, SL Agency Shares	50,337	59,801 <sup>b</sup>	—	110,138	\$110,137,644	\$577,494 <sup>c</sup>	\$ —	\$ —

<sup>a</sup> Includes realized capital gain distributions from an affiliated fund, if any.

<sup>b</sup> Net of purchases and sales.

<sup>c</sup> Includes the Fund's portion of securities lending income earned from the reinvestment of cash collateral from loaned securities (excluding collateral investment fees), net of fees and other payments to and from borrowers of securities.

# Schedule of Investments (Continued)

## *iSHARES® 20+ YEAR TREASURY BOND ETF*

February 28, 2018

### Fair Value Measurements

Various inputs are used in determining the fair value of financial instruments. For description of the input levels and information about the Fund's policy regarding valuation of financial instruments, see Note 1.

The following table summarizes the value of the Fund's investments according to the fair value hierarchy as of February 28, 2018. The breakdown of the Fund's investments into major categories is disclosed in the Schedule of Investments above.

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Investments				
Assets				
U.S. government obligations	\$ —	\$6,630,771,633	\$ —	\$6,630,771,633
Money market funds	110,137,644	—	—	110,137,644
Total	<u>\$110,137,644</u>	<u>\$6,630,771,633</u>	<u>\$ —</u>	<u>\$6,740,909,277</u>

See notes to financial statements.

# Statements of Assets and Liabilities

## iSHARES® TRUST

February 28, 2018

	iShares Short Treasury Bond ETF	iShares 1-3 Year Treasury Bond ETF	iShares 3-7 Year Treasury Bond ETF
<b>ASSETS</b>			
Investments in securities, at cost:			
Unaffiliated	\$10,150,571,113	\$11,366,421,429	\$7,261,809,317
Affiliated (Note 2)	<u>734,818,519</u>	<u>60,794,081</u>	<u>44,584,680</u>
Total cost of investments in securities	<u>\$10,885,389,632</u>	<u>\$11,427,215,510</u>	<u>\$7,306,393,997</u>
Investments in securities, at fair value (Note 1):			
Unaffiliated	\$10,141,301,455	\$11,227,713,924	\$7,031,747,665
Affiliated (Note 2)	<u>734,818,519</u>	<u>60,794,081</u>	<u>44,584,680</u>
Receivables:			
Investment securities sold	—	1,310,047,143	148,657,536
Dividends and interest	17,790,408	42,784,376	29,286,270
Capital shares sold	<u>1,094,814</u>	<u>—</u>	<u>—</u>
Total Assets	<u>\$10,895,005,196</u>	<u>12,641,339,524</u>	<u>7,254,276,151</u>
<b>LIABILITIES</b>			
Payables:			
Investment securities purchased	1,387,360,190	1,358,088,874	183,815,596
Capital shares redeemed	—	793,286	—
Investment advisory fees (Note 2)	<u>1,041,762</u>	<u>1,309,467</u>	<u>809,231</u>
Total Liabilities	<u>1,388,401,952</u>	<u>1,360,191,627</u>	<u>184,624,827</u>
NET ASSETS	<u>\$ 9,506,603,244</u>	<u>\$11,281,147,897</u>	<u>\$7,069,651,324</u>
<b>Net assets consist of:</b>			
Paid-in capital	\$ 9,507,330,988	\$11,476,713,262	\$7,369,283,318
Undistributed net investment income	9,287,214	12,502,554	9,968,021
Accumulated net realized loss	(745,300)	(69,360,414)	(79,538,363)
Net unrealized depreciation	<u>(9,269,658)</u>	<u>(138,707,505)</u>	<u>(230,061,652)</u>
NET ASSETS	<u>\$ 9,506,603,244</u>	<u>\$11,281,147,897</u>	<u>\$7,069,651,324</u>
Shares outstanding <sup>a</sup>	<u>86,200,000</u>	<u>135,200,000</u>	<u>58,900,000</u>
Net asset value per share	<u>\$ 110.29</u>	<u>\$ 83.44</u>	<u>\$ 120.03</u>

<sup>a</sup> No par value, unlimited number of shares authorized.

See notes to financial statements.

# Statements of Assets and Liabilities (Continued)

## iSHARES® TRUST

February 28, 2018

	iShares 7-10 Year Treasury Bond ETF	iShares 10-20 Year Treasury Bond ETF	iShares 20+ Year Treasury Bond ETF
<b>ASSETS</b>			
Investments in securities, at cost:			
Unaffiliated	\$8,790,666,584	\$543,274,565	\$7,295,071,831
Affiliated (Note 2)	<u>37,150,551</u>	<u>9,826,580</u>	<u>110,137,644</u>
Total cost of investments in securities	<u>\$8,827,817,135</u>	<u>\$553,101,145</u>	<u>\$7,405,209,475</u>
Investments in securities, at fair value (Note 1):			
Unaffiliated	\$8,348,518,709	\$499,180,183	\$6,630,771,633
Affiliated (Note 2)	<u>37,150,551</u>	<u>9,826,580</u>	<u>110,137,644</u>
Receivables:			
Investment securities sold	351,171,949	31,108,909	59,517,475
Dividends and interest	33,468,608	2,359,992	33,520,364
Capital shares sold	<u>288,661</u>	<u>—</u>	<u>—</u>
Total Assets	<u>\$8,770,598,478</u>	<u>\$42,475,664</u>	<u>\$6,833,947,116</u>
<b>LIABILITIES</b>			
Payables:			
Investment securities purchased	405,305,755	34,930,064	110,779,353
Capital shares redeemed	<u>—</u>	<u>—</u>	<u>3,719,096</u>
Investment advisory fees (Note 2)	<u>927,983</u>	<u>55,288</u>	<u>780,627</u>
Total Liabilities	<u>406,233,738</u>	<u>34,985,352</u>	<u>115,279,076</u>
NET ASSETS	<u>\$8,364,364,740</u>	<u>\$507,490,312</u>	<u>\$6,718,668,040</u>
<b>Net assets consist of:</b>			
Paid-in capital	\$8,957,756,160	\$560,877,624	\$7,541,053,802
Undistributed net investment income	13,526,408	849,927	15,106,810
Accumulated net realized loss	(164,769,953)	(10,142,857)	(173,192,374)
Net unrealized depreciation	<u>(442,147,875)</u>	<u>(44,094,382)</u>	<u>(664,300,198)</u>
NET ASSETS	<u>\$8,364,364,740</u>	<u>\$507,490,312</u>	<u>\$6,718,668,040</u>
Shares outstanding <sup>a</sup>	<u>81,900,000</u>	<u>3,900,000</u>	<u>56,600,000</u>
Net asset value per share	<u>\$ 102.13</u>	<u>\$ 130.13</u>	<u>\$ 118.70</u>

<sup>a</sup> No par value, unlimited number of shares authorized.

See notes to financial statements.

# Statements of Operations

## iSHARES® TRUST

Year ended February 28, 2018

	iShares Short Treasury Bond ETF	iShares 1-3 Year Treasury Bond ETF	iShares 3-7 Year Treasury Bond ETF
<b>NET INVESTMENT INCOME</b>			
Dividends — affiliated (Note 2)	\$ 1,087,774	\$ 559,495	\$ 348,180
Interest — unaffiliated	63,899,862	134,756,903	122,669,559
Securities lending income — affiliated — net (Note 2)	<u>46,248</u>	<u>12,318</u>	<u>828</u>
Total investment income	<u>65,033,884</u>	<u>135,328,716</u>	<u>123,018,567</u>
<b>EXPENSES</b>			
Investment advisory fees (Note 2)	9,171,704	16,736,176	10,744,495
Proxy fees	<u>104,344</u>	<u>237,972</u>	<u>145,114</u>
Total expenses	<u>9,276,048</u>	<u>16,974,148</u>	<u>10,889,609</u>
Net investment income	<u>55,757,836</u>	<u>118,354,568</u>	<u>112,128,958</u>
<b>NET REALIZED AND UNREALIZED GAIN (LOSS)</b>			
Net realized gain (loss) from:			
Investments — unaffiliated	(554,141)	(61,900,127)	(55,343,520)
In-kind redemptions — unaffiliated	<u>83,413</u>	<u>(1,014,488)</u>	<u>1,639,877</u>
Net realized loss	<u>(470,728)</u>	<u>(62,914,615)</u>	<u>(53,703,643)</u>
Net change in unrealized appreciation/depreciation on:			
Investments — unaffiliated	<u>(9,451,700)</u>	<u>(89,857,981)</u>	<u>(140,080,012)</u>
Net change in unrealized appreciation/depreciation	<u>(9,451,700)</u>	<u>(89,857,981)</u>	<u>(140,080,012)</u>
Net realized and unrealized loss	<u>(9,922,428)</u>	<u>(152,772,596)</u>	<u>(193,783,655)</u>
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$45,835,408</u>	<u>\$ (34,418,028)</u>	<u>\$ (81,654,697)</u>

See notes to financial statements.

# Statements of Operations (Continued)

## iSHARES® TRUST

Year ended February 28, 2018

	iShares 7-10 Year Treasury Bond ETF	iShares 10-20 Year Treasury Bond ETF	iShares 20+ Year Treasury Bond ETF
<b>NET INVESTMENT INCOME</b>			
Dividends — affiliated (Note 2)	\$ 357,308	\$ 25,503	\$ 577,410
Interest — unaffiliated	152,899,140	10,487,903	191,146,793
Securities lending income — affiliated — net (Note 2)	—	—	84
Total investment income	<u>153,256,448</u>	<u>10,513,406</u>	<u>191,724,287</u>
<b>EXPENSES</b>			
Investment advisory fees (Note 2)	11,448,979	781,278	10,818,563
Proxy fees	169,037	11,475	143,798
Total expenses	<u>11,618,016</u>	<u>792,753</u>	<u>10,962,361</u>
Net investment income	<u>141,638,432</u>	<u>9,720,653</u>	<u>180,761,926</u>
<b>NET REALIZED AND UNREALIZED GAIN (LOSS)</b>			
Net realized gain (loss) from:			
Investments — unaffiliated	(81,919,663)	(7,033,943)	(151,350,434)
In-kind redemptions — unaffiliated	17,154,989	(972,726)	118,408,700
Net realized loss	<u>(64,764,674)</u>	<u>(8,006,669)</u>	<u>(32,941,734)</u>
Net change in unrealized appreciation/depreciation on:			
Investments — unaffiliated	<u>(208,227,814)</u>	<u>(10,345,999)</u>	<u>(116,258,623)</u>
Net change in unrealized appreciation/depreciation	<u>(208,227,814)</u>	<u>(10,345,999)</u>	<u>(116,258,623)</u>
Net realized and unrealized loss	<u>(272,992,488)</u>	<u>(18,352,668)</u>	<u>(149,200,357)</u>
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$(131,354,056)</u>	<u>\$ (8,632,015)</u>	<u>\$ 31,561,569</u>

See notes to financial statements.



# Statements of Changes in Net Assets

## iSHARES® TRUST

	<i>iShares</i> <i>Short Treasury</i> <i>Bond ETF</i>		<i>iShares</i> <i>1-3 Year</i> <i>Treasury</i> <i>Bond ETF</i>	
	Year ended February 28, 2018	Year ended February 28, 2017	Year ended February 28, 2018	Year ended February 28, 2017
<b>INCREASE (DECREASE) IN NET ASSETS</b>				
<b>OPERATIONS:</b>				
Net investment income	\$ 55,757,836	\$ 14,310,268	\$ 118,354,568	\$ 77,850,812
Net realized gain (loss)	(470,728)	789,379	(62,914,615)	10,388,173
Net change in unrealized appreciation/depreciation	(9,451,700)	1,291,731	(89,857,981)	(66,694,933)
Net increase (decrease) in net assets resulting from operations	45,835,408	16,391,378	(34,418,028)	21,544,052
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>				
From net investment income	(48,341,095)	(13,773,221)	(113,449,546)	(77,242,733)
Total distributions to shareholders	(48,341,095)	(13,773,221)	(113,449,546)	(77,242,733)
<b>CAPITAL SHARE TRANSACTIONS:</b>				
Proceeds from shares sold	5,910,694,619	2,935,917,825	2,380,872,274	4,525,066,186
Cost of shares redeemed	(849,257,854)	(4,358,138,024)	(2,001,472,739)	(6,295,333,052)
Net increase (decrease) in net assets from capital share transactions	5,061,436,765	(1,422,220,199)	379,399,535	(1,770,266,866)
<b>INCREASE (DECREASE) IN NET ASSETS</b>	5,058,931,078	(1,419,602,042)	231,531,961	(1,825,965,547)
<b>NET ASSETS</b>				
Beginning of year	4,447,672,166	5,867,274,208	11,049,615,936	12,875,581,483
End of year	\$9,506,603,244	\$ 4,447,672,166	\$11,281,147,897	\$11,049,615,936
Undistributed net investment income included in net assets at end of year	\$ 9,287,214	\$ 1,870,473	\$ 12,502,554	\$ 7,593,622
<b>SHARES ISSUED AND REDEEMED</b>				
Shares sold	53,600,000	26,600,000	28,300,000	53,300,000
Shares redeemed	(7,700,000)	(39,500,000)	(23,800,000)	(74,200,000)
Net increase (decrease) in shares outstanding	45,900,000	(12,900,000)	4,500,000	(20,900,000)

See notes to financial statements.

# Statements of Changes in Net Assets (Continued)

## iSHARES® TRUST

	<i>iShares</i> 3-7 Year Treasury Bond ETF		<i>iShares</i> 7-10 Year Treasury Bond ETF	
	Year ended February 28, 2018	Year ended February 28, 2017	Year ended February 28, 2018	Year ended February 28, 2017
<b>INCREASE (DECREASE) IN NET ASSETS</b>				
<b>OPERATIONS:</b>				
Net investment income	\$ 112,128,958	\$ 79,505,463	\$ 141,638,432	\$ 152,799,486
Net realized gain (loss)	(53,703,643)	42,721,504	(64,764,674)	106,666,896
Net change in unrealized appreciation/depreciation	(140,080,012)	(176,917,099)	(208,227,814)	(484,420,129)
Net decrease in net assets resulting from operations	(81,654,697)	(54,690,132)	(131,354,056)	(224,953,747)
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>				
From net investment income	(108,689,655)	(79,453,641)	(138,121,408)	(156,573,678)
Total distributions to shareholders	(108,689,655)	(79,453,641)	(138,121,408)	(156,573,678)
<b>CAPITAL SHARE TRANSACTIONS:</b>				
Proceeds from shares sold	2,951,648,983	2,236,760,932	7,094,910,055	3,761,915,658
Cost of shares redeemed	(2,017,503,703)	(2,504,416,945)	(5,541,914,278)	(6,687,480,097)
Net increase (decrease) in net assets from capital share transactions	934,145,280	(267,656,013)	1,552,995,777	(2,925,564,439)
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>743,800,928</b>	<b>(401,799,786)</b>	<b>1,283,520,313</b>	<b>(3,307,091,864)</b>
<b>NET ASSETS</b>				
Beginning of year	6,325,850,396	6,727,650,182	7,080,844,427	10,387,936,291
End of year	<u>\$ 7,069,651,324</u>	<u>\$ 6,325,850,396</u>	<u>\$ 8,364,364,740</u>	<u>\$ 7,080,844,427</u>
Undistributed net investment income included in net assets at end of year	\$ 9,968,021	\$ 6,528,718	\$ 13,526,408	\$ 10,009,384
<b>SHARES ISSUED AND REDEEMED</b>				
Shares sold	23,900,000	17,900,000	67,300,000	34,300,000
Shares redeemed	(16,400,000)	(20,000,000)	(52,400,000)	(61,300,000)
Net increase (decrease) in shares outstanding	<u>7,500,000</u>	<u>(2,100,000)</u>	<u>14,900,000</u>	<u>(27,000,000)</u>

See notes to financial statements.

# Statements of Changes in Net Assets (Continued)

## iSHARES® TRUST

	<i>iShares</i> 10-20 Year Treasury Bond ETF		<i>iShares</i> 20+ Year Treasury Bond ETF	
	Year ended February 28, 2018	Year ended February 28, 2017	Year ended February 28, 2018	Year ended February 28, 2017
<b>INCREASE (DECREASE) IN NET ASSETS</b>				
<b>OPERATIONS:</b>				
Net investment income	\$ 9,720,653	\$ 13,302,708	\$ 180,761,926	\$ 175,183,196
Net realized gain (loss)	(8,006,669)	18,906,255	(32,941,734)	400,785,811
Net change in unrealized appreciation/depreciation	(10,345,999)	(49,244,013)	(116,258,623)	(711,940,360)
Net increase (decrease) in net assets resulting from operations	(8,632,015)	(17,035,050)	31,561,569	(135,971,353)
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>				
From net investment income	(9,528,930)	(13,635,481)	(175,880,673)	(182,336,253)
Total distributions to shareholders	(9,528,930)	(13,635,481)	(175,880,673)	(182,336,253)
<b>CAPITAL SHARE TRANSACTIONS:</b>				
Proceeds from shares sold	312,263,751	672,712,837	17,167,948,610	12,875,544,139
Cost of shares redeemed	(325,775,909)	(979,323,882)	(15,560,277,526)	(16,926,653,648)
Net increase (decrease) in net assets from capital share transactions	(13,512,158)	(306,611,045)	1,607,671,084	(4,051,109,509)
<b>INCREASE (DECREASE) IN NET ASSETS</b>	(31,673,103)	(337,281,576)	1,463,351,980	(4,369,417,115)
<b>NET ASSETS</b>				
Beginning of year	539,163,415	876,444,991	5,255,316,060	9,624,733,175
End of year	<u>\$ 507,490,312</u>	<u>\$ 539,163,415</u>	<u>\$ 6,718,668,040</u>	<u>\$ 5,255,316,060</u>
Undistributed net investment income included in net assets at end of year	<u>\$ 849,927</u>	<u>\$ 658,204</u>	<u>\$ 15,106,810</u>	<u>\$ 10,225,557</u>
<b>SHARES ISSUED AND REDEEMED</b>				
Shares sold	2,300,000	4,700,000	139,000,000	100,300,000
Shares redeemed	(2,400,000)	(6,900,000)	(125,600,000)	(130,700,000)
Net increase (decrease) in shares outstanding	(100,000)	(2,200,000)	13,400,000	(30,400,000)

See notes to financial statements.

# Financial Highlights

## iSHARES® TRUST

(For a share outstanding throughout each period)

### iShares Short Treasury Bond ETF

	Year ended Feb. 28, 2018	Year ended Feb. 28, 2017	Year ended Feb. 29, 2016	Year ended Feb. 28, 2015	Year ended Feb. 28, 2014
<b>Net asset value, beginning of year</b>	\$ 110.36	\$ 110.29	\$ 110.26	\$ 110.23	\$ 110.21
<b>Income from investment operations:</b>					
Net investment income <sup>a</sup>	1.01	0.42	0.09	0.00 <sup>b</sup>	0.00 <sup>b</sup>
Net realized and unrealized gain (loss) <sup>c</sup>	(0.22)	0.05	(0.02)	0.03	0.02
Total from investment operations	0.79	0.47	0.07	0.03	0.02
<b>Less distributions from:</b>					
Net investment income	(0.86)	(0.40)	(0.04)	(0.00) <sup>b</sup>	(0.00) <sup>b</sup>
Total distributions	(0.86)	(0.40)	(0.04)	(0.00) <sup>b</sup>	(0.00) <sup>b</sup>
<b>Net asset value, end of year</b>	\$ 110.29	\$ 110.36	\$ 110.29	\$ 110.26	\$ 110.23
<b>Total return</b>	0.71%	0.44%	0.07%	0.03%	0.02%
<b>Ratios/Supplemental data:</b>					
Net assets, end of year (000s)	\$9,506,603	\$4,447,672	\$5,867,274	\$5,435,886	\$2,623,515
Ratio of expenses to average net assets	0.15%	0.15%	0.13%	0.08%	0.12%
Ratio of expenses to average net assets prior to waived fees	0.15%	0.15%	0.15%	0.15%	0.15%
Ratio of net investment income to average net assets	0.91%	0.38%	0.08%	0.00% <sup>d</sup>	0.00% <sup>d</sup>
Portfolio turnover rate <sup>e</sup>	47%	78%	0%	1%	97%

<sup>a</sup> Based on average shares outstanding throughout each period.

<sup>b</sup> Rounds to less than \$0.01.

<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> Rounds to less than 0.01%.

<sup>e</sup> Portfolio turnover rates exclude portfolio securities received or delivered as a result of processing capital share transactions in Creation Units.

See notes to financial statements.

# Financial Highlights (Continued)

## iSHARES® TRUST

(For a share outstanding throughout each period)

### iShares 1-3 Year Treasury Bond ETF

	Year ended Feb. 28, 2018	Year ended Feb. 28, 2017	Year ended Feb. 29, 2016	Year ended Feb. 28, 2015	Year ended Feb. 28, 2014
<b>Net asset value, beginning of year</b>	\$ 84.54	\$ 84.93	\$ 84.70	\$ 84.55	\$ 84.46
<b>Income from investment operations:</b>					
Net investment income <sup>a</sup>	0.89	0.62	0.49	0.33	0.23
Net realized and unrealized gain (loss) <sup>b</sup>	(1.13)	(0.40)	0.21	0.14	0.08
Total from investment operations	(0.24)	0.22	0.70	0.47	0.31
<b>Less distributions from:</b>					
Net investment income	(0.86)	(0.61)	(0.47)	(0.32)	(0.22)
Total distributions	(0.86)	(0.61)	(0.47)	(0.32)	(0.22)
<b>Net asset value, end of year</b>	\$ 83.44	\$ 84.54	\$ 84.93	\$ 84.70	\$ 84.55
<b>Total return</b>	(0.29)%	0.26%	0.83%	0.55%	0.37%
<b>Ratios/Supplemental data:</b>					
Net assets, end of year (000s)	\$11,281,148	\$11,049,616	\$12,875,581	\$7,817,715	\$11,752,875
Ratio of expenses to average net assets	0.15%	0.15%	0.15%	0.15%	0.15%
Ratio of net investment income to average net assets	1.06%	0.73%	0.58%	0.39%	0.27%
Portfolio turnover rate <sup>c</sup>	85%	66%	76%	122%	136%

<sup>a</sup> Based on average shares outstanding throughout each period.

<sup>b</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>c</sup> Portfolio turnover rates exclude portfolio securities received or delivered as a result of processing capital share transactions in Creation Units.

See notes to financial statements.

# Financial Highlights (Continued)

## iSHARES® TRUST

(For a share outstanding throughout each period)

### iShares 3-7 Year Treasury Bond ETF

	Year ended Feb. 28, 2018	Year ended Feb. 28, 2017	Year ended Feb. 29, 2016	Year ended Feb. 28, 2015	Year ended Feb. 28, 2014
<b>Net asset value, beginning of year</b>	\$ 123.07	\$ 125.75	\$ 123.34	\$ 121.64	\$ 123.38
<b>Income from investment operations:</b>					
Net investment income <sup>a</sup>	1.93	1.63	1.72	1.61	1.07
Net realized and unrealized gain (loss) <sup>b</sup>	(3.10)	(2.69)	2.40	1.63	(1.84)
Total from investment operations	(1.17)	(1.06)	4.12	3.24	(0.77)
<b>Less distributions from:</b>					
Net investment income	(1.87)	(1.62)	(1.71)	(1.54)	(0.97)
Total distributions	(1.87)	(1.62)	(1.71)	(1.54)	(0.97)
<b>Net asset value, end of year</b>	\$ 120.03	\$ 123.07	\$ 125.75	\$ 123.34	\$ 121.64
<b>Total return</b>	(0.98)%	(0.85)%	3.38%	2.68%	(0.62)%
<b>Ratios/Supplemental data:</b>					
Net assets, end of year (000s)	\$7,069,651	\$6,325,850	\$6,727,650	\$4,958,114	\$6,313,349
Ratio of expenses to average net assets	0.15%	0.15%	0.15%	0.15%	0.15%
Ratio of net investment income to average net assets	1.57%	1.31%	1.39%	1.32%	0.88%
Portfolio turnover rate <sup>c</sup>	66%	45%	41%	58%	57%

<sup>a</sup> Based on average shares outstanding throughout each period.

<sup>b</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>c</sup> Portfolio turnover rates exclude portfolio securities received or delivered as a result of processing capital share transactions in Creation Units.

See notes to financial statements.

# Financial Highlights (Continued)

## iSHARES® TRUST

(For a share outstanding throughout each period)

### iShares 7-10 Year Treasury Bond ETF

	Year ended Feb. 28, 2018	Year ended Feb. 28, 2017	Year ended Feb. 29, 2016	Year ended Feb. 28, 2015	Year ended Feb. 28, 2014
<b>Net asset value, beginning of year</b>	\$ 105.68	\$ 110.51	\$ 107.59	\$ 102.44	\$ 107.09
<b>Income from investment operations:</b>					
Net investment income <sup>a</sup>	1.97	1.88	2.00	2.21	1.84
Net realized and unrealized gain (loss) <sup>b</sup>	(3.59)	(4.81)	2.91	5.12	(4.69)
Total from investment operations	(1.62)	(2.93)	4.91	7.33	(2.85)
<b>Less distributions from:</b>					
Net investment income	(1.93)	(1.90)	(1.99)	(2.18)	(1.80)
Total distributions	(1.93)	(1.90)	(1.99)	(2.18)	(1.80)
<b>Net asset value, end of year</b>	\$ 102.13	\$ 105.68	\$ 110.51	\$ 107.59	\$ 102.44
<b>Total return</b>	(1.59)%	(2.68)%	4.65%	7.24%	(2.66)%
<b>Ratios/Supplemental data:</b>					
Net assets, end of year (000s)	\$8,364,365	\$7,080,844	\$10,387,936	\$7,369,931	\$4,271,899
Ratio of expenses to average net assets	0.15%	0.15%	0.15%	0.15%	0.15%
Ratio of net investment income to average net assets	1.86%	1.72%	1.87%	2.11%	1.78%
Portfolio turnover rate <sup>c</sup>	46%	77%	56%	142%	116%

<sup>a</sup> Based on average shares outstanding throughout each period.

<sup>b</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>c</sup> Portfolio turnover rates exclude portfolio securities received or delivered as a result of processing capital share transactions in Creation Units.

See notes to financial statements.

# Financial Highlights (Continued)

## iSHARES® TRUST

(For a share outstanding throughout each period)

### iShares 10-20 Year Treasury Bond ETF

	Year ended Feb. 28, 2018	Year ended Feb. 28, 2017	Year ended Feb. 29, 2016	Year ended Feb. 28, 2015	Year ended Feb. 28, 2014
<b>Net asset value, beginning of year</b>	\$ 134.79	\$ 141.36	\$ 137.46	\$ 126.25	\$ 133.49
<b>Income from investment operations:</b>					
Net investment income <sup>a</sup>	2.53	2.52	2.85	2.94	2.77
Net realized and unrealized gain (loss) <sup>b</sup>	(4.68)	(6.58)	3.89	11.14	(7.08)
Total from investment operations	(2.15)	(4.06)	6.74	14.08	(4.31)
<b>Less distributions from:</b>					
Net investment income	(2.51)	(2.51)	(2.84)	(2.87)	(2.93)
Total distributions	(2.51)	(2.51)	(2.84)	(2.87)	(2.93)
<b>Net asset value, end of year</b>	\$ 130.13	\$ 134.79	\$ 141.36	\$ 137.46	\$ 126.25
<b>Total return</b>	(1.66)%	(2.91)%	5.01%	11.28%	(3.22)%
<b>Ratios/Supplemental data:</b>					
Net assets, end of year (000s)	\$507,490	\$539,163	\$876,445	\$453,615	\$239,870
Ratio of expenses to average net assets	0.15%	0.15%	0.15%	0.15%	0.15%
Ratio of net investment income to average net assets	1.87%	1.79%	2.09%	2.23%	2.16%
Portfolio turnover rate <sup>c</sup>	27%	15%	37%	9%	19%

<sup>a</sup> Based on average shares outstanding throughout each period.

<sup>b</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>c</sup> Portfolio turnover rates exclude portfolio securities received or delivered as a result of processing capital share transactions in Creation Units.

See notes to financial statements.



# Financial Highlights (Continued)

## *i*SHARES® TRUST

(For a share outstanding throughout each period)

### *i*Shares 20+ Year Treasury Bond ETF

	Year ended Feb. 28, 2018	Year ended Feb. 28, 2017	Year ended Feb. 29, 2016	Year ended Feb. 28, 2015	Year ended Feb. 28, 2014
<b>Net asset value, beginning of year</b>	\$ 121.65	\$ 130.77	\$ 129.37	\$ 108.52	\$ 118.41
<b>Income from investment operations:</b>					
Net investment income <sup>a</sup>	3.11	3.06	3.15	3.38	3.29
Net realized and unrealized gain (loss) <sup>b</sup>	(2.98)	(9.06)	1.36	20.84	(9.85)
Total from investment operations	0.13	(6.00)	4.51	24.22	(6.56)
<b>Less distributions from:</b>					
Net investment income	(3.08)	(3.12)	(3.11)	(3.37)	(3.33)
Total distributions	(3.08)	(3.12)	(3.11)	(3.37)	(3.33)
<b>Net asset value, end of year</b>	\$ 118.70	\$ 121.65	\$ 130.77	\$ 129.37	\$ 108.52
<b>Total return</b>	0.04%	(4.70)%	3.67%	22.69%	(5.52)%
<b>Ratios/Supplemental data:</b>					
Net assets, end of year (000s)	\$6,718,668	\$5,255,316	\$9,624,733	\$7,594,272	\$3,146,985
Ratio of expenses to average net assets	0.15%	0.15%	0.15%	0.15%	0.15%
Ratio of net investment income to average net assets	2.51%	2.34%	2.54%	2.83%	3.00%
Portfolio turnover rate <sup>c</sup>	25%	24%	37%	32%	33%

<sup>a</sup> Based on average shares outstanding throughout each period.

<sup>b</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>c</sup> Portfolio turnover rates exclude portfolio securities received or delivered as a result of processing capital share transactions in Creation Units.

See notes to financial statements.

# Notes to Financial Statements

## *iSHARES® TRUST*

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 was established as a Delaware statutory trust pursuant to an Agreement and Declaration of Trust dated December 16, 1999.

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

<i>iShares ETF</i>	<i>Diversification Classification</i>
Short Treasury Bond	Diversified
1-3 Year Treasury Bond	Diversified
3-7 Year Treasury Bond	Diversified
7-10 Year Treasury Bond	Diversified
10-20 Year Treasury Bond	Diversified
20+ Year Treasury Bond	Diversified

The investment objective of each Fund is to seek investment results that correspond generally to the price and yield performance, before fees and expenses, of its underlying index. The investment adviser uses a “passive” or index approach to try to achieve each Fund’s investment objective.

Pursuant to the Trust’s organizational documents, the Funds’ officers and trustees are indemnified against certain liabilities that may arise out of the performance of their duties to the Funds. Additionally, in the normal course of business, the Funds enter into contracts with service providers that contain general indemnification clauses. The Funds’ maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Funds that have not yet occurred.

### **1. SIGNIFICANT ACCOUNTING POLICIES**

The following significant accounting policies are consistently followed by each Fund in the preparation of its financial statements in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses 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.

### **SECURITY VALUATION**

Each Fund’s investments are valued at fair value each day that the Fund’s listing exchange is open and, for financial reporting purposes, as of the report date should the reporting period end on a day that the Fund’s listing exchange is not open. 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 BlackRock Global Valuation Methodologies Committee (the “Global Valuation Committee”) provides oversight of the valuation of investments for the Funds. The investments of each Fund are valued pursuant to policies and procedures developed by the Global Valuation Committee and approved by the Board of Trustees of the Trust (the “Board”).

- Fixed income investments are valued using the last available bid price or current market quotations provided by dealers or prices (including evaluated prices) supplied by approved independent third-party pricing services. The pricing services may use matrix pricing or valuation models that utilize certain inputs and assumptions to derive values, including transaction

# Notes to Financial Statements (Continued)

## iSHARES® TRUST

data, credit quality information, perceived market movements, news, and other relevant information and by other methods, which may include consideration of: yields or prices of securities of comparable quality, coupon, maturity and type; indications as to values from dealers; general market conditions; and/or other factors and assumptions. 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 may trade at lower prices than institutional round lots.

- Open-end U.S. mutual funds (including money market funds) are valued at that day's published net asset value ("NAV").

In the event that application of these methods of valuation results in a price for an investment which is deemed not to be representative of the fair value of such investment or if a price is not available, the investment will be valued by the Global Valuation Committee, in accordance with policies approved by the Board. The fair valuation approaches that may be utilized by the Global Valuation Committee to determine fair value include market approach, income approach and the cost approach. The valuation techniques used under these approaches take into consideration inputs that include but are not limited to (i) attributes specific to the investment; (ii) the principal market for the investment; (iii) the customary participants in the principal market for the investment; (iv) data assumptions by market participants for the investment, if reasonably available; (v) quoted prices for similar investments in active markets; and (vi) other inputs, such as future cash flows, interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and/or default rates. Valuations based on such inputs are reported to the Board on a quarterly basis.

The Global Valuation Committee employs various methods for calibrating valuation approaches for investments where an active market does not exist, including regular due diligence of the Trust's pricing vendors, a regular review of key inputs and assumptions, transactional back-testing or disposition analysis to compare unrealized gains and losses to realized gains and losses, reviews of missing or stale prices, reviews of large movements in market values, and reviews of market related activity.

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.

Various inputs are used in determining the fair value of financial instruments. Inputs may be based on independent market data ("observable inputs") or they may be internally developed ("unobservable inputs"). 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 quoted prices in active markets 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, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not considered to be active, inputs other than quoted prices that are observable for the asset or liability (such as exchange rates, financing terms, interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs; and
- Level 3 — Unobservable inputs for the asset or liability based on the best information available in the circumstances, to the extent observable inputs are not available, including the Global Valuation Committee's assumptions used in determining the fair value of investments.

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 judgement 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

# Notes to Financial Statements (Continued)

## *iSHARES*<sup>®</sup> TRUST

determined based on the lowest level input that is significant to the fair value measurement in its entirety. The fair value hierarchy for each Fund's investments is included in its schedule of investments.

Changes in valuation techniques may result in transfers in or out of an assigned level within the fair value hierarchy. In accordance with the Trust's policy, transfers between different levels of the fair value hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of values determined for financial instruments are based on the pricing transparency of the financial instruments and are not necessarily an indication of the risks associated with investing in those securities.

### **SECURITY TRANSACTIONS AND INCOME RECOGNITION**

Security transactions are accounted for on trade date. Realized gains and losses on investment transactions are determined using the specific identification method. Interest income, including amortization and accretion of premiums and discounts on debt securities, and payment-in-kind interest income, if any, are recognized daily on the accrual basis. Dividend income and capital gain distributions, if any, are recognized on the ex-dividend date, net of any foreign taxes withheld at source.

### **DISTRIBUTIONS TO SHAREHOLDERS**

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.

### **LOANS OF PORTFOLIO SECURITIES**

Each Fund may lend its investment 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 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 value of the securities on loan. The market value of the loaned securities is determined at the close of each business day of the Funds. Any additional required collateral is delivered to the Funds and any excess collateral is returned by the Funds 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.

Cash received as collateral for securities on loan may be reinvested in certain short-term instruments either directly on behalf of a fund or through one or more joint accounts or money market funds, including those managed by BlackRock Fund Advisors ("BFA"), the Funds' investment adviser, or its affiliates. As of February 28, 2018, any securities on loan were collateralized by cash and/or U.S. government obligations. Cash collateral received was invested in money market funds managed by BFA and is disclosed in the schedules 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 for each Fund are also disclosed in its schedule of investments. The total value of any securities on loan as of February 28, 2018 and the total value of the related cash collateral are disclosed in the statements of assets and liabilities. Income earned by the Funds from securities lending is disclosed in the statements of operations.

# Notes to Financial Statements (Continued)

## *iSHARES® TRUST*

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, the Funds benefit from a borrower default indemnity provided by BlackRock, Inc. (“BlackRock”). BlackRock’s indemnity allows for full replacement of securities loaned if 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 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.

### **RECENT ACCOUNTING STANDARD**

In March 2017, the Financial Accounting Standards Board issued Accounting Standards Update “Premium Amortization on Purchase Callable Debt Securities” which amends the amortization period for certain purchased callable debt securities. Under the new guidance, premium amortization of purchased callable debt securities that have explicit, non-contingent call features and are callable at fixed prices will be amortized to the earliest call date. The guidance will be applied on a modified retrospective basis and is effective for fiscal years, and their interim periods, beginning after December 15, 2018. Management is currently evaluating the impact of this guidance to the Funds.

### **2. INVESTMENT ADVISORY AGREEMENT AND OTHER TRANSACTIONS WITH AFFILIATES**

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. 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 0.15%, accrued daily and paid monthly by the Funds, based on the average daily net assets of each Fund.

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. Each Fund is responsible for fees in connection with the investment of cash collateral received for securities on loan in a money market fund managed by BFA, 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 “collateral investment fees”). Securities lending income is equal to the total of income earned from the reinvestment of cash collateral (excluding collateral investment fees), net of fees and other payments to and from borrowers of securities. The Funds retain a portion of securities lending income and remit the remaining portion to BTC as compensation for its services as securities lending agent.

Pursuant to a securities lending agreement, each Fund retains 80% of securities lending income 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 all 1940 Act iShares exchange-traded funds (the “iShares ETF Complex”) in a given calendar year exceeds the aggregate securities lending income generated across the iShares ETF Complex in the calendar year 2013, each Fund, pursuant to a securities lending agreement, will retain for the remainder of that calendar year 85% of securities lending income 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)

## iSHARES® TRUST

For the year ended February 28, 2018, the total of securities lending agent services and collateral investment fees paid were as follows:

<i>iShares ETF</i>	<i>Fees Paid to BTC</i>
Short Treasury Bond	\$ 19,644
1-3 Year Treasury Bond	5,280
3-7 Year Treasury Bond	219
20+ Year Treasury Bond	35

BlackRock Investments, LLC, 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.

Cross trading is the buying or selling of portfolio securities between funds to which BFA (or an affiliate) serves as investment adviser. At its regularly scheduled quarterly meetings, the Board reviews such transactions as of the most recent calendar quarter for compliance with the requirements and restrictions set forth by Rule 17a-7.

For the year ended February 28, 2018, transactions executed by the Funds pursuant to Rule 17a-7 under the 1940 Act were as follows:

<i>iShares ETF</i>	<i>Purchases</i>	<i>Sales</i>
Short Treasury Bond	\$5,102,204,677	\$ —
1-3 Year Treasury Bond	2,343,060,261	4,763,880,473
3-7 Year Treasury Bond	1,633,115,342	2,579,204,112
7-10 Year Treasury Bond	73,056,860	1,879,151,769
10-20 Year Treasury Bond	97,263,383	79,612,314
20+ Year Treasury Bond	—	156,054,441

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 included in “Dividends – affiliated” in the statements of operations.

The PNC Financial Services Group, Inc. is the largest stockholder of BlackRock and is considered to be an affiliate of the Funds for 1940 Act purposes.

Certain trustees and officers of the Trust are also officers of BTC and/or BFA.

# Notes to Financial Statements (Continued)

## iSHARES® TRUST

### 3. INVESTMENT PORTFOLIO TRANSACTIONS

Purchases and sales of investments (excluding in-kind transactions and short-term investments) for the year ended February 28, 2018 were as follows:

<i>iShares ETF</i>	<i>U.S. Government Obligations</i>	
	<i>Purchases</i>	<i>Sales</i>
Short Treasury Bond	\$1,679,564,891	\$ 299,883,668
1-3 Year Treasury Bond	9,456,966,120	9,581,705,931
3-7 Year Treasury Bond	4,674,348,505	4,670,750,748
7-10 Year Treasury Bond	3,484,893,442	3,452,137,465
10-20 Year Treasury Bond	143,755,696	138,447,965
20+ Year Treasury Bond	1,729,788,548	1,723,156,687

In-kind transactions (see Note 4) for the year ended February 28, 2018 were as follows:

<i>iShares ETF</i>	<i>In-kind</i>	<i>In-kind</i>
	<i>Purchases</i>	<i>Sales</i>
Short Treasury Bond	\$ 5,762,579,231	\$ 804,968,866
1-3 Year Treasury Bond	2,352,506,364	1,974,242,604
3-7 Year Treasury Bond	2,922,634,458	1,996,229,741
7-10 Year Treasury Bond	7,033,553,857	5,484,713,468
10-20 Year Treasury Bond	307,925,360	320,865,367
20+ Year Treasury Bond	16,903,276,806	15,310,581,135

### 4. 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 for each Fund are disclosed in detail in the statements of changes in net assets.

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. Investors purchasing and redeeming Creation Units may pay a purchase transaction fee and a redemption transaction fee directly to State Street Bank and Trust Company, the Trust's administrator, to offset transfer and other transaction costs associated with the issuance and redemption of Creation Units, including Creation Units for cash. Investors 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 "Proceeds from shares sold" in the statements of changes in net assets.

### 5. 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 the 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,



# Notes to Financial Statements (Continued)

## *iSHARES® TRUST*

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 or international tax treaties between various countries; or (iv) currency, interest rate or price fluctuations. Each Fund's prospectus provides details of the risks to which the Fund is subject.

BFA uses a "passive" or index approach to try to achieve each Fund's investment objective following the securities included in its underlying index during upturns as well as downturns. BFA does not take steps to reduce market exposure or to lessen the effects of a declining market. Divergence from the underlying index and the composition of the portfolio is monitored by BFA.

### **MARKET RISK**

Market risk arises mainly from uncertainty about future values of financial instruments influenced by price, currency and interest rate movements. It represents the potential loss a fund may suffer through holding market positions in the face of market movements. A fund is exposed to market risk by its investment in equity, fixed income and/or financial derivative instruments or by its investment in underlying funds. The fair value of securities held by a fund may decline due to general market conditions, economic trends or events that are not specifically related to the issuers of the securities including local, regional or global political, social or economic instability or to factors that affect a particular industry or group of industries. The extent of a fund's exposure to market risk is the market value of the investments held as shown in the fund's schedule of investments.

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.

Changes in market interest rates or economic conditions may affect the value and/or liquidity of fixed income 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. Securities with longer durations tend to be more sensitive to interest rate changes, usually making their prices more volatile than those of securities with shorter durations. Given the environment of historically low interest rates, a fund may be subject to a greater risk of price losses if interest rates rise.

### **CREDIT RISK**

Credit risk is the risk that an issuer or guarantor of debt instruments or the counterparty to a financial transaction, including derivatives contracts, repurchase agreements or loans of portfolio securities, is unable or unwilling to make timely interest and/or principal payments or to otherwise honor its obligations. BFA and its affiliates manage counterparty credit risk by entering into transactions only with counterparties that they believe have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose a fund to issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of a fund's exposure to credit and counterparty risks with respect to those financial assets is approximated by their value recorded in its statement of assets and liabilities.

## **6. INCOME TAX INFORMATION**

Each Fund is treated as an entity separate from the Trust's other funds for federal income tax purposes. It is the policy of each Fund to qualify as a regulated investment company by complying with the provisions applicable to regulated investment companies, as defined under Subchapter M of the Internal Revenue Code of 1986, as amended, and to annually distribute substantially all of its ordinary income and any net capital gains (taking into account any capital loss carryforwards) sufficient to relieve it from all, or substantially all, federal income and excise taxes. Accordingly, no provision for federal income taxes is required.



# Notes to Financial Statements (Continued)

## iSHARES® TRUST

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. The following permanent differences as of February 28, 2018, attributable to the expiration of capital loss carryforwards and realized gains (losses) from in-kind redemptions, were reclassified to the following accounts:

<i>iShares ETF</i>	<i>Paid-in capital</i>	<i>Undistributed Net Investment Income/Distributions in Excess of Net Investment Income</i>	<i>Undistributed Net Realized Gain/Accumulated net realized loss</i>
Short Treasury Bond	\$ 78,146	\$ —	\$ (78,146)
1-3 Year Treasury Bond	(1,992,512)	3,910	1,988,602
3-7 Year Treasury Bond	(1,419,465)	—	1,419,465
7-10 Year Treasury Bond	4,381,124	—	(4,381,124)
10-20 Year Treasury Bond	(1,453,170)	—	1,453,170
20+ Year Treasury Bond	36,567,350	—	(36,567,350)

The tax character of distributions paid during the years ended February 28, 2018 and February 28, 2017 was as follows:

<i>iShares ETF</i>	<i>2018</i>	<i>2017</i>
<i>Short Treasury Bond</i>		
Ordinary income	<u>\$ 48,341,095</u>	<u>\$ 13,773,221</u>
<i>1-3 Year Treasury Bond</i>		
Ordinary income	<u>\$113,449,546</u>	<u>\$ 77,242,733</u>
<i>3-7 Year Treasury Bond</i>		
Ordinary income	<u>\$108,689,655</u>	<u>\$ 79,453,641</u>
<i>7-10 Year Treasury Bond</i>		
Ordinary income	<u>\$138,121,408</u>	<u>\$156,573,678</u>
<i>10-20 Year Treasury Bond</i>		
Ordinary income	<u>\$ 9,528,930</u>	<u>\$ 13,635,481</u>
<i>20+ Year Treasury Bond</i>		
Ordinary income	<u>\$175,880,673</u>	<u>\$182,336,253</u>

# Notes to Financial Statements (Continued)

## iSHARES® TRUST

As of February 28, 2018, the tax components of accumulated net earnings (losses) were as follows:

<i>iShares ETF</i>	<i>Undistributed Ordinary Income</i>	<i>Capital Loss Carryforwards</i>	<i>Net Unrealized Gains (Losses)<sup>a</sup></i>	<i>Total</i>
Short Treasury Bond	\$ 9,287,214	\$ (695,145)	\$ (9,319,813)	\$ (727,744)
1-3 Year Treasury Bond	12,502,554	(66,703,899)	(141,364,020)	(195,565,365)
3-7 Year Treasury Bond	9,968,021	(76,669,257)	(232,930,758)	(299,631,994)
7-10 Year Treasury Bond	13,526,408	(142,786,542)	(464,131,286)	(593,391,420)
10-20 Year Treasury Bond	849,927	(9,122,573)	(45,114,666)	(53,387,312)
20+ Year Treasury Bond	15,106,810	(144,098,686)	(693,393,886)	(822,385,762)

<sup>a</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 February 28, 2018, the Funds had capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates as follows:

<i>iShares ETF</i>	<i>Non- Expiring<sup>a</sup></i>	<i>Expiring 2019</i>	<i>Total</i>
Short Treasury Bond	\$ 695,145	\$ —	\$ 695,145
1-3 Year Treasury Bond	66,703,899	—	66,703,899
3-7 Year Treasury Bond	76,668,027	1,230	76,669,257
7-10 Year Treasury Bond	142,786,542	—	142,786,542
10-20 Year Treasury Bond	9,066,991	55,582	9,122,573
20+ Year Treasury Bond	144,098,686	—	144,098,686

<sup>a</sup> Must be utilized prior to losses subject to expiration.

As of February 28, 2018, gross unrealized appreciation and depreciation based on cost of investments (including short positions and derivatives) for U.S. federal income tax purposes were as follows:

<i>iShares ETF</i>	<i>Tax Cost</i>	<i>Gross Unrealized Appreciation</i>	<i>Gross Unrealized Depreciation</i>	<i>Net Unrealized Appreciation (Depreciation)</i>
Short Treasury Bond	\$10,885,439,787	\$ 895,110	\$ (10,214,923)	\$ (9,319,813)
1-3 Year Treasury Bond	11,429,872,025	439	(141,364,459)	(141,364,020)
3-7 Year Treasury Bond	7,309,263,103	—	(232,930,758)	(232,930,758)
7-10 Year Treasury Bond	8,849,800,546	7,500	(464,138,786)	(464,131,286)
10-20 Year Treasury Bond	554,121,429	10,656	(45,125,322)	(45,114,666)
20+ Year Treasury Bond	7,434,303,163	—	(693,393,886)	(693,393,886)

Management has analyzed tax laws and regulations and their application to the Funds as of February 28, 2018, inclusive of the open tax return years, and does not believe there are any uncertain tax positions that require recognition of a tax liability in the Funds' financial statements.

# Notes to Financial Statements (Continued)

## *iSHARES® TRUST*

### **7. LEGAL PROCEEDINGS**

On June 16, 2016, investors (the “Plaintiffs”) in certain iShares funds (iShares Core S&P Small-Cap ETF, iShares Russell 1000 Growth ETF, iShares Core S&P 500 ETF, iShares Russell Mid-Cap Growth ETF, iShares Russell Mid-Cap ETF, iShares Russell Mid-Cap Value ETF, iShares Select Dividend ETF, iShares Morningstar Mid-Cap ETF, iShares Morningstar Large-Cap ETF, iShares U.S. Aerospace & Defense ETF and iShares U.S. Preferred Stock ETF) filed a putative class action lawsuit against iShares Trust, BlackRock, Inc. and certain of its advisory affiliates, and certain directors/trustees and officers of the Funds (collectively, “Defendants”) in California State Court. The lawsuit alleges the Defendants violated federal securities laws by failing to adequately disclose in the prospectuses issued by the funds noted above the risks of using stop-loss orders in the event of a ‘flash crash’, such as the one that occurred on May 6, 2010. On September 18, 2017, the court issued a Statement of Decision holding that the Plaintiffs lack standing to assert their claims. On October 11, 2017, the court entered final judgment dismissing all of the Plaintiffs’ claims with prejudice. Plaintiffs have appealed the court’s decision.

### **8. 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 disclosure in the financial statements.

# Report of Independent Registered Public Accounting Firm

To the Board of Trustees of iShares Trust and  
Shareholders of iShares Short Treasury Bond ETF, iShares 1-3 Year Treasury Bond ETF,  
iShares 3-7 Year Treasury Bond ETF, iShares 7-10 Year Treasury Bond ETF,  
Shares 10-20 Year Treasury Bond ETF and iShares 20+ Year Treasury Bond ETF

## ***Opinions on the Financial Statements***

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of iShares Short Treasury Bond ETF, iShares 1-3 Year Treasury Bond ETF, iShares 3-7 Year Treasury Bond ETF, iShares 7-10 Year Treasury Bond ETF, Shares 10-20 Year Treasury Bond ETF and iShares 20+ Year Treasury Bond ETF (six of the funds constituting iShares Trust, hereafter collectively referred to as the “Funds”) as of February 28, 2018, the related statements of operations for the year ended February 28, 2018, the statements of changes in net assets for each of the two years in the period ended February 28, 2018, including the related notes, and the financial highlights for each of the five years in the period ended February 28, 2018 (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 as of February 28, 2018, the results of each of their operations for the year then ended, the changes in each of their net assets for each of the two years in the period ended February 28, 2018 and each of the financial highlights for each of the five years in the period ended February 28, 2018 in conformity with accounting principles generally accepted in the United States of America.

## ***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 February 28, 2018 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.

PricewaterhouseCoopers LLP  
San Francisco, California  
April 19, 2018

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

# Tax Information (Unaudited)

## iSHARES® TRUST

For the fiscal year ended February 28, 2018, the Funds hereby designate the following maximum amounts allowable as interest-related dividends eligible for exemption from U.S. withholding tax for nonresident aliens and foreign corporations:

<i>iShares ETF</i>	<i>Interest-Related Dividends</i>
Short Treasury Bond	\$ 55,462,113
1-3 Year Treasury Bond	118,259,059
3-7 Year Treasury Bond	112,112,265
7-10 Year Treasury Bond	141,565,980
10-20 Year Treasury Bond	9,718,553
20+ Year Treasury Bond	180,596,852

The Funds hereby designate the following amounts of distributions from direct federal obligation interest for the fiscal year ended February 28, 2018:

<i>iShares ETF</i>	<i>Federal Obligation Interest</i>
Short Treasury Bond	\$ 55,462,113
1-3 Year Treasury Bond	118,259,059
3-7 Year Treasury Bond	112,112,265
7-10 Year Treasury Bond	141,565,980
10-20 Year Treasury Bond	9,718,553
20+ Year Treasury Bond	180,596,852

The law varies in each state as to whether and what percentage 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.

# Supplemental Information (Unaudited)

## iSHARES® TRUST

### Proxy Results

A special meeting of the shareholders of each series of iShares Trust (the “Trust”) was held on June 19, 2017, to elect five Trustees to the Board of Trustees of the Trust. The five nominees were Jane D. Carlin, Richard L. Fagnani, Drew E. Lawton, Madhav V. Rajan and Mark Wiedman, all of whom were elected as Trustees at the special meeting. The other Trustees whose terms of office as Trustees continued after the special meeting are Cecilia H. Herbert, Charles A. Hurty, John E. Kerrigan, John E. Martinez and Robert S. Kapito.

<i>Trustee</i>	<i>Votes For</i>	<i>Votes Withheld</i>
Jane D. Carlin	8,669,874,031	59,322,838
Richard L. Fagnani	8,672,718,914	56,477,955
Drew E. Lawton	8,670,713,236	58,483,633
Madhav V. Rajan	8,653,682,870	75,513,999
Mark Wiedman	8,664,674,816	64,522,053

### Section 19(a) Notices

The amounts and sources of distributions reported are estimates and are provided pursuant to regulatory requirements and are not being provided for tax reporting purposes. The actual amounts and sources for tax reporting purposes will depend upon each Fund’s investment experience during the year and may be subject to changes based on the tax regulations. Shareholders will receive a Form 1099-DIV each calendar year that will inform them how to report these distributions for federal income tax purposes.

	<i>Total Cumulative Distributions for the Fiscal Year</i>				<i>% Breakdown of the Total Cumulative Distributions for the Fiscal Year</i>			
	<i>Net</i>				<i>Net</i>			
	<i>Net Investment Income</i>	<i>Realized Capital Gains</i>	<i>Return of Capital</i>	<i>Total Per Share</i>	<i>Net Investment Income</i>	<i>Realized Capital Gains</i>	<i>Return of Capital</i>	<i>Total Per Share</i>
<i>iShares ETF</i>								
Short Treasury Bond	\$ 0.858411	\$ —	\$ —	\$ 0.858411	100%	— %	— %	100%
1-3 Year Treasury Bond	0.857112	—	—	0.857112	100	—	—	100
3-7 Year Treasury Bond	1.869857	—	—	1.869857	100	—	—	100
7-10 Year Treasury Bond	1.929187	—	—	1.929187	100	—	—	100
10-20 Year Treasury Bond	2.505158	—	—	2.505158	100	—	—	100
20+ Year Treasury Bond	3.081439	—	—	3.081439	100	—	—	100

### Premium/Discount Information

The Premium/Discount Information section is intended to present information about the differences between the daily market price on secondary markets for shares of a fund and that fund’s NAV. NAV is the price at which a fund issues and redeems shares. It is calculated in accordance with the standard formula for valuing mutual fund shares. The “Market Price” of a fund generally is determined using the midpoint between the highest bid and the lowest ask on the primary securities exchange on which shares of such fund are listed for trading, as of the time that the fund’s NAV is calculated. A fund’s Market Price may be at, above or below its NAV. The NAV of a fund will fluctuate with changes in the value of its portfolio holdings. The Market Price of a fund will fluctuate in accordance with changes in its NAV, as well as market supply and demand.

# Supplemental Information (Unaudited) (Continued)

## iSHARES® TRUST

Premiums or discounts are the differences (expressed as a percentage) between the NAV and Market Price of a fund on a given day, generally at the time the NAV is calculated. A premium is the amount that a fund is trading above the reported NAV, expressed as a percentage of the NAV. A discount is the amount that a fund is trading below the reported NAV, expressed as a percentage of the NAV.

Premium/discount information for the Funds covering the most recently completed calendar year and the most recently completed calendar quarters since that year (or the life of the Fund, if shorter) is publicly accessible, free of charge, at [www.iShares.com](http://www.iShares.com).

The following information shows the frequency of distributions of premiums and discounts for the Funds for the immediately preceding five calendar years (or from the inception date of the Fund, if less than five years) through the date of the most recent calendar quarter-end. Each line in each table shows the number of trading days in which the Fund traded within the premium/discount range indicated. The number of trading days in each premium/discount range is also shown as a percentage of the total number of trading days in the period covered by each table. All data presented here represents past performance, which cannot be used to predict future results.

### *iShares Short Treasury Bond ETF* Period Covered: January 1, 2013 through December 31, 2017

<u>Premium/Discount Range</u>	<u>Number of Days</u>	<u>Percentage of Total Days</u>
Greater than 0.5% .....	1	0.08%
Greater than 0.0% and Less than 0.5% .....	1,087	86.34
<b>At NAV</b> .....	158	12.55
Less than 0.0% and Greater than -0.5% .....	13	1.03
	<u>1,259</u>	<u>100.00%</u>

### *iShares 1-3 Year Treasury Bond ETF* Period Covered: January 1, 2013 through December 31, 2017

<u>Premium/Discount Range</u>	<u>Number of Days</u>	<u>Percentage of Total Days</u>
Greater than 0.0% and Less than 0.5% .....	967	76.81%
<b>At NAV</b> .....	202	16.04
Less than 0.0% and Greater than -0.5% .....	90	7.15
	<u>1,259</u>	<u>100.00%</u>

### *iShares 3-7 Year Treasury Bond ETF* Period Covered: January 1, 2013 through December 31, 2017

<u>Premium/Discount Range</u>	<u>Number of Days</u>	<u>Percentage of Total Days</u>
Greater than 0.5% and Less than 1.0% .....	1	0.08%
Greater than 0.0% and Less than 0.5% .....	884	70.21
<b>At NAV</b> .....	131	10.41
Less than 0.0% and Greater than -0.5% .....	243	19.30
	<u>1,259</u>	<u>100.00%</u>

# Supplemental Information (Unaudited) (Continued)

## iSHARES® TRUST

### *iShares 7-10 Year Treasury Bond ETF* *Period Covered: January 1, 2013 through December 31, 2017*

<u>Premium/Discount Range</u>	<u>Number of Days</u>	<u>Percentage of Total Days</u>
Greater than 0.5% and Less than 1.0% .....	2	0.16%
Greater than 0.0% and Less than 0.5% .....	804	63.86
<b>At NAV</b> .....	84	6.67
Less than 0.0% and Greater than -0.5% .....	369	29.31
	<u>1,259</u>	<u>100.00%</u>

### *iShares 10-20 Year Treasury Bond ETF* *Period Covered: January 1, 2013 through December 31, 2017*

<u>Premium/Discount Range</u>	<u>Number of Days</u>	<u>Percentage of Total Days</u>
Greater than 1.0% .....	1	0.08%
Greater than 0.5% and Less than 1.0% .....	1	0.08
Greater than 0.0% and Less than 0.5% .....	769	60.08
<b>At NAV</b> .....	63	5.00
Less than 0.0% and Greater than -0.5% .....	424	33.68
Less than -0.5% and Greater than -1.0% .....	1	0.08
	<u>1,259</u>	<u>100.00%</u>

### *iShares 20+ Year Treasury Bond ETF* *Period Covered: January 1, 2013 through December 31, 2017*

<u>Premium/Discount Range</u>	<u>Number of Days</u>	<u>Percentage of Total Days</u>
Greater than 0.5% and Less than 1.0% .....	8	0.64%
Greater than 0.0% and Less than 0.5% .....	713	56.63
<b>At NAV</b> .....	52	4.13
Less than 0.0% and Greater than -0.5% .....	475	37.73
Less than -0.5% and Greater than -1.0% .....	11	0.89
	<u>1,259</u>	<u>100.00%</u>

## Regulation under the Alternative Investment Fund Managers Directive

The Alternative Investment Fund Managers Directive (“AIFMD”) imposes detailed and prescriptive obligations on fund managers established in the European Union (the “EU”). These do not currently apply to managers established outside the EU, such as BFA. Rather, non-EU managers are only required to comply with certain disclosure, reporting and transparency obligations of the AIFMD if such managers market a fund to EU investors.

BFA has registered the the iShares 7-10 Year Treasury Bond ETF and iShares 20+ Year Treasury Bond ETF (each a “Fund”, collectively the “Funds”) for marketing to investors in the United Kingdom, the Netherlands, Finland, Sweden, and Luxembourg.



# Supplemental Information (Unaudited) (Continued)

## *iSHARES® TRUST*

### **Report on Remuneration**

BFA is required under the AIFMD to make quantitative disclosures of remuneration. These disclosures are made in line with BlackRock's interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops BlackRock may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other BlackRock fund disclosures in that same year.

Disclosures are provided in relation to (a) the staff of BFA; (b) staff who are senior management; and (c) staff who have the ability to materially affect the risk profile of the Funds.

All individuals included in the aggregated figures disclosed are rewarded in line with BlackRock's remuneration policy for their responsibilities across the relevant BlackRock business area. As all individuals have a number of areas of responsibilities, only the portion of remuneration for those individuals' services attributable to the Funds is included in the aggregate figures disclosed.

BlackRock has a clear and well-defined pay-for-performance philosophy, and compensation programs which support that philosophy.

BlackRock operates a total compensation model for remuneration which includes a base salary, which is contractual, and a discretionary bonus scheme. Although all employees are eligible to receive a discretionary bonus, there is no contractual obligation to make a discretionary bonus award to any employees. For senior management, a significant percentage of variable remuneration is deferred over time. All employees are subject to a claw-back policy.

Remuneration decisions for employees are made once annually in January following the end of the performance year, based on BlackRock's full-year financial results and other non-financial goals and objectives. Alongside financial performance, individual total compensation is also based on strategic and operating results and other considerations such as management and leadership capabilities. No set formulas are established and no fixed benchmarks are used in determining annual incentive awards.

Annual incentive awards are paid from a bonus pool which is reviewed throughout the year by BlackRock's independent compensation committee, taking into account both actual and projected financial information together with information provided by the Enterprise Risk and Regulatory Compliance departments in relation to any activities, incidents or events that warrant consideration in making compensation decisions. Individuals are not involved in setting their own remuneration.

Each of the control functions (Enterprise Risk, Legal & Compliance, and Internal Audit) each have their own organizational structures which are independent of the business units. Functional bonus pools for those control functions are determined with reference to the performance of each individual function and the remuneration of the senior members of control functions is directly overseen by BlackRock's independent compensation committee.

Members of staff and senior management of BFA typically provide both AIFMD and non-AIFMD related services in respect of multiple funds, clients and functions of BFA and across the broader BlackRock group. Therefore, the figures disclosed are a sum of each individual's portion of remuneration attributable to the Funds according to an objective apportionment methodology which acknowledges the multiple-service nature of BFA. Accordingly the figures are not representative of any individual's actual remuneration or their remuneration structure.

The amount of the total remuneration awarded by BFA to its staff which has been attributed to the iShares 7-10 Year Treasury Bond ETF in respect of BFA's financial year ending December 31, 2017 was USD 732.37 thousand. This figure is comprised of

# Supplemental Information (Unaudited) (Continued)

## *iSHARES® TRUST*

fixed remuneration of USD 291.91 thousand and variable remuneration of USD 440.46 thousand. There were a total of 417 beneficiaries of the remuneration described above.

The amount of the aggregate remuneration awarded by BFA, which has been attributed to the iShares 7-10 Year Treasury Bond ETF in respect of BFA's financial year ending December 31, 2017, to its senior management was USD 102.46 thousand, and to members of its staff whose actions have a material impact on the risk profile of the Fund was USD 19.09 thousand.

The amount of the total remuneration awarded by BFA to its staff which has been attributed to the iShares 20+ Year Treasury Bond ETF in respect of BFA's financial year ending December 31, 2017 was USD 673.37 thousand. This figure is comprised of fixed remuneration of USD 268.4 thousand and variable remuneration of USD 404.98 thousand. There were a total of 417 beneficiaries of the remuneration described above.

The amount of the aggregate remuneration awarded by BFA, which has been attributed to the iShares 20+ Year Treasury Bond ETF in respect of BFA's financial year ending December 31, 2017, to its senior management was USD 94.2 thousand, and to members of its staff whose actions have a material impact on the risk profile of the Fund was USD 17.55 thousand.

# Trustee and Officer Information

## iSHARES® TRUST

The Board of Trustees has responsibility for the overall management and operations of the Funds, including general supervision of the duties performed by BFA and other service providers. Each Trustee serves until he or she resigns, is removed, dies, retires or becomes incapacitated. Each officer shall hold office until his or her successor is elected and qualifies or until his or her death, resignation or removal. Trustees who are not “interested persons” (as defined in the 1940 Act) of the Trust are referred to as independent trustees (“Independent Trustees”).

The registered investment companies advised by BFA or its affiliates (the “BlackRock-advised Funds”) are organized into one complex of closed-end funds, two complexes of open-end funds and one complex of exchange-traded funds (“Exchange-Traded Fund Complex”) (each, a “BlackRock Fund Complex”). Each Fund is included in the BlackRock Fund Complex referred to as the Exchange-Traded Fund Complex. Each Trustee also serves as a Director of iShares, Inc. and a Trustee of iShares U.S. ETF Trust and, as a result, oversees a total of 347 funds (as of February 28, 2018) within the Exchange-Traded Fund Complex. Drew E. Lawton, from October 2016 to June 2017, and Richard L. Fagnani, from April 2017 to June 2017, served as a member of the advisory board (“Advisory Board,” members of which are “Advisory Board Members”) for iShares Trust, iShares, Inc. and iShares U.S. ETF Trust with respect to all funds within the Exchange-Traded Fund Complex. With the exception of Robert S. Kapito, Mark K. Wiedman, Charles Park, Martin Small and Benjamin Archibald, the address of each Trustee, and officer is c/o BlackRock, Inc., 400 Howard Street, San Francisco, CA 94105. The address of Mr. Kapito, Mr. Wiedman, Mr. Park, Mr. Small and Mr. Archibald is c/o BlackRock, Inc., Park Avenue Plaza, 55 East 52<sup>nd</sup> Street, New York, NY 10055. The Board has designated Cecilia H. Herbert as its Independent Board Chair. Additional information about the Funds’ Trustees and officers may be found in the Funds’ combined Statement of Additional Information, which is available without charge, upon request, by calling toll-free 1-800-iShares (1-800-474-2737).

### Interested Trustees

Name (Age)	Position(s)	Principal Occupation(s) During the Past 5 Years	Other Directorships Held by Trustee
<b>Robert S. Kapito<sup>a</sup> (61)</b>	Trustee (since 2009).	President, BlackRock, Inc. (since 2006); Vice Chairman of BlackRock, Inc. and Head of BlackRock’s Portfolio Management Group (since its formation in 1998) and BlackRock, Inc.’s predecessor entities (since 1988); Trustee, University of Pennsylvania (since 2009); President of Board of Directors, Hope & Heroes Children’s Cancer Fund (since 2002).	Director of BlackRock, Inc. (since 2006); Director of iShares, Inc. (since 2009); Trustee of iShares U.S. ETF Trust (since 2011).
<b>Mark K. Wiedman<sup>b</sup> (47)</b>	Trustee (since 2013).	Senior Managing Director, BlackRock, Inc. (since 2014); Managing Director, BlackRock, Inc. (2007-2014); Global Head of BlackRock’s ETF and Index Investments Business (since 2016); Global Head of iShares (2011-2016); Head of Corporate Strategy, BlackRock, Inc. (2009-2011).	Director of iShares, Inc. (since 2013); Trustee of iShares U.S. ETF Trust (since 2013); Director of PennyMac Financial Services, Inc. (since 2008).

<sup>a</sup> Robert S. Kapito is deemed to be an “interested person” (as defined in the 1940 Act) of the Trust due to his affiliations with BlackRock, Inc. and its affiliates.

<sup>b</sup> Mark K. Wiedman is deemed to be an “interested person” (as defined in the 1940 Act) of the Trust due to his affiliations with BlackRock, Inc. and its affiliates.

# Trustee and Officer Information (Continued)

## iSHARES® TRUST

### Independent Trustees

Name (Age)	Position(s)	Principal Occupation(s) During the Past 5 Years	Other Directorships Held by Trustee
<b>Cecilia H. Herbert (69)</b>	Trustee (since 2005); Independent Board Chair (since 2016).	Trustee and Member of the Finance, Technology and Quality Committee of Stanford Health Care (since 2016); Trustee and Member of the Investment Committee, WNET, a New York public media company (since 2011); Chair (1994-2005) and Member (since 1992) of the Investment Committee, Archdiocese of San Francisco; Director (1998-2013) and President (2007-2011) of the Board of Directors, Catholic Charities CYO; Trustee (2002-2011) and Chair of the Finance and Investment Committee (2006-2010) of the Thacher School.	Director of iShares, Inc. (since 2005); Trustee of iShares U.S. ETF Trust (since 2011); Independent Board Chair of iShares, Inc. and iShares U.S. ETF Trust (since 2016); Trustee of Forward Funds (14 portfolios) (since 2009); Trustee of Salient MF Trust (4 portfolios) (since 2015).
<b>Jane D. Carlin (62)</b>	Trustee (since 2015); Risk Committee Chair (since 2016).	Consultant (since 2012); Managing Director and Global Head of Financial Holding Company Governance & Assurance and the Global Head of Operational Risk Management of Morgan Stanley (2006-2012).	Director of iShares, Inc. (since 2015); Trustee of iShares U.S. ETF Trust (since 2015); Director of PHH Corporation (mortgage solutions) (since 2012); Director of The Hanover Insurance Group, Inc. (since 2016).
<b>Richard L. Fagnani (63)</b>	Trustee (since 2017); Equity Plus Committee Chair (since 2017).	Partner, KPMG LLP (2002-2016).	Director of iShares, Inc. (since 2017); Trustee of iShares U.S. ETF Trust (since 2017).
<b>Charles A. Hurty (74)</b>	Trustee (since 2005); Audit Committee Chair (since 2006).	Retired; Partner, KPMG LLP (1968-2001).	Director of iShares, Inc. (since 2005); Trustee of iShares U.S. ETF Trust (since 2011); Director of SkyBridge Alternative Investments Multi-Adviser Hedge Fund Portfolios LLC (2 portfolios) (since 2002).
<b>John E. Kerrigan (62)</b>	Trustee (since 2005); Securities Lending Committee Chair (since 2016).	Chief Investment Officer, Santa Clara University (since 2002).	Director of iShares, Inc. (since 2005); Trustee of iShares U.S. ETF Trust (since 2011).
<b>Drew E. Lawton (59)</b>	Trustee (since 2017); 15(c) Committee Chair (since 2017).	Senior Managing Director of New York Life Insurance Company (2010-2015).	Director of iShares, Inc. (since 2017); Trustee of iShares U.S. ETF Trust (since 2017).

# Trustee and Officer Information (Continued)

## iSHARES® TRUST

### Independent Trustees (Continued)

Name (Age)	Position(s)	Principal Occupation(s) During the Past 5 Years	Other Directorships Held by Trustee
<b>John E. Martinez (56)</b>	Trustee (since 2003); Fixed Income Plus Committee Chair (since 2016).	Director of Real Estate Equity Exchange, Inc. (since 2005).	Director of iShares, Inc. (since 2003); Trustee of iShares U.S. ETF Trust (since 2011).
<b>Madhav V. Rajan (53)</b>	Trustee (since 2011); Nominating and Governance Committee Chair (since 2017).	Dean, and George Pratt Shultz Professor of Accounting, University of Chicago Booth School of Business (since 2017); Robert K. Jaedicke Professor of Accounting, Stanford University Graduate School of Business (2001-2017); Professor of Law (by courtesy), Stanford Law School (2005-2017); Senior Associate Dean for Academic Affairs and Head of MBA Program, Stanford University Graduate School of Business (2010-2016).	Director of iShares, Inc. (since 2011); Trustee of iShares U.S. ETF Trust (since 2011); Director, Cavium, Inc. (since 2013).

# Trustee and Officer Information (Continued)

## iSHARES® TRUST

### Officers

Name (Age)	Position(s)	Principal Occupation(s) During the Past 5 Years
<b>Martin Small (42)</b>	President (since 2016).	Managing Director, BlackRock, Inc. (since 2010); Head of U.S. iShares (since 2015); Co-Head of the U.S. Financial Markets Advisory Group, BlackRock, Inc. (2008-2014).
<b>Jack Gee (58)</b>	Treasurer and Chief Financial Officer (since 2008).	Managing Director, BlackRock, Inc. (since 2009); Senior Director of Fund Administration of Intermediary Investor Business, BGI (2009).
<b>Benjamin Archibald (42)</b>	Secretary (since 2015).	Managing Director, BlackRock, Inc. (since 2014); Director, BlackRock, Inc. (2010-2013); Secretary of the BlackRock-advised mutual funds (since 2012).
<b>Alan Mason (57)</b>	Executive Vice President (since 2016).	Managing Director, BlackRock, Inc. (since 2009).
<b>Steve Messinger (55)</b>	Executive Vice President (since 2016).	Managing Director, BlackRock, Inc. (2007-2014 and since 2016); Managing Director, Beacon Consulting Group (2014-2016).
<b>Charles Park (50)</b>	Chief Compliance Officer (since 2006).	Chief Compliance Officer of BlackRock Advisors, LLC and the BlackRock-advised Funds in the Equity-Bond Complex, the Equity-Liquidity Complex and the Closed-End Complex (since 2014); Chief Compliance Officer of BFA (since 2006).
<b>Scott Radell (48)</b>	Executive Vice President (since 2012).	Managing Director, BlackRock, Inc. (since 2009); Head of Portfolio Solutions, BlackRock, Inc. (since 2009).

# General Information

## Electronic Delivery

Shareholders can sign up for email notifications announcing that the shareholder report or prospectus has been posted on the iShares website at [www.iShares.com](http://www.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 [www.icsdelivery.com](http://www.icsdelivery.com).
- If your brokerage firm is not listed, electronic delivery may not be available. Please contact your broker-dealer or financial advisor.

## Householding

Householding is an option available to certain fund investors. Householding is a method of delivery, based on the preference of the individual investor, in which a single copy of certain shareholder documents can be delivered to investors who share the same address, even if their accounts are registered under different names. Please contact your broker-dealer if you are interested in enrolling in householding and receiving a single copy of prospectuses and other shareholder documents, or if you are currently enrolled in householding and wish to change your householding status.

## Availability of Quarterly Schedule of Investments

The iShares Funds file their complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The iShares Funds' Forms N-Q are available on the SEC's website and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The iShares Funds also disclose their complete schedule of portfolio holdings on a daily basis on the iShares website.

## Availability of Proxy Voting Policies and Proxy Voting Records

A description of the policies and procedures that the iShares Funds use to determine how to vote proxies relating to portfolio securities and information about how the iShares Funds voted proxies relating to portfolio securities during the most recent twelve-month period ending June 30 is available without charge, upon request (1) by calling toll-free 1-800-474-2737; (2) on the iShares website at [www.iShares.com](http://www.iShares.com); and (3) on the SEC website at [www.sec.gov](http://www.sec.gov).

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**For more information visit [www.iShares.com](http://www.iShares.com) or call 1-800-iShares (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.**

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