**Report of Organizational Actions Affecting Basis of Securities**

**Part I - Reporting Issuer**

1. **Issuer's name**
   - iShares Mortgage Real Estate Capped ETF

2. **Issuer's employer identification number (EIN)**
   - 76-0844483

3. **Name of contact for additional information**
   - BlackRock Fund Advisors
   - 1-800-474-2737

4. **Telephone No. of contact**
   - isharesetfs@blackrock.com

5. **Email address of contact**

6. **Number and street (or P.O. box if mail is not delivered to street address) of contact**
   - c/o BlackRock Inc., 1 University Square DR
   - Princeton, NJ 08540

7. **City, town, or post office, state, and zip code of contact**

8. **Date of action**
   - 03/31/2016

9. **Classification and description**
   - Common Stock - Regulated Investment Company

10. **CUSIP number**
    - 484288539

11. **Serial number(s)**

12. **Ticker symbol**

13. **Account number(s)**

**Part II - Organizational Action**

Attach additional statements if needed. See back of form for additional questions.

14. **On March 30, 2016 the issuer paid a distribution to common shareholders of record of March 28, 2016. All or a portion of each distribution constitutes a non-taxable return of capital.**

15. **U.S. taxpayer's basis in the shares of Issuer. The non-taxable return of capital is as follows:**

   **Distribution Payable On:**
   - Basis in Common Stock
   - March 30, 2016
   - $0.259970

16. **The non-taxable return of capital represents the amount of distributions paid during the taxable year ended March 31, 2016 in excess of Issuer's current and accumulated earnings and profits under IRC Section 316.**
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.

Sign Here

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.

Signature: ___________________________ Date: ____________

Print your name: Ronald Fisher

Title: Assistant Treasurer

Paid Preparer
Print/Type preparer's name: ___________________________
Preparer's signature: ___________________________
Date: ____________
Check □ if self-employed
PTIN: ___________________________

Use Only
Print/Type firm's name: ___________________________
Firm's EIN: ___________________________
Firm's address: ___________________________
Phone no.: ___________________________

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054