iShares by BlackRock

SEPTEMBER 30, 2020

2020 Semi-Annual Report (Unaudited)

iShares Trust

- iShares Mortgage Real Estate ETF | REM | Cboe BZX
- iShares Residential and Multisector Real Estate ETF | REZ | NYSE Arca

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of each Fund's shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports from your financial intermediary, such as a broker-dealer or bank. Instead, the reports will be made available on a website, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

You may elect to receive all future reports in paper free of charge. If you hold accounts through a financial intermediary, you can follow the instructions included with this disclosure, if applicable, or contact your financial intermediary to request that you continue to receive paper copies of your shareholder reports. Please note that not all financial intermediaries may offer this service. Your election to receive reports in paper will apply to all funds held with your financial intermediary.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive electronic delivery of shareholder reports and other communications by contacting your financial intermediary. Please note that not all financial intermediaries may offer this service.

The Markets in Review

Rob Kapito
President, BlackRock, Inc.

Dear Shareholder,

The 12-month reporting period as of September 30, 2020 has been a time of sudden change in global financial markets, as the emergence and spread of the coronavirus led to a vast disruption in the global economy and financial markets. Prior to the outbreak of the virus, U.S. equities and bonds both delivered impressive returns, despite fears and doubts about the economy that were ultimately laid to rest with unprecedented monetary stimulus and a sluggish yet resolute performance from the U.S. economy. But as the threat from the coronavirus became more apparent throughout February and March 2020, countries around the world took economically disruptive countermeasures. Stay-at-home orders and closures of non-essential businesses became widespread, many workers were laid off, and unemployment claims spiked, causing a global recession and a sharp fall in equity prices.

After markets hit their lowest point during the reporting period in late March 2020, a steady recovery ensued, as businesses began to re-open and governments learned to adapt to life with the virus. Equity prices continued to rise throughout the summer, fed by strong fiscal and monetary support and improving economic indicators. Many equity indices neared or surpassed all-time highs in early September 2020 before retreating amid concerns about a second wave of infections. In the United States, large-capitalization stocks advanced, outperforming small-capitalization stocks, which gained only marginally during the reporting period. International equities from developed economies were nearly flat, lagging emerging market stocks, which rebounded sharply.

During the market downturn, the performance of different types of fixed-income securities initially diverged due to a reduced investor appetite for risk. U.S. Treasuries benefited from the risk-off environment, and posted solid returns, as the 10-year U.S. Treasury yield (which is inversely related to bond prices) touched an all-time low. In the corporate bond market, support from the U.S. Federal Reserve (the "Fed") assuaged credit concerns and both investment-grade and high-yield bonds recovered to post positive returns.

The Fed reduced short-term interest rates in late 2019 to support slowing economic growth. After the coronavirus outbreak, the Fed instituted an additional two emergency rate cuts, pushing short-term interest rates close to zero. To stabilize credit markets, the Fed also implemented a new bond-buying program, as did several other central banks around the world, including the European Central Bank and the Bank of Japan.

Looking ahead, while coronavirus-related disruptions have clearly hindered worldwide economic growth, we believe that the global expansion is likely to continue as economic activity resumes. Several risks remain, however, including a potential resurgence of the coronavirus amid loosened restrictions, policy fatigue among governments already deep into deficit spending, and structural damage to the financial system from lengthy economic interruptions.

Overall, we favor a moderately positive stance toward risk, and in particular toward credit given the extraordinary central bank measures taken in recent months. This support extends beyond investment-grade corporates and into high-yield, leading to attractive opportunities in that end of the market. We believe that international diversification and a focus on sustainability can help provide portfolio resilience, and the disruption created by the coronavirus appears to be accelerating the shift toward sustainable investments. We remain neutral on equities overall while favoring European stocks, which are poised for cyclical upside as re-openings continue.

In this environment, our view is that investors need to think globally, extend their scope across a broad array of asset classes, and be nimble as market conditions change. We encourage you to talk with your financial advisor and visit **iShares.com** for further insight about investing in today's markets.

Sincerely,

Rob Kapito
President, BlackRock, Inc.

Total Returns as of September 30, 2020

	6-Month	*12-Month*
U.S. large cap equities (S&P 500® Index)	31.31%	15.15%
U.S. small cap equities (Russell 2000® Index)	31.60	0.39
International equities (MSCI Europe, Australasia, Far East Index)	20.39	0.49
Emerging market equities (MSCI Emerging Markets Index)	29.37	10.54
3-month Treasury bills (ICE BofA 3-Month U.S. Treasury Bill Index)	0.06	1.10
U.S. Treasury securities (ICE BofA 10-Year U.S. Treasury Index)	0.71	10.74
U.S. investment grade bonds (Bloomberg Barclays U.S. Aggregate Bond Index)	3.53	6.98
Tax-exempt municipal bonds (S&P Municipal Bond Index)	3.78	3.85
U.S. high yield bonds (Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Capped Index)	15.18	3.20

Past performance is no guarantee of future results. Index performance is shown for illustrative purposes only. You cannot invest directly in an index.

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Investment Objective

The **iShares Mortgage Real Estate ETF** (the "Fund") seeks to track the investment results of an index composed of U.S. real estate investment trusts (REITs) that hold U.S. residential and commercial mortgages, as represented by the FTSE Nareit All Mortgage Capped 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.

Performance

		Average Annual Total Returns			Cumulative Total Returns		
	6 Months	*1 Year*	*5 Years*	*10 Years*	*1 Year*	*5 Years*	*10 Years*
Fund NAV	43.81%	(31.96)%	1.17%	2.97%	(31.96)%	5.98%	34.02%
Fund Market	44.21	(31.87)	1.17	2.98	(31.87)	5.97	34.13
Index	45.78	(31.19)	1.81	3.59	(31.19)	9.41	42.29

Certain sectors and markets performed exceptionally well based on market conditions during the six months period. Achieving such exceptional returns involves the risk of volatility and investors should not expect that such exceptional returns will be repeated.

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 6 for more information.

Expense Example

Actual			Hypothetical 5% Return			
Beginning Account Value (04/01/20)	*Ending Account Value (09/30/20)*	*Expenses Paid During the Period* [(a)]	*Beginning Account Value (04/01/20)*	*Ending Account Value (09/30/20)*	*Expenses Paid During the Period* [(a)]	*Annualized Expense Ratio*
$ 1,000.00	$ 1,438.10	$ 2.93	$ 1,000.00	$ 1,022.70	$ 2.43	0.48%

(a) 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 (183 days) and divided by the number of days in the year (365 days). Other fees, such as brokerage commissions and other fees to financial intermediaries, may be paid which are not reflected in the tables and examples above. See "Shareholder Expenses" on page 6 for more information.

Portfolio Information

ALLOCATION BY SECTOR

Sector	Percent of Total Investments[(a)]
Mortgage REITs	97.9%
Diversified REITs	2.1

TEN LARGEST HOLDINGS

Security	Percent of Total Investments[(a)]
Annaly Capital Management Inc.	18.0%
AGNC Investment Corp.	13.9
Starwood Property Trust Inc.	7.4
Blackstone Mortgage Trust Inc., Class A	5.4
New Residential Investment Corp.	4.9
Hannon Armstrong Sustainable Infrastructure Capital Inc.	4.8
PennyMac Mortgage Investment Trust	3.8
Chimera Investment Corp.	3.8
Two Harbors Investment Corp.	3.3
Apollo Commercial Real Estate Finance Inc.	3.2

(a) Excludes money market funds.

Investment Objective

The **iShares Residential and Multisector Real Estate ETF** (the "Fund") (formerly the iShares Residential Real Estate ETF) seeks to track the investment results of an index composed of U.S. residential, healthcare and self-storage real estate equities, as represented by the FTSE Nareit All Residential Capped 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.

Performance

		Average Annual Total Returns			Cumulative Total Returns		
	6 Months	*1 Year*	*5 Years*	*10 Years*	*1 Year*	*5 Years*	*10 Years*
Fund NAV	12.04%	(20.60)%	4.43%	8.85%	(20.60)%	24.23%	133.46%
Fund Market	12.06	(20.61)	4.43	8.85	(20.61)	24.22	133.51
Index	12.31	(20.22)	4.81	9.29	(20.22)	26.46	143.19

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 6 for more information.

Expense Example

Actual			Hypothetical 5% Return			
Beginning Account Value (04/01/20)	*Ending Account Value (09/30/20)*	*Expenses Paid During the Period* [a]	*Beginning Account Value (04/01/20)*	*Ending Account Value (09/30/20)*	*Expenses Paid During the Period* [a]	*Annualized Expense Ratio*
$ 1,000.00	$ 1,120.40	$ 2.55	$ 1,000.00	$ 1,022.70	$ 2.43	0.48%

[a] 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 (183 days) and divided by the number of days in the year (365 days). Other fees, such as brokerage commissions and other fees to financial intermediaries, may be paid which are not reflected in the tables and examples above. See "Shareholder Expenses" on page 6 for more information.

Portfolio Information

ALLOCATION BY SECTOR

Sector	Percent of Total Investments[a]
Residential REITs	48.6%
Health Care REITs	31.4
Specialized REITs	20.0

TEN LARGEST HOLDINGS

Security	Percent of Total Investments[a]
Public Storage	10.6%
Welltower Inc.	7.3
AvalonBay Communities Inc.	6.6
Equity Residential	5.9
Invitation Homes Inc.	4.9
Ventas Inc.	4.9
Extra Space Storage Inc.	4.7
Mid-America Apartment Communities Inc.	4.6
Healthpeak Properties Inc.	4.6
Sun Communities Inc.	4.6

[a] Excludes money market funds.

About Fund Performance

Past performance is not an indication of future results. Financial markets have experienced extreme volatility and trading in many instruments has been disrupted. These circumstances may continue for an extended period of time and may continue to affect adversely the value and liquidity of the fund's investments. As a result, current performance may be lower or higher than the performance data quoted. Performance data current to the most recent month-end is available at 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 ask 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. 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 your 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 at the beginning of the period (or from the commencement of operations if less than 6 months) and held through the end of the period, is intended to help you understand your ongoing costs (in dollars and cents) of investing in your 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 under the heading entitled "Expenses Paid During the Period."

Hypothetical Example for Comparison Purposes – The table also provides information about hypothetical account values and hypothetical expenses based on your 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 and other fees 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.

Security	*Shares*	*Value*
Common Stocks		
Diversified REITs — 2.0%		
iStar Inc.	1,791,737	$ 21,160,414
Mortgage REITs — 96.1%		
AGNC Investment Corp..	10,274,871	142,923,456
Annaly Capital Management Inc.	25,960,804	184,840,924
Anworth Mortgage Asset Corp.	2,411,084	3,954,178
Apollo Commercial Real Estate Finance Inc.	3,645,995	32,850,415
Arbor Realty Trust Inc.	2,588,481	29,689,877
Ares Commercial Real Estate Corp.	756,561	6,914,968
ARMOUR Residential REIT Inc.[(a)]	1,572,203	14,951,651
Blackstone Mortgage Trust Inc., Class A	2,531,711	55,621,691
Broadmark Realty Capital Inc.	3,161,593	31,173,307
Capstead Mortgage Corp.	2,341,188	13,157,477
Cherry Hill Mortgage Investment Corp.	374,299	3,361,205
Chimera Investment Corp..	4,716,801	38,677,768
Colony Credit Real Estate Inc.	2,067,857	10,153,178
Dynex Capital Inc.	544,446	8,281,024
Ellington Financial Inc.	1,013,419	12,424,517
Ellington Residential Mortgage REIT	221,706	2,460,937
Granite Point Mortgage Trust Inc.	1,343,168	9,523,061
Great Ajax Corp.	508,935	4,219,071
Hannon Armstrong Sustainable Infrastructure Capital Inc.[(a)]	1,170,000	49,455,900
Invesco Mortgage Capital Inc.[(a)]	4,484,968	12,154,263
KKR Real Estate Finance Trust Inc.	701,469	11,595,283
Ladder Capital Corp.	2,597,264	18,492,520
MFA Financial Inc.	11,152,314	29,888,201
New Residential Investment Corp.	6,310,814	50,170,971
New York Mortgage Trust Inc.	9,309,426	23,739,036
Orchid Island Capital Inc.	1,636,517	8,198,950
Mortgage REITs (continued)		
PennyMac Mortgage Investment Trust	2,436,307	$ 39,151,453
Ready Capital Corp.	1,029,162	11,526,614
Redwood Trust Inc.	2,824,498	21,240,225
Starwood Property Trust Inc.	5,052,638	76,244,307
TPG RE Finance Trust Inc.	1,473,519	12,465,971
Two Harbors Investment Corp.	6,731,091	34,261,253
Western Asset Mortgage Capital Corp.	1,464,055	2,986,671
		1,006,750,323
Total Common Stocks — 98.1% **(Cost: $1,266,012,507)**		1,027,910,737
Short-Term Investments		
Money Market Funds — 0.4%		
BlackRock Cash Funds: Institutional, SL Agency Shares, 0.31%[(b)(c)(d)]	4,377,536	4,381,476
Total Short -Term Investments — 0.4% **(Cost: $4,376,522)**		4,381,476
Total Investments in Securities — 98.5% **(Cost: $1,270,389,029)**		1,032,292,213
Other Assets, Less Liabilities — 1.5%		16,149,147
Net Assets — 100.0%		$ 1,048,441,360

(a) All or a portion of this security is on loan.
(b) Affiliate of the Fund.
(c) Annualized 7-day yield as of period-end.
(d) All or a portion of this security was purchased with cash collateral received from loaned securities.

Affiliates

Investments in issuers considered to be affiliate(s) of the Fund during the six months ended September 30, 2020, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliated Issuer	*Value at 03/31/20*	*Purchases at Cost*	*Proceeds from Sales*	*Net Realized Gain (Loss)*	*Change in Unrealized Appreciation (Depreciation)*	*Value at 09/30/20*	*Shares Held at 09/30/20*	*Income*	*Capital Gain Distributions from Underlying Funds*
BlackRock Cash Funds: Institutional, SL Agency Shares	$ 7,818,841	$ —	$(3,455,862)[(a)]	$ 14,628	$ 3,869	$4,381,476	4,377,536	$ 460,763[(b)]	$ —
BlackRock Cash Funds: Treasury, SL Agency Shares[(c)]	—	0[(a)]	—	—	—	—	—	1,969	—
PennyMac Mortgage Investment Trust[(d)]	18,737,100	18,928,564	(7,906,579)	104,234	14,709,119	N/A	N/A	1,314,957	—
				$ 118,862	$ 14,712,988	$4,381,476		$1,777,689	$ —

(a) Represents net amount purchased (sold).
(b) All or a portion represents securities lending income earned from the reinvestment of cash collateral from loaned securities, net of fees and collateral investment expenses, and other payments to and from borrowers of securities.
(c) As of period end, the entity is no longer held.
(d) As of period end, the entity is no longer an affiliate.

Futures Contracts

Description	*Number of Contracts*	*Expiration Date*	*Notional Amount (000)*	*Value/ Unrealized Appreciation (Depreciation)*
Long Contracts				
DJ U.S. Real Estate Index	651	12/18/20	$20,409	$ 113,960

Derivative Financial Instruments Categorized by Risk Exposure

As of September 30, 2020, the fair values of derivative financial instruments located in the Statements of Assets and Liabilities were as follows:

	Equity Contracts
Assets — Derivative Financial Instruments	
Futures contracts	
Unrealized appreciation on futures contracts[(a)]	$ 113,960

(a) Net cumulative appreciation (depreciation) on futures contracts are reported in the Schedule of Investments. In the Statements of Assets and Liabilities, only current day's variation margin is reported in receivables or payables and the net cumulative unrealized appreciation (depreciation) is included in accumulated earnings (loss).

For the six months ended September 30, 2020, the effect of derivative financial instruments in the Statements of Operations was as follows:

	Equity Contracts
Net Realized Gain (Loss) from:	
Futures contracts	$1,036,945
Net Change in Unrealized Appreciation (Depreciation) on:	
Futures contracts	$ 178,846

Average Quarterly Balances of Outstanding Derivative Financial Instruments

Futures contracts:	
Average notional value of contracts — long	$25,479,177

For more information about the Fund's investment risks regarding derivative financial instruments, refer to the Notes to Financial Statements.

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, refer to the Notes to Financial Statements.

The following table summarizes the value of the Fund's investments according to the fair value hierarchy as of September 30, 2020. 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				
Common Stocks	$1,027,910,737	$ —	$ —	$1,027,910,737
Money Market Funds	4,381,476	—	—	4,381,476
	$1,032,292,213	$ —	$ —	$1,032,292,213
Derivative financial instruments[(a)]				
Assets				
Futures Contracts	$ 113,960	$ —	$ —	$ 113,960

(a) Shown at the unrealized appreciation (depreciation) on the contracts.

See notes to financial statements.

Security	Shares	Value
Common Stocks		
Health Care REITs — 31.2%		
CareTrust REIT Inc.	119,637	$ 2,128,940
Community Healthcare Trust Inc.	27,058	1,265,232
Diversified Healthcare Trust	296,974	1,045,349
Global Medical REIT Inc.	52,711	711,599
Healthcare Realty Trust Inc.	169,206	5,096,485
Healthcare Trust of America Inc., Class A	273,761	7,117,786
Healthpeak Properties Inc.	607,420	16,491,453
LTC Properties Inc.	48,690	1,697,333
Medical Properties Trust Inc.	655,049	11,548,514
National Health Investors Inc.	53,881	3,247,408
New Senior Investment Group Inc.	102,678	410,712
Omega Healthcare Investors Inc.	283,376	8,484,278
Physicians Realty Trust	261,363	4,681,011
Sabra Health Care REIT Inc.	257,251	3,546,205
Universal Health Realty Income Trust	16,068	915,715
Ventas Inc.	420,442	17,641,746
Welltower Inc.	471,098	25,952,789
		111,982,555
Residential REITs — 48.3%		
American Campus Communities Inc.	172,405	6,020,383
American Homes 4 Rent, Class A	326,948	9,311,479
Apartment Investment & Management Co., Class A	186,463	6,287,532
AvalonBay Communities Inc.	158,538	23,676,065
Bluerock Residential Growth REIT Inc.	31,073	235,533
BRT Apartments Corp.	13,294	156,603
Camden Property Trust	118,813	10,571,981
Clipper Realty Inc.	18,489	111,859
Equity LifeStyle Properties Inc.	219,031	13,426,600
Equity Residential	414,084	21,254,932
Essex Property Trust Inc.	75,213	15,102,018
Front Yard Residential Corp.	62,481	546,084
Independence Realty Trust Inc.	118,674	1,375,432
Investors Real Estate Trust	16,101	1,049,302
Invitation Homes Inc.	631,957	17,688,477
Residential REITs (continued)		
Mid-America Apartment Communities Inc.	142,520	$ 16,525,194
NexPoint Residential Trust Inc.	27,161	1,204,590
Preferred Apartment Communities Inc., Class A	59,353	320,506
Sun Communities Inc.	115,774	16,278,982
UDR Inc.	369,000	12,033,090
UMH Properties Inc.	45,896	621,432
		173,798,074
Specialized REITs — 19.9%		
CubeSmart	243,307	7,861,249
Extra Space Storage Inc.	155,673	16,655,454
Jernigan Capital Inc.	28,190	483,177
Life Storage Inc.	58,736	6,183,139
National Storage Affiliates Trust	78,429	2,565,412
Public Storage	169,904	37,841,019
		71,589,450
Total Common Stocks — 99.4% **(Cost: $406,398,240)**		357,370,079
Short-Term Investments		
Money Market Funds — 0.2%		
BlackRock Cash Funds: Treasury, SL Agency Shares, 0.04%[a][b]	790,000	790,000
Total Short -Term Investments — 0.2% **(Cost: $790,000)**		790,000
Total Investments in Securities — 99.6% **(Cost: $407,188,240)**		358,160,079
Other Assets, Less Liabilities — 0.4%		1,563,373
Net Assets — 100.0%		$ 359,723,452

[a] Affiliate of the Fund.
[b] Annualized 7-day yield as of period-end.

Affiliates

Investments in issuers considered to be affiliate(s) of the Fund during the six months ended September 30, 2020, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliated Issuer	*Value at 03/31/20*	*Purchases at Cost*	*Proceeds from Sales*	*Net Realized Gain (Loss)*	*Change in Unrealized Appreciation (Depreciation)*	*Value at 09/30/20*	*Shares Held at 09/30/20*	*Income*	*Capital Gain Distributions from Underlying Funds*
BlackRock Cash Funds: Institutional, SL Agency Shares[a]	$1,155,488	$ —	$(1,169,243)[b]	$ 14,656	$ (901)	$ —	—	$ 8,444[c]	$ —
BlackRock Cash Funds: Treasury, SL Agency Shares	830,000	—	(40,000)[b]	—	—	790,000	790,000	520	—
				$ 14,656	$ (901)	$790,000		$ 8,964	$ —

[a] As of period end, the entity is no longer held.
[b] Represents net amount purchased (sold).
[c] All or a portion represents securities lending income earned from the reinvestment of cash collateral from loaned securities, net of fees and collateral investment expenses, and other payments to and from borrowers of securities.

Futures Contracts

Description	*Number of Contracts*	*Expiration Date*	*Notional Amount (000)*	*Value/ Unrealized Appreciation (Depreciation)*
Long Contracts				
DJ U.S. Real Estate Index	74	12/18/20	$ 2,320	$ (3,120)

Derivative Financial Instruments Categorized by Risk Exposure

As of September 30, 2020, the fair values of derivative financial instruments located in the Statements of Assets and Liabilities were as follows:

	Equity Contracts
Liabilities — Derivative Financial Instruments	
Futures contracts	
Unrealized depreciation on futures contracts[a]	$ 3,120

[a] Net cumulative appreciation (depreciation) on futures contracts are reported in the Schedule of Investments. In the Statements of Assets and Liabilities, only current day's variation margin is reported in receivables or payables and the net cumulative unrealized appreciation (depreciation) is included in accumulated earnings (loss).

For the six months ended September 30, 2020, the effect of derivative financial instruments in the Statements of Operations was as follows:

	Equity Contracts
Net Realized Gain (Loss) from:	
Futures contracts	$376,421
Net Change in Unrealized Appreciation (Depreciation) on:	
Futures contracts	$ (77,608)

Average Quarterly Balances of Outstanding Derivative Financial Instruments

Futures contracts:	
Average notional value of contracts — long	$2,417,367

For more information about the Fund's investment risks regarding derivative financial instruments, refer to the Notes to Financial Statements.

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, refer to the Notes to Financial Statements.

The following table summarizes the value of the Fund's investments according to the fair value hierarchy as of September 30, 2020. 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				
Common Stocks	$357,370,079	$ —	$ —	$357,370,079
Money Market Funds	790,000	—	—	790,000
	$358,160,079	$ —	$ —	$358,160,079
Derivative financial instruments[a]				
Liabilities				
Futures Contracts	$ (3,120)	$ —	$ —	$ (3,120)

[a] Shown at the unrealized appreciation (depreciation) on the contracts.

See notes to financial statements.

Statements of Assets and Liabilities (unaudited)

September 30, 2020

	iShares Mortgage Real Estate ETF	iShares Residential and Multisector Real Estate ETF
ASSETS		
Investments in securities, at value (including securities on loan)[(a)]:		
Unaffiliated[(b)]	$1,027,910,737	$357,370,079
Affiliated[(c)]	4,381,476	790,000
Cash	—	3,298
Cash pledged:		
Futures contracts	1,779,000	197,000
Receivables:		
Investments sold	978,922	—
Securities lending income — Affiliated	10,516	30
Variation margin on futures contracts	72,751	6,140
Dividends	18,617,848	1,502,546
Total assets	1,053,751,250	359,869,093
LIABILITIES		
Bank overdraft	523,857	—
Collateral on securities loaned, at value	4,362,996	—
Payables:		
Investment advisory fees	423,037	145,641
Total liabilities	5,309,890	145,641
NET ASSETS	$1,048,441,360	$359,723,452
NET ASSETS CONSIST OF:		
Paid-in capital	$1,676,836,540	$424,674,349
Accumulated loss	(628,395,180)	(64,950,897)
NET ASSETS	$1,048,441,360	$359,723,452
Shares outstanding	40,750,000	5,900,000
Net asset value	$ 25.73	$ 60.97
Shares authorized	Unlimited	Unlimited
Par value	None	None
(a) Securities loaned, at value	$ 3,965,116	$ —
(b) Investments, at cost — Unaffiliated	$1,266,012,507	$406,398,240
(c) Investments, at cost — Affiliated	$ 4,376,522	$ 790,000

See notes to financial statements.

Statements of Operations (unaudited)

Six Months Ended September 30, 2020

	iShares Mortgage Real Estate ETF	iShares Residential and Multisector Real Estate ETF
INVESTMENT INCOME		
Dividends — Unaffiliated	$ 34,126,339	$ 5,110,236
Dividends — Affiliated	1,316,926	520
Interest — Unaffiliated	—	8
Securities lending income — Affiliated — net	460,763	8,444
Total investment income	35,904,028	5,119,208
EXPENSES		
Investment advisory fees	2,135,175	835,105
Miscellaneous	264	264
Total expenses	2,135,439	835,369
Net investment income	33,768,589	4,283,839
REALIZED AND UNREALIZED GAIN (LOSS)		
Net realized gain (loss) from:		
Investments — Unaffiliated	(185,011,374)	(2,719,166)
Investments — Affiliated	(1,161,443)	14,656
In-kind redemptions — Unaffiliated	30,555,342	(226,933)
In-kind redemptions — Affiliated	1,280,305	—
Futures contracts	1,036,945	376,421
Net realized loss	(153,300,225)	(2,555,022)
Net change in unrealized appreciation (depreciation) on:		
Investments — Unaffiliated	369,825,680	35,858,352
Investments — Affiliated	14,712,988	(901)
Futures contracts	178,846	(77,608)
Net change in unrealized appreciation (depreciation)	384,717,514	35,779,843
Net realized and unrealized gain	231,417,289	33,224,821
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	$ 265,185,878	$37,508,660

See notes to financial statements.

Statements of Changes in Net Assets

	iShares Mortgage Real Estate ETF		iShares Residential and Multisector Real Estate ETF	
	Six Months Ended 09/30/20 (unaudited)	Year Ended 03/31/20	Six Months Ended 09/30/20 (unaudited)	Year Ended 03/31/20
INCREASE (DECREASE) IN NET ASSETS				
OPERATIONS				
Net investment income	$ 33,768,589	$ 80,102,226	$ 4,283,839	$ 10,492,948
Net realized gain (loss)	(153,300,225)	(88,713,592)	(2,555,022)	21,152,172
Net change in unrealized appreciation (depreciation)	384,717,514	(644,472,683)	35,779,843	(122,047,028)
Net increase (decrease) in net assets resulting from operations	265,185,878	(653,084,049)	37,508,660	(90,401,908)
DISTRIBUTIONS TO SHAREHOLDERS[a]				
From net investment income	(42,076,626)	(80,102,225)	(5,411,058)	(14,849,342)
Return of capital	—	(35,545,411)	—	—
Decrease in net assets resulting from distributions to shareholders	(42,076,626)	(115,647,636)	(5,411,058)	(14,849,342)
CAPITAL SHARE TRANSACTIONS				
Net increase (decrease) in net assets derived from capital share transactions	231,481,919	110,552,916	(3,933,223)	5,934,825
NET ASSETS				
Total increase (decrease) in net assets	454,591,171	(658,178,769)	28,164,379	(99,316,425)
Beginning of period	593,850,189	1,252,028,958	331,559,073	430,875,498
End of period	$1,048,441,360	$ 593,850,189	$359,723,452	$ 331,559,073

[a] Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

See notes to financial statements.

Financial Highlights

(For a share outstanding throughout each period)

	iShares Mortgage Real Estate ETF						
	Six Months Ended 09/30/20 (unaudited)	Year Ended 03/31/20	Year Ended 03/31/19	Year Ended 03/31/18	Year Ended 03/31/17[(a)]	Period From 05/01/15 to 03/31/16[(a)(b)]	Year Ended 04/30/15[(a)]
Net asset value, beginning of period	$ 18.67	$ 43.32	$ 42.48	$ 45.34	$ 38.68	$ 46.46	$ 49.85
Net investment income[(c)]	0.93	2.61	3.13	2.66	3.50	3.52	3.72
Net realized and unrealized gain (loss)[(d)]	7.23	(23.51)	1.52	(1.18)	7.34	(6.82)	(1.11)
Net increase (decrease) from investment operations	8.16	(20.90)	4.65	1.48	10.84	(3.30)	2.61
Distributions[(e)]							
From net investment income	(1.10)	(2.60)	(3.08)	(3.53)	(3.53)	(3.56)	(4.76)
Return of capital	—	(1.15)	(0.73)	(0.81)	(0.65)	(0.92)	(1.24)
Total distributions	(1.10)	(3.75)	(3.81)	(4.34)	(4.18)	(4.48)	(6.00)
Net asset value, end of period	$ 25.73	$ 18.67	$ 43.32	$ 42.48	$ 45.34	$ 38.68	$ 46.46
Total Return							
Based on net asset value	43.81%[(f)]	(51.80)%	11.46%	3.10%	29.32%	(7.09)%[(f)]	5.42%
Ratios to Average Net Assets							
Total expenses	0.48%[(g)]	0.48%	0.48%	0.48%	0.48%	0.48%[(g)]	0.48%
Net investment income	7.59%[(g)]	6.16%	7.22%	5.82%	8.30%	9.31%[(g)]	7.59%
Supplemental Data							
Net assets, end of period (000)	$1,048,441	$593,850	$1,252,029	$1,004,534	$1,246,883	$762,513	$1,216,004
Portfolio turnover rate[(h)]	22%[(f)]	29%	25%	31%	34%	18%[(f)]	42%

(a) Per share amounts reflect a one-for-four reverse stock split effective after the close of trading on November 4, 2016.
(b) The Fund's fiscal year-end changed from April 30 to March 31.
(c) Based on average shares outstanding.
(d) 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.
(e) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.
(f) Not annualized.
(g) Annualized.
(h) Portfolio turnover rate excludes in-kind transactions.

See notes to financial statements.

Financial Highlights (continued)

(For a share outstanding throughout each period)

	iShares Residential and Multisector Real Estate ETF						
	Six Months Ended 09/30/20 (unaudited)	Year Ended 03/31/20	Year Ended 03/31/19	Year Ended 03/31/18	Year Ended 03/31/17	Period From 05/01/15 to 03/31/16 [(a)]	Year Ended 04/30/15
Net asset value, beginning of period	$ 55.26	$ 70.64	$ 57.61	$ 63.14	$ 65.99	$ 59.10	$ 52.26
Net investment income[(b)]	0.74	1.55	1.80	1.64	1.51	1.66	1.47
Net realized and unrealized gain (loss)[(c)]	5.91	(14.77)	13.45	(4.94)	(1.38)	7.76	7.25
Net increase (decrease) from investment operations	6.65	(13.22)	15.25	(3.30)	0.13	9.42	8.72
Distributions[(d)]							
From net investment income	(0.94)	(2.16)	(2.00)	(2.23)	(2.56)	(2.09)	(1.88)
From net realized gain	—	—	(0.22)	—	(0.42)	(0.44)	—
Total distributions	(0.94)	(2.16)	(2.22)	(2.23)	(2.98)	(2.53)	(1.88)
Net asset value, end of period	$ 60.97	$ 55.26	$ 70.64	$ 57.61	$ 63.14	$ 65.99	$ 59.10
Total Return							
Based on net asset value	12.04%[(e)]	(19.25)%	26.94%	(5.41)%	0.31%	16.35%[(e)]	16.93%
Ratios to Average Net Assets							
Total expenses	0.48%[(f)]	0.48%	0.48%	0.48%	0.48%	0.48%[(f)]	0.48%
Net investment income	2.46%[(f)]	2.07%	2.81%	2.61%	2.37%	3.01%[(f)]	2.55%
Supplemental Data							
Net assets, end of period (000)	$359,723	$331,559	$430,875	$285,163	$375,687	$399,220	$304,350
Portfolio turnover rate[(g)]	3%[(e)]	12%	10%	19%	15%	17%[(e)]	21%

(a) The Fund's fiscal year-end changed from April 30 to March 31.
(b) Based on average shares outstanding.
(c) 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.
(d) Distributions for annual periods determined in accordance with U.S. federal income tax regulations.
(e) Not annualized.
(f) Annualized.
(g) Portfolio turnover rate excludes in-kind transactions.

See notes to financial statements.

Notes to Financial Statements (unaudited)

1. ORGANIZATION

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

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

iShares ETF	*Diversification Classification*
Mortgage Real Estate	Non-diversified
Residential and Multisector Real Estate[(a)]	Non-diversified

[(a)] Formerly the iShares Residential Real Estate ETF.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Investment Transactions and Income Recognition: For financial reporting purposes, investment transactions are recorded on the dates the transactions are executed. Realized gains and losses on investment transactions are determined using the specific identification method. Dividend income and capital gain distributions, if any, are recorded on the ex-dividend date. Non-cash dividends, if any, are recorded on the ex-dividend date at fair value. Upon notification from issuers or as estimated by management, a portion of the dividend income received from a real estate investment trust may be redesignated as a reduction of cost of the related investment and/or realized gain.

Segregation and Collateralization: In cases where a Fund enters into certain investments (e.g., futures contracts) that would be treated as “senior securities” for 1940 Act purposes, a Fund may segregate or designate on its books and records cash or liquid assets having a market value at least equal to the amount of its future obligations under such investments. Doing so allows the investment to be excluded from treatment as a “senior security.” Furthermore, if required by an exchange or counterparty agreement, the Funds may be required to deliver/deposit cash and/or securities to/with an exchange, or broker-dealer or custodian as collateral for certain investments or obligations.

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

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

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

3. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

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

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

- Equity investments traded on a recognized securities exchange are valued at that day’s official closing price, as applicable, on the exchange where the stock is primarily traded. Equity investments traded on a recognized exchange for which there were no sales on that day are valued at the last traded price.
- Investments in open-end U.S. mutual funds (including money market funds) are valued at that day’s published NAV.
- Futures contracts are valued based on that day’s last reported settlement price on the exchange where the contract is traded.

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

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

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

- Level 1 – Unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access;
- Level 2 – Other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs); and
- Level 3 – Unobservable inputs 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 financial instruments).

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

4. SECURITIES AND OTHER INVESTMENTS

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

As of September 30, 2020, 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 BlackRock Fund Advisors ("BFA"), the Funds' investment adviser, or its affiliates 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, if any, are also disclosed in its schedule of investments. The market value of any securities on loan as of September 30, 2020 and the value of the related cash collateral are disclosed in the statements of assets and liabilities.

Securities lending transactions are entered into by a fund under Master Securities Lending Agreements (each, an "MSLA") which provide the right, in the event of default (including bankruptcy or insolvency) for the non-defaulting party to liquidate the collateral and calculate a net exposure to the defaulting party or request additional collateral. In the event that a borrower defaults, the fund, as lender, would offset the market value of the collateral received against the market value of the securities loaned. The value of the collateral is typically greater than the market value of the securities loaned, leaving the lender with a net amount payable to the defaulting party. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against such a right of offset in the event of an MSLA counterparty's bankruptcy or insolvency. Under the MSLA, absent an event of default, the borrower can resell or re-pledge the loaned securities, and the fund can reinvest cash collateral received in connection with loaned securities.

As of period end, the following table is a summary of the securities on loan by counterparty which are subject to offset under an MSLA as of September 30, 2020:

iShares ETF and Counterparty	*Market Value of Securities on Loan*	*Cash Collateral Received*[(a)]	*Non-Cash Collateral Received*	*Net Amount*
Mortgage Real Estate				
Goldman Sachs & Co.	$ 278,982	$ 278,982	$ —	$ —
HSBC Bank PLC	913	913	—	—
JPMorgan Securities LLC	3,685,221	3,685,221	—	—
	$ 3,965,116	$ 3,965,116	$ —	$ —

(a) Collateral received in excess of the market value of securities on loan is not presented in this table. The total cash collateral received by each Fund is disclosed in the Fund's statement of assets and liabilities.

The risks of securities lending include the risk that the borrower may not provide additional collateral when required or may not return the securities when due. To mitigate these risks, each Fund benefits from a borrower default indemnity provided by BlackRock, Inc. (“BlackRock”). BlackRock’s indemnity allows for full replacement of the securities loaned to the extent the collateral received does not cover the value of the securities loaned in the event of borrower default. Each Fund could incur a loss if the value of an investment purchased with cash collateral falls below the market value of the loaned securities or if the value of an investment purchased with cash collateral falls below the value of the original cash collateral received. Such losses are borne entirely by each Fund.

5. DERIVATIVE FINANCIAL INSTRUMENTS

Futures Contracts: Each Fund’s use of futures contracts is generally limited to cash equitization. This involves the use of available cash to invest in index futures contracts in order to gain exposure to the equity markets represented in or by the Fund’s underlying index and is intended to allow the Fund to better track its underlying index. Futures contracts are standardized, exchange-traded agreements to buy or sell a specific quantity of an underlying instrument at a set price on a future date. Depending on the terms of a contract, a futures contract is settled either through physical delivery of the underlying instrument on the settlement date or by payment of a cash amount on the settlement date.

Upon entering into a futures contract, a fund is required to pledge to the executing broker which holds segregated from its own assets, an amount of cash, U.S. government securities or other high-quality debt and equity securities equal to the minimum initial margin requirements of the exchange on which the contract is traded. Securities deposited as initial margin, if any, are designated in the schedule of investments and cash deposited, if any, is shown as cash pledged for futures contracts in the statement of assets and liabilities.

Pursuant to the contract, a fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in market value of the contract (“variation margin”). Variation margin is recorded as unrealized appreciation or depreciation and, if any, shown as variation margin receivable or payable on futures contracts in the statement of assets and liabilities. When the contract is closed, a realized gain or loss is recorded in the statement of operations equal to the difference between the notional amount of the contract at the time it was opened and the notional amount at the time it was closed. Losses may arise if the notional value of a futures contract decreases due to an unfavorable change in the market rates or values of the underlying instrument during the term of the contract or if the counterparty does not perform under the contract. The use of futures contracts involves the risk of an imperfect correlation in the movements in the price of futures contracts and the assets underlying such contracts.

6. INVESTMENT ADVISORY AGREEMENT AND OTHER TRANSACTIONS WITH AFFILIATES

Investment Advisory Fees: Pursuant to an Investment Advisory Agreement with the Trust, BFA manages the investment of each Fund’s assets. BFA is a California corporation indirectly owned by BlackRock. 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 0.48%, accrued daily and paid monthly by the Funds, based on the average daily net assets of each Fund.

Distributor: 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.

Securities Lending: The U.S. Securities and Exchange Commission (the “SEC”) 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 (the “collateral investment fees”). The cash collateral is invested in a money market fund, BlackRock Cash Funds: Institutional or BlackRock Cash Funds: Treasury, managed by BFA, or its affiliates. However, BTC has agreed to reduce the amount of securities lending income it receives in order to effectively limit the collateral investment fees each Fund bears to an annual rate of 0.04%. The SL Agency Shares of such money market fund will not be subject to a sales load, distribution fee or service fee. The money market fund in which the cash collateral has been invested may, under certain circumstances, impose a liquidity fee of up to 2% of the value redeemed or temporarily restrict redemptions for up to 10 business days during a 90 day period, in the event that the money market fund's weekly liquid assets fall below certain thresholds.

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

Pursuant to the current securities lending agreement, each Fund retains 75% of securities lending income (which excludes collateral investment fees) and the amount retained can never be less than 70% of the total of securities lending income plus the collateral investment fees.

In addition, commencing the business day following the date that the aggregate securities lending income plus the collateral investment fees generated across all 1940 Act iShares exchange-traded funds (the "iShares ETF Complex") in that calendar year exceeds a specified threshold, each Fund, pursuant to the securities lending agreement, will retain for the remainder of that calendar year 80% of securities lending income (which excludes collateral investment fees), and the amount retained can never be less than 70% of the total of securities lending income plus the collateral investment fees.

The share of securities lending income earned by each Fund is shown as securities lending income – affiliated – net in its statement of operations. For the six months ended September 30, 2020, the Funds paid BTC the following amounts for securities lending agent services:

iShares ETF	*Fees Paid to BTC*
Mortgage Real Estate	$ 157,914
Residential and Multisector Real Estate	3,238

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

Other Transactions: 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 six months ended September 30, 2020, transactions executed by the Funds pursuant to Rule 17a-7 under the 1940 Act were as follows:

iShares ETF	*Purchases*	*Sales*	*Net Realized Gain (Loss)*
Mortgage Real Estate	$ 29,057,169	$ 7,753,638	$ (4,276,968)
Residential and Multisector Real Estate	2,421,649	1,392,963	(338,673)

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

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

7. PURCHASES AND SALES

For the six months ended September 30, 2020, purchases and sales of investments, excluding short-term investments and in-kind transactions, were as follows:

iShares ETF	*Purchases*	*Sales*
Mortgage Real Estate	$ 210,232,214	$ 188,307,514
Residential and Multisector Real Estate	12,131,616	10,531,004

For the six months ended September 30, 2020, purchases and sales related to in-kind transactions were as follows:

iShares ETF	*In-kind Purchases*	*In-kind Sales*
Mortgage Real Estate	$ 401,146,879	$ 172,093,331
Residential and Multisector Real Estate	21,659,092	25,567,748

8. 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.

Management has analyzed tax laws and regulations and their application to the Funds as of September 30, 2020, inclusive of the open tax return years, and does not believe that there are any uncertain tax positions that require recognition of a tax liability in the Funds' financial statements.

As of March 31, 2020, the Funds had non-expiring capital loss carryforwards available to offset future realized capital gains as follows:

iShares ETF	*Non-Expiring*
Mortgage Real Estate	$ 34,673,289
Residential and Multisector Real Estate	5,018,968

As of September 30, 2020, gross unrealized appreciation and depreciation based on cost of investments (including short positions and derivatives, if any) for U.S. federal income tax purposes were as follows:

iShares ETF	*Tax Cost*	*Gross Unrealized Appreciation*	*Gross Unrealized Depreciation*	*Net Unrealized Appreciation (Depreciation)*
Mortgage Real Estate	$ 1,436,514,347	$ 79,977,707	$ (484,085,881)	$ (404,108,174)
Residential and Multisector Real Estate	412,729,241	16,406,005	(70,978,287)	(54,572,282)

9. 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, 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. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, or other events could have a significant impact on the Funds and their investments. Each Fund’s prospectus provides details of the risks to which the Fund is subject.

BFA uses 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.

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

Market Risk: An outbreak of respiratory disease caused by a novel coronavirus has developed into a global pandemic and has resulted in closing borders, quarantines, disruptions to supply chains and customer activity, as well as general concern and uncertainty. The impact of this pandemic, and other global health crises that may arise in the future, could affect the economies of many nations, individual companies and the market in general in ways that cannot necessarily be foreseen at the present time. This pandemic may result in substantial market volatility and may adversely impact the prices and liquidity of a fund's investments. The duration of this pandemic and its effects cannot be determined with certainty.

Valuation Risk: The market values of equities, such as common stocks and preferred securities or equity related investments, such as futures and options, may decline due to general market conditions which are not specifically related to a particular company. They may also decline due to factors which affect a particular industry or industries. A fund may invest in illiquid investments. An illiquid investment is any investment that a fund reasonably expects cannot be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment. A fund may experience difficulty in selling illiquid investments in a timely manner at the price that it believes the investments are worth. Prices may fluctuate widely over short or extended periods in response to company, market or economic news. Markets also tend to move in cycles, with periods of rising and falling prices. This volatility may cause a fund’s NAV to experience significant increases or decreases over short periods of time. If there is a general decline in the securities and other markets, the NAV of a fund may lose value, regardless of the individual results of the securities and other instruments in which a fund invests.

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

A derivative contract may suffer a mark-to-market loss if the value of the contract decreases due to an unfavorable change in the market rates or values of the underlying instrument. Losses can also occur if the counterparty does not perform under the contract.

With exchange-traded futures, there is less counterparty credit risk to the Funds since the exchange or clearinghouse, as counterparty to such instruments, guarantees against a possible default. The clearinghouse stands between the buyer and the seller of the contract; therefore, credit risk is limited to failure of the clearinghouse. While offset rights may exist under applicable law, a Fund does not have a contractual right of offset against a clearing broker or clearinghouse in the event of a default (including the bankruptcy or insolvency). Additionally, credit risk exists in exchange-traded futures with respect to initial and variation margin that is held in a clearing broker's customer accounts. While clearing brokers are required to segregate customer margin from their own assets, in the event that a clearing broker becomes insolvent or goes into bankruptcy and at that time there is a shortfall in the aggregate amount of margin held by the clearing broker for all its clients, typically the shortfall would be allocated on a pro rata basis across all the clearing broker's customers, potentially resulting in losses to the Funds.

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

Certain Funds invest a significant portion of their assets in securities within a single or limited number of market sectors. When a Fund concentrates its investments in this manner, it assumes the risk that economic, regulatory, political and social conditions affecting such sectors may have a significant impact on the fund and could affect the income from, or the value or liquidity of, the fund's portfolio. Investment percentages in specific sectors are presented in the schedule of investments.

LIBOR Transition Risk: The United Kingdom's Financial Conduct Authority announced a phase out of the London Interbank Offered Rate ("LIBOR") by the end of 2021, and it is expected that LIBOR will cease to be published after that time. The Funds may be exposed to financial instruments tied to LIBOR to determine payment obligations, financing terms, hedging strategies or investment value. The transition process away from LIBOR might lead to increased volatility and illiquidity in markets for, and reduce the effectiveness of new hedges placed against, instruments whose terms currently include LIBOR. The ultimate effect of the LIBOR transition process on the Funds is uncertain.

10. CAPITAL SHARE TRANSACTIONS

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

Transactions in capital shares were as follows:

	Six Months Ended 09/30/20		*Year Ended 03/31/20*	
iShares ETF	*Shares*	*Amount*	*Shares*	*Amount*
Mortgage Real Estate				
Shares sold	16,600,000	$ 405,442,301	10,050,000	$ 379,197,141
Shares redeemed	(7,650,000)	(173,960,382)	(7,150,000)	(268,644,225)
Net increase	8,950,000	$ 231,481,919	2,900,000	$ 110,552,916
Residential and Multisector Real Estate				
Shares sold	350,000	$ 21,736,008	2,500,000	$ 190,496,151
Shares redeemed	(450,000)	(25,669,231)	(2,600,000)	(184,561,326)
Net increase (decrease)	(100,000)	$ (3,933,223)	(100,000)	$ 5,934,825

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 shares sold in the table above.

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

11. LEGAL PROCEEDINGS

On June 16, 2016, investors 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 Preferred and Income Securities ETF) filed a 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. In an opinion dated January 23, 2020, the California Court of Appeal affirmed the dismissal of Plaintiffs' claims. On March 3, 2020, plaintiffs filed a petition for review by the California Supreme Court. On May 27, 2020, the California Supreme Court denied Plaintiff's petition for review. The case is now closed.

12. SUBSEQUENT EVENTS

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

Board Review and Approval of Investment Advisory Contract

iShares Mortgage Real Estate ETF, iShares Residential and Multisector Real Estate ETF (each the "Fund")

Under Section 15(c) of the Investment Company Act of 1940 (the "1940 Act"), the Trust's Board of Trustees (the "Board"), including a majority of Board Members who are not "interested persons" of the Trust (as that term is defined in the 1940 Act) (the "Independent Board Members), is required annually to consider and approve the Investment Advisory Contract between the Trust and BFA (the "Advisory Contract") whereby the Board and its committees (composed solely of Independent Board Members) assess BlackRock's services to the Fund, including investment management; fund accounting; administrative and shareholder services; oversight of the Fund's service providers; risk management and oversight; legal and compliance services; and ability to meet applicable legal and regulatory requirements. The Independent Board Members requested, and BFA provided, such information as the Independent Board Members, with advice from independent counsel, deemed reasonably necessary to evaluate the Advisory Contract. At meetings on April 17, 2020 and May 19, 2020, a committee composed of all of the Independent Board Members (the "15(c) Committee"), with independent counsel, met with management and reviewed and discussed information provided in response to initial requests of the 15(c) Committee and/or its independent counsel, and requested certain additional information, which management agreed to provide. At a meeting held on June 8-10, 2020, the Board, including the Independent Board Members, reviewed the additional information provided by management in response to these requests.

After extensive discussions and deliberations, the Board, including all of the Independent Board Members, approved the continuance of the Advisory Contract for the Fund, based on a review of qualitative and quantitative information provided by BFA and their cumulative experience as Board Members. The Board noted its satisfaction with the extent and quality of information provided and its frequent interactions with management, as well as the detailed responses and other information provided by BFA. The Independent Board Members were advised by their independent counsel throughout the process, including about the legal standards applicable to their review. In approving the continuance of the Advisory Contract for the Fund, the Board, including the Independent Board Members, considered various factors, including: (i) the expenses and performance of the Fund; (ii) the nature, extent and quality of the services provided by BFA; (iii) the costs of services provided to the Fund and profits realized by BFA and its affiliates; (iv) potential economies of scale and the sharing of related benefits; (v) the fees and services provided for other comparable funds/accounts managed by BFA and its affiliates; and (vi) other benefits to BFA and/or its affiliates. The material factors, none of which was controlling, and conclusions that formed the basis for the Board, including the Independent Board Members, to approve the continuance of the Advisory Contract are discussed below.

Expenses and Performance of the Fund: The Board reviewed statistical information prepared by Broadridge Financial Solutions Inc. ("Broadridge"), an independent provider of investment company data, regarding the expense ratio components, including gross and net total expenses, fees and expenses of another fund in which the Fund invests (if applicable), and waivers/reimbursements (if applicable) of the Fund in comparison with the same information for other ETFs (including, where applicable, funds sponsored by an "at cost" service provider), objectively selected by Broadridge as comprising the Fund's applicable peer group pursuant to Broadridge's proprietary ETF methodology (the "Peer Group"). The Board was provided with a detailed description of the proprietary ETF methodology used by Broadridge to determine the Fund's Peer Group. The Board noted that, due to the limitations in providing comparable funds in the Peer Group, the statistical information provided in Broadridge's report may or may not provide meaningful direct comparisons to the Fund in all instances. The Board also noted that the overall fund expenses (net of waivers and reimbursements) for the Fund were higher than the median of overall fund expenses (net of waivers and reimbursements) of the funds in its Peer Group, excluding iShares funds.

In addition, to the extent that any of the comparison funds included in the Peer Group, excluding iShares funds, track the same index as the Fund, Broadridge also provided, and the Board reviewed, a comparison of the Fund's performance for the one-year, three-year, five-year, ten-year, and since inception periods, as applicable, and for the quarter ended December 31, 2019, to that of relevant comparison fund(s) for the same periods.

The Board noted that the Fund seeks to track its specified underlying index and that, during the year, the Board received periodic reports on the Fund's short- and longer-term performance in comparison with its underlying index. Such periodic comparative performance information, including additional detailed information as requested by the Board, was also considered. The Board noted that the Fund generally performed in line with its underlying index over the relevant periods.

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

Nature, Extent and Quality of Services Provided: Based on management's representations, including information about recent and proposed enhancements to the iShares business, including with respect to capital markets support and analysis, technology, portfolio management, product design and quality, compliance and risk management, global public policy and other services, the Board expected that there would be no diminution in the scope of services required of or provided by BFA under the Advisory Contract for the coming year as compared with the scope of services provided by BFA during prior years. In reviewing the scope of these services, the Board considered BFA's investment philosophy and experience, noting that BFA and its affiliates have committed significant resources over time, including during the past year, to support the iShares funds and their shareholders and have made significant investments into the iShares business. The Board also considered BFA's compliance program and its compliance record with respect to the Fund. In that regard, the Board noted that BFA reports to the Board about portfolio management and compliance matters on a periodic basis in connection with regularly scheduled meetings of the Board, and on other occasions as necessary and appropriate, and has provided information and made relevant officers and other employees of BFA (and its affiliates) available as needed to provide further assistance with these matters. The Board also reviewed the background and experience of the persons responsible for the day-to-day management of the Fund, as well as the resources available to them in managing the Fund. In addition to the above considerations, the Board reviewed and considered detailed presentations regarding BFA's investment performance, investment and risk management processes and strategies, which were provided at the June 8-10, 2020 meeting and throughout the year.

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

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

Based on this review, the Board concluded that the profits realized by BFA and its affiliates under the Advisory Contract and from other relationships between the Fund and BFA and/or its affiliates, if any, were within a reasonable range in light of the factors and other information considered.

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

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

Fees and Services Provided for Other Comparable Funds/Accounts Managed by BFA and its Affiliates: The Board considered information regarding the investment advisory/management fee rates for other funds/accounts in the U.S. for which BFA (or its affiliates) provides investment advisory/management services, including open-end funds registered under the 1940 Act (including sub-advised funds), collective trust funds, and institutional separate accounts (collectively, the "Other Accounts"). The Board acknowledged BFA's representation that the iShares funds are fundamentally different investment vehicles from the Other Accounts. The Board noted that BFA and its affiliates do not manage Other Accounts with substantially the same investment objective and strategy as the Fund and that track the same index as the Fund. The Board further noted that BFA provided the Board with detailed information regarding how the Other Accounts generally differ from the Fund, including in terms of the types of services and generally more extensive services provided to the Fund, as well as other significant differences. In that regard, the Board considered that the pricing of services to institutional clients is typically based on a number of factors beyond the nature and extent of the specific services to be provided and often depends on the overall relationship between the client and its affiliates and the adviser and its affiliates. In addition, the Board considered the relative complexity and inherent risks and challenges of managing and providing other services to the Fund, as a publicly traded investment vehicle, as compared to the Other Accounts, particularly those that are institutional clients, in light of differing regulatory requirements and client-imposed mandates. The Board also acknowledged management's assertion that, for certain iShares funds, and for client segmentation purposes, BlackRock has launched an iShares fund that may provide a similar investment exposure at a lower investment advisory fee rate. The Board also considered the "all-inclusive" nature of the Fund's advisory fee structure, and the Fund's expenses borne by BFA under this arrangement. The Board noted that the investment advisory fee rate under the Advisory Contract for the Fund was generally higher than the investment advisory/management fee rates for certain of the Other Accounts (particularly institutional clients) and concluded that the differences appeared to be consistent with the factors discussed.

Other Benefits to BFA and/or its Affiliates: The Board reviewed other benefits or ancillary revenue received by BFA and/or its affiliates in connection with the services provided to the Fund by BFA, both direct and indirect, such as payment of revenue to BTC, the Fund's securities lending agent, for loaning portfolio securities (which was included in the profit margins reviewed by the Board pursuant to BFA's estimated profitability methodology), payment of advisory fees or other fees to BFA (or its affiliates) in connection with any investments by the Fund in other funds for which BFA (or its affiliates) provides investment advisory services or other services and BlackRock's profile in the investment community. The Board also noted the revenue received by BFA and/or its affiliates pursuant to an agreement that permits a service provider to use certain portions of BlackRock's technology platform to service accounts managed by BFA and/or its affiliates, including the iShares funds. The Board noted that BFA generally does not use soft dollars or consider the value of research or other services that may be provided to BFA (including its affiliates) in selecting brokers for portfolio transactions for the Fund. The Board further noted that any portfolio transactions on behalf of the Fund placed through a BFA affiliate or purchased from an underwriting syndicate in which a BFA affiliate participates (including associated commissions) are reported to the Board pursuant to Rule 17e-1 or Rule 10f-3, as applicable, under the 1940 Act. The Board concluded that any such ancillary benefits would not be disadvantageous to the Fund and thus would not alter the Board's conclusion with respect to the appropriateness of approving the continuance of the Advisory Contract for the coming year.

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

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 iShares.com. Once you have enrolled, you will no longer receive prospectuses and shareholder reports in the mail.

To enroll in electronic delivery:

- Go to icsdelivery.com.
- 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 as an exhibit to its reports on Form N-PORT. The iShares Funds' Forms N-PORT are available on the SEC's website at sec.gov. The iShares Funds also disclose their complete schedule of portfolio holdings on a daily basis on the iShares website at iShares.com.

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 iShares.com; and (3) on the SEC website at sec.gov.

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

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Want to know more?

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