Report of Organizational Actions Affecting Basis of Securities

Part I Reporting Issuer

1 Issuer's name

iShares Mortgage Real Estate ETF (FKA: iShares Mortgage Real Estate Capped ETF) 76-0844483

3 Name of contact for additional information

BlackRock Fund Advisors 1-800-474-2737

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

8 Date of action

03/31/2018

10 CUSIP number

46435G342

Classification and description

9

11 Serial number(s)

Common Stock - Regulated Investment Company

12 Ticker symbol

REM

13 Account number(s)

Part II Organizational Action

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. On March 28, 2018 the issuer paid a distribution to common shareholders of record of March 23, 2018. 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

March 28, 2018 $0.893147

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 March 31, 2018. The non-taxable return of capital represents the amount of distributions paid during the taxable year ended March 31, 2018 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 Section 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 18 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 2018.

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 ▶ 5/11/18

Print your name ▶ Ronald Fisher

Paid Preparer Use Only

Print/Type preparer's name ▶ ___________________________ Preparer's signature ▶ ___________________________ Date ▶ ___________________________ Check □ if self-employed

PTIN ▶ ___________________________

Firm's name ▶ ___________________________

Firm's address ▶ ___________________________

Firm's EIN ▶ ___________________________

Phone no. ___________________________

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