

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1</b> Issuer's name		<b>2</b> Issuer's employer identification number (EIN)	
iShares Interest Rate Hedged 10+ Year Credit Bond ETF		47-3956198	
<b>3</b> Name of contact for additional information	<b>4</b> Telephone No. of contact	<b>5</b> Email address of contact	
BlackRock Fund Advisors	1-800-474-2737	isharesetfs@blackrock.com	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact		<b>7</b> City, town, or post office, state, and Zip code of contact	
c/o BlackRock Inc., 1 University Square Dr.		Princeton, NJ 08540	
<b>8</b> Date of action		<b>9</b> Classification and description	
10/31/2016		Common Stock - Regulated Investment Company	
<b>10</b> CUSIP number	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol	<b>13</b> Account number(s)
46431W812		CLYH	

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **The issuer paid a monthly distribution to common shareholders from February 2016 to October 2016. All or a portion of each distribution constitutes a non-taxable return of capital.**

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **The portion of the distribution that constitutes a non-taxable return of capital will decrease a U.S. taxpayer's basis in the shares of Issuer. The non-taxable return of capital is as follows:**

Per Share Reduction of			
Distribution Payable On:	Basis in Common Stock	Distribution Payable On:	Basis in Common Stock
February 8, 2016	\$0.001207	September 9, 2016	\$0.002455
March 8, 2016	\$0.002420	October 11, 2016	\$0.003109
April 8, 2016	\$0.002190		
May 9, 2016	\$0.002164		
June 8, 2016	\$0.002376		
July 12, 2016	\$0.001612		
August 8, 2016	\$0.002518		

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **Issuer's current and accumulated earnings were compared to distributions paid during the year ended October 31, 2016. The non-taxable return of capital represents the amount of distributions paid during the taxable year ended October 31, 2016 in excess of Issuer's current and accumulated earnings and profits under IRC Section 316.**

**Part II Organizational Action** (continued)

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶  
**Internal Revenue Code Sections 301, 316, 852.**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**18** Can any resulting loss be recognized? ▶ **No.**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶  
**See Part II, Item 15 of this form for the per share amounts and dates of distributions impacted by this organizational action.**  
**This organizational action is reportable with respect to calendar year 2016.**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**  
Signature ▶ *Ronald Fisher* Date ▶ *12/15/2016*  
Print your name ▶ *Ronald Fisher* Title ▶ *Assistant Treasurer*

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.