

Conversion of 30 iShares into international ETF structure

BlackRock (iShares) intends to convert its Irish-domiciled and Global Bearer Certificate Exchange-Traded Funds (ETFs) to the ICSD model in Common Depository structure, thus centralising the issuance process in one Common Depository. This fifth migration wave will consist of 30 ETFs issued under the iShares III umbrella.

This document contains the relevant details on the conversion of the 30 iShares into the international ETF structure.

No action is required from you for the conversion of the securities into the international ETF structure. Depending on your current settlement arrangements, there may be settlement-related actions for you to take. Refer to the information provided below.

Mandatory exchange

The 30 iShares III ETFs¹ (governed by Irish law) in the table on [page 2](#) will be converted into new international ETFs on Monday, 20 June 2016 (the 'conversion date'). The conversion from the current domestic to the new international issuance structure is mandatory and does not require any action from customers:

- "DE-ISINs (Global Bearer Certificates/GBCs in Collective Safe Custody) will be converted into international IE-ISINs over the night of the exchange based on your holdings on Friday, 17 June 2016 - 'the record date' on a 1:1 basis. Trading in the DE ISINs will remain possible until close of business on Friday, 17 June 2016. As from that time, external and Bridge settlement in the DE ISINs will no longer be possible. Booking of GBC exchanges from the original ISINs into German certificates and GBC re-exchange from German certificates into the original ISINs are only possible until 16 June 2016, 12:00 (CET).
- "IE-ISINs (Irish domiciled) - static data will be updated in our securities database to flag the ISIN as international. The IE ISINs will remain the same. We will not process any debit/re-credit movements on your holdings.
- "IE-ISINs (in Collective Safe Custody) - static data will be updated in WSS database to flag the ISIN as international. Your holdings in your CASCADE-accounts (Collective Safe Custody) will be converted into your corresponding CBFi-accounts ("6-series accounts") in the international settlement over the weekend of the exchange based on your holdings on Friday, 17 June 2016 - 'the record date' - on a 1:1 basis. Trading will remain possible.

Please note that positions in Remote Market Common Codes held in other CSDs such as Monte Titoli, SIX SIS, Euroclear Netherlands, Euroclear UK & IE will be repatriated to their respective Home Market Common Code between Thursday, 9 June and Friday, 17 June 2016. Meaning that as from 9 June remote market common code will be closed for settlement. As from that date customers should refrain from instructing on remote market codes. Any pending settlement instructions, including matched instructions, will be cancelled in this remote common code and customers will have to reinstruct with the Home Market Common Code.

Stock exchange trading in the various markets will remain possible (unless announced otherwise) but customers are requested to check with their counterparty which settlement arrangement within the ICSDs should be applied to settle their trades.

1. For more details on these iShares ETFs and the Scheme of Arrangement that governs the iShares conversions, please go to www.ishares.com.

Impacted securities

Sub-Fund Name (iShares IV)	Before Monday, 20 June 2016		As from Monday, 20 June 2016
	Domestic IE ISIN	Domestic DE ISIN (Global Bearer Certificates)	Final International IE ISIN
SHS ISHARES S AND P SMALL CAP 600 UCITS ETF	IE00B2QWCY14	DE000A0RFEB1	IE00B2QWCY14
SHS ISHARES MSCI JAP.S.CAP UCITS ETF (DIST)	IE00B2QWDY88		IE00B2QWDY88
SHS ISHARES MSCI GCC COUNTR.EX-SAUDI ARABIA	IE00B3F81623	DE000A0RM470	IE00B3F81623
SHS ISHARES MSCI EM.MKTS.SMALL CAP UCITS ETF	IE00B3F81G20	DE000A0YBR04	IE00B3F81G20
SHS ISHARES MSCI EUROPE UCITS ETF (ACC)	IE00B4K48X80		IE00B4K48X80
SHS ISHARES CORE MSCI WORLD UCITS ETF ACC	IE00B4L5Y983		IE00B4L5Y983
SHS ISHARES MSCI EM. MKTS. UCITS ETF (ACC)	IE00B4L5YC18	DE000A0YBR46	IE00B4L5YC18
SHS ISHARES CORE MSCI JAPAN IMI UCITS ETF	IE00B4L5YX21	DE000A0YBR53	IE00B4L5YX21
SHS ISHARES GBP CORP.BD EX FIN.UCITS ETF	IE00B4L60H17		IE00B4L60H17
SHS ISHARES MSCI PAC EX-JAP.UCITS ETF (DIST)	IE00B4WXJD03	DE000A0YBR12	IE00B4WXJD03
SHS ISHARES CORE EURO GOVT BD UCITS ETF	IE00B4WXJJ64	DE000A0YBRZ7	IE00B4WXJJ64
SHS ISHARES FTSE UK GILTS 0-5	IE00B4WXJK79		IE00B4WXJK79
SHS ISHARES MSCI SOUTH AFRICA UCITS ETF	IE00B52XQP83		IE00B52XQP83
SHS ISHARES CORE MSCI TAR.UK RE.EST.UCITS ETF	IE00BRHZ0398	DE000A14PKP1	IE00BRHZ0398
SHS ISHARES MSCI TARGET US.RE.ESTA.UCITS ETF	IE00BRHZ0620	DE000A12HP18	IE00BRHZ0620
SHS ISHARES EURO CORP BD BBB-BB UCITS ETF	IE00BSKRK281	DE000A12HUB1	IE00BSKRK281
SHS ISHARES EM ASIA LO.GV. BD UCITS ETF	IE00B6QGFW01	DE000A1J0ZB9	IE00B6QGFW01
SHS ISHARES EM MKT LOCAL GOVT BOND UCITS ETF	IE00B5M4WH52	DE000A1JB4Q0	IE00B5M4WH52
SHS ISHARES GLOBAL AGG. BD UCITS ETF	IE00B3DKXQ41	DE000A0RM447	IE00B3DKXQ41
SHS ISHARES EURO CORP BOND 1-5YR UCITS ETF	IE00B4L60045	DE000A0YEEZ9	IE00B4L60045
SHS ISHARES BARC.EURO CORP.BD EX-FIN.1-5	IE00B4L5ZY03	DE000A0YEEY2	IE00B4L5ZY03
SHS ISHARES EUR. CORP. BD EX FIN. UCITS ETF	IE00B4L5ZG21	DE000A0YEEEX4	IE00B4L5ZG21
SHS ISHARES EUR COVERED BOND	IE00B3B8Q275	DE000A0RFEE5	IE00B3B8Q275
SHS ISHARES EURO GOV BD 0-1YR UCITS ETF	IE00B3FH7618	DE000A0RM462	IE00B3FH7618
SHS ISHARES EURO GOVT BD 10-15 YR UCITS ETF	IE00B4WXJH41	DE000A0YBRX2	IE00B4WXJH41
SHS ISHARES BARCLAYS EURO GOV.BD 5-7	IE00B4WXJG34	DE000A0YBRY0	IE00B4WXJG34
SHS ISHARES GLOBAL GOVERNMENT BD UCITS ETF	IE00B3F81K65	DE000A0RM439	IE00B3F81K65
SHS ISHARES BARCLAYS GL.INFLATION LINK.BD	IE00B3B8PX14	DE000A0RFED7	IE00B3B8PX14

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Before Monday, 20 June 2016		As from Monday, 20 June 2016	
Sub-Fund Name (iShares IV)	Domestic IE ISIN	Domestic DE ISIN (Global Bearer Certificates)	Final International IE ISIN
SHS ISHARES CORE EURO CORP.BD UCITS ETF	IE00B3F81R35		IE00B3F81R35
SHS ISHARES MSCI AUSTRALIA UCITS ETF	IE00B5377D42		IE00B5377D42

Impact on stock exchange settlement instructions

Friday, 17 June 2016	What will happen
After close of business	<ul style="list-style-type: none"> DE ISINs <p>CBL customers: Pending Exchange settlement instructions will be cancelled and reinstructed to the CBL/CBFi settlement platform (Creation) on customers' accounts with the relevant IE ISIN.</p> <p>CBF customers: Pending Exchange settlement instructions will be modified to the CBFi settlement platform (Creation) on customers' accounts. No separate customer information will go out.</p> IE ISINs <p>CBL customers: Pending Exchange settlement instructions will be cancelled following change in static data of securities database. Customers should reinstruct accordingly.</p> <p>CBF customers: Pending Exchange settlement instructions will be modified to the CBFi settlement platform (Creation) on customers' accounts. No separate customer information will go out.</p>
Monday, 20 June 2016	What will happen
Start of business	Stock exchange transactions on Xetra will settle in CBL/CBFi settlement platform as from settlement date Monday, 20 June 2016.

Impact on OTC settlement instructions

Friday, 17 June 2016	What will happen
After close of business	<ul style="list-style-type: none"> DE ISINs <p>CBL and CBF customers: Pending OTC settlement instructions will be cancelled. Customers should reinstruct to the CBL/CBFi settlement platform (Creation) on their accounts, with the relevant IE ISIN. No separate customer information will go out.</p> IE ISINs <p>CBL customers: Pending OTC settlement instructions will be cancelled following change in static data of securities database. Customers should reinstruct accordingly.</p> <p>CBF customers: Pending OTC settlement instructions will be cancelled. Customers should reinstruct to the CBL/CBFi settlement platform (Creation) on their accounts. No separate customer information will go out.</p>

Monday, 20 June 2016	What will happen
Start of business	External settlement instructions The place of settlement for your transactions in international ETFs will be the CBL/CBFi settlement platform as from settlement date Monday, 20 June 2016.

Are you trading/clearing in the above DE ISINs on Xetra?

For trades executed on Xetra as from Thursday, 16 June 2016, the related transactions will settle exclusively in CBL/CBFi and will be converted to relevant IE ISIN holdings on 20 June.

I settle my Xetra transactions in CBL or CBFi today

Customer DE ISIN holdings will be converted to relevant IE ISIN holdings.

There is no further impact for customers. Customer transactions will continue to settle in CBL/CBFi.

I settle my Xetra transactions in CBF today

What will happen	Action to take
Close of business on Friday, 17 June 2016	
CBF will modify the customer's pending instructions to the CBL/CBFi settlement platform (Creation) on the customer's account in CBFi.	No action to take.
The start of business on Monday, 20 June 2016	
CBL/CBF will execute the conversion and credit the customer's account in CBL/CBFi with the IE ISINs of the corporate action. The customer's CASCADE account will be debited accordingly.	<ul style="list-style-type: none"> Customers should amend their static reference data for the 30 iShares ETFs to reflect the place of safekeeping, and holding ledger to PSafe: CITIGB2LMAG We recommend that customers make arrangements with their underlying customers to make the relevant amendments as soon as possible after the conversion date.

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Are you trading/clearing in the above IE ISINs on Xetra?

No impact on CBL customers. CBF customers will need to settle on their CBFi account, as described for the DE ISINs (above).

I settle my Xetra transactions in CBL or CBFi today

There is no further impact for customers. Customer transactions will continue to settle in CBL/CBFi.

I settle my Xetra transactions in CBF today

What will happen	Action to take
Close of business on Friday, 17 June 2016	
CBF will modify the customer's pending instructions to the CBFi settlement platform (Creation) on the customer's account in CBFi.	No action to take.
The start of business on Monday, 20 June 2016	
CBL/CBF will execute the conversion and credit the customer's account in CBL/CBFi with the IE ISINs of the corporate action. The customer's CASCADE account will be debited accordingly.	<ul style="list-style-type: none">• Customer's should amend their static reference data for the 30 iShares ETFs to reflect the place of safekeeping, and holding ledger, to PSafe: CITIGB2LMAG• We recommend that customers make arrangements with their underlying customers to make the relevant amendments as soon as possible after the conversion date.

Other stock exchanges

We recommend that customers check the relevant details with the local infrastructure of the other trading venues (Euronext, LSE, Borsa Italiana, SIX Swiss Exchange).

Place of settlement - Overview

Settlement type	Trading venue	Place of settlement pre-conversion	Place of settlement post-conversion ^a
Stock exchange settlement	Xetra	CBL (/CBFi)	CBL (/CBFi)
	Xetra	CBF	CBL (/CBFi)
OTC	N/A	CBL (/CBFi)	CBL (/CBFi)
	N/A	CBF	CBL (/CBFi)

a. Allowing customers to centralise their OTC activity and stock exchange activity in the same location.

Any questions?

Have you read our international ETFs Product Information publication?

The Product Information publication is available on our website (www.clearstream.com) and offers further details on how the international ETF structure helps meet the post-trade challenges of the ETF market.

For further information, please contact Client Services.

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