

13 March 2020

Market Announcements Office
ASX Limited

CONDENSED FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2019

BlackRock Investment Management (Australia) Limited (**BIMAL**) is the Responsible Entity for the following Australian-domiciled iShares® exchange traded funds (**Fund**) which are quoted on the ASX.

ASX Code	Fund
BILL	ISHARES CORE CASH ETF
IAF	ISHARES CORE COMPOSITE BOND ETF
ISEC	ISHARES ENHANCED CASH ETF
ILB	ISHARES GOVERNMENT INFLATION ETF
IGB	ISHARES TREASURY ETF

Attached is a copy of the Fund's Condensed financial report for the half year ended 31 December 2019.

Important Notice

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Before investing in an iShares ETF, you should carefully consider whether such products are appropriate for you, read the applicable prospectus or product disclosure statement (PDS) available at blackrock.com/au and consult an investment adviser.

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For more information about iShares ETFs go to blackrock.com/au/ishares or call 1300 474 273.

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iShares Domestic Fixed Interest Funds

iShares Core Cash ETF

ARSN 617 355 174

iShares Core Composite Bond ETF

ARSN 154 626 767

iShares Enhanced Cash ETF

ARSN 617 356 117

iShares Government Inflation ETF

ARSN 154 626 534

iShares Treasury ETF

ARSN 154 626 865

Condensed Financial Report

31 December 2019

iShares Domestic Fixed Interest Funds

Condensed Financial Report - For the half-year ended 31 December 2019

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Directors' Report

The directors of BlackRock Investment Management (Australia) Limited (ABN 13 006 165 975) (the "Responsible Entity"), the Responsible Entity of iShares Domestic Fixed Interest Funds (the "Funds"), present their interim report together with the condensed financial statements of the Funds, for the half-year ended 31 December 2019 and the auditor's report thereon.

These condensed financial statements have been prepared for the iShares Domestic Fixed Interest Funds (which comprise of iShares Core Cash ETF, iShares Core Composite Bond ETF, iShares Enhanced Cash ETF, iShares Government Inflation ETF and iShares Treasury ETF) as they are disclosing entities under the *Corporations Act 2001*.

Fund Objectives

iShares Core Cash ETF

The Fund employs a passive investment strategy that aims to provide investors with the performance of the S&P/ASX Bank Bill Index (before fees and expenses).

iShares Core Composite Bond ETF

The Fund aims to provide investors with the performance of an index, before fees and expenses, composed of investment grade fixed income bonds issued in the Australian debt market.

iShares Enhanced Cash ETF

The Fund seeks to achieve its objective by employing a passive investment strategy that aims to outperform the performance of the S&P/ASX Bank Bill Index (before fees and expenses).

iShares Government Inflation ETF

The Fund aims to provide investors with the performance of an index, before fees and expenses, composed of fixed income bonds issued by the Australian Treasury or Australian semi-government entities.

iShares Treasury ETF

The Fund aims to provide investors with the performance of an index, before fees and expenses, composed of fixed income bonds issued by the Australian Treasury.

Principal Activities

The Funds invest in accordance with the provisions of the Funds' Constitutions.

The Funds are currently listed on the Australian Securities Exchange (ASX). The admission dates for iShares Core Cash ETF, iShares Core Composite Bond ETF, iShares Enhanced Cash ETF, iShares Government Inflation ETF and iShares Treasury ETF were 6 June 2017, 14 March 2012, 6 June 2017, 14 March 2012 and 14 March 2012 respectively.

The Funds did not have any employees during the half-year ended 31 December 2019 (31 December 2018: Nil).

There were no significant changes in the nature of the Funds' activities during the half-year ended 31 December 2019 (31 December 2018: Nil).

Directors

The following persons held office as directors of the Responsible Entity during the half-year or since the end of the half-year and up to the date of this report:

Director	Date appointed	Date resigned
M S McCorry	Appointed 2 December 2009	
A Telfer	Appointed 12 December 2013	
S Flatman	Appointed 28 January 2015	Resigned 29 January 2020
J Collins	Appointed 29 July 2015	
A Landman	Appointed 3 February 2020	

Directors' Report (continued)

Review and Results of Operations

During the half-year, the Funds continued to invest funds in accordance with target asset allocations as set out in the governing documents of the Funds and in accordance with the provisions of the Funds' Constitutions.

Results

The performance of the Funds, as represented by the results of their operations, were as follows:

	iShares Core Cash ETF		iShares Core Composite Bond ETF	
	Half-year ended		Half-year ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000	\$'000
Profit/(loss) for the half-year	2,893	2,592	2,273	17,034
Distributions paid and payable	3,078	2,442	10,088	7,139

	iShares Enhanced Cash ETF		iShares Government Inflation ETF	
	Half-year ended		Half-year ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000	\$'000
Profit/(loss) for the half-year	709	601	1,164	1,502
Distributions paid and payable	745	559	1,259	662

	iShares Treasury ETF	
	Half-year ended	
	31 December 2019	31 December 2018
	\$'000	\$'000
Profit/(loss) for the half-year	829	1,527
Distributions paid and payable	994	383

Returns

The table below demonstrates the performance of the Funds as represented by the total return.

	Returns*		
	1 July 2019 to 31 December 2019	1 July 2018 to 31 December 2018	1 July 2017 to 31 December 2017
	% p.a.	% p.a.	% p.a.
iShares Core Cash ETF returns	0.54	1.00	0.86
iShares Core Composite Bond ETF returns	0.56	2.71	1.27
iShares Enhanced Cash ETF returns	0.61	1.08	1.05
iShares Government Inflation ETF returns	0.98	1.22	1.67
iShares Treasury ETF returns	0.22	3.11	1.02

* Returns (after fees) are calculated on the assumption that all distributions are reinvested in the Funds, and include the effect of compounding.

Directors' Report (continued)

Significant Changes in State of Affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Funds that occurred during the financial half-year under review.

Rounding of Amounts

The Funds are registered schemes of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the directors' report and financial statements. Amounts in the directors' report and the financial statements have been rounded to the nearest thousand in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, unless otherwise indicated.

Additional Disclosure

The Funds have applied the relief available in ASIC Corporations (Disclosing Entities) Instrument 2015/839 issued by the Australian Securities and Investments Commission in the preparation of this report. This class order allows registered schemes with a common responsible entity to include their financial statements in adjacent columns in a single financial report.

The Funds have applied the relief available in ASIC Corporations (Directors' Report Relief) Instrument 2016/188 issued by the Australian Securities and Investments Commission in the preparation of this report. Accordingly, the additional information otherwise required to be included in the directors' report has been disclosed in Notes 5 and 6 of the financial statements.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 4.

The condensed financial statements were authorised for issue by the directors on 4 March 2020.

This report is made in accordance with a resolution of the directors.



Director

A Telfer

Sydney

4 March 2020

4 March 2020

The Board of Directors
BlackRock Investment Management (Australia) Limited
Level 26, 101 Collins Street
Melbourne, VIC 3000

Dear Directors

iShares Core Cash ETF, iShares Core Composite Bond ETF, iShares Enhanced Cash ETF, iShares Government Inflation ETF and iShares Treasury ETF (collectively "iShares Domestic Fixed Interest Funds")

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of BlackRock Investment Management (Australia) Limited as Responsible Entity of iShares Domestic Fixed Interest Funds.

As lead audit partner for the review of the financial statements of iShares Domestic Fixed Interest Funds for the financial period 1 July 2019 to 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Neil Brown
Partner
Chartered Accountants

iShares Domestic Fixed Interest Funds
Condensed Statements of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2019

Condensed Statements of Profit or Loss and Other Comprehensive Income

	Notes	iShares Core Cash ETF		iShares Core Composite Bond ETF	
		Half-year ended		Half-year ended	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
		\$'000	\$'000	\$'000	\$'000
<i>Investment income</i>					
Interest income		283	218	24	11
Net gains/(losses) on financial instruments held at fair value through profit or loss (including FX gains/(losses))	4	2,805	2,468	3,251	17,659
Other income		-	1	5	-
<i>Total net investment income/(loss)</i>		<u>3,088</u>	<u>2,687</u>	<u>3,280</u>	<u>17,670</u>
<i>Expenses</i>					
Management fees		193	93	999	628
Custody movement fees		2	2	8	5
Other expenses		-	-	-	3
<i>Total operating expenses</i>		<u>195</u>	<u>95</u>	<u>1,007</u>	<u>636</u>
<i>Profit/(loss) for the half-year</i>		<u>2,893</u>	<u>2,592</u>	<u>2,273</u>	<u>17,034</u>
Other comprehensive income		-	-	-	-
<i>Total comprehensive income for the half-year</i>		<u>2,893</u>	<u>2,592</u>	<u>2,273</u>	<u>17,034</u>

The above Condensed Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

iShares Domestic Fixed Interest Funds
Condensed Statements of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2019

Condensed Statements of Profit or Loss and Other Comprehensive Income (continued)

	Notes	iShares Enhanced Cash ETF		iShares Government Inflation ETF	
		Half-year ended		Half-year ended	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
		\$'000	\$'000	\$'000	\$'000
<i>Investment income</i>					
Interest income		205	92	1	2
Net gains/(losses) on financial instruments held at fair value through profit or loss (including FX gains/(losses))	4	576	545	1,333	1,657
Other income		<u>2</u>	<u>-</u>	<u>1</u>	<u>-</u>
<i>Total net investment income/(loss)</i>		<u>783</u>	<u>637</u>	<u>1,335</u>	<u>1,659</u>
<i>Expenses</i>					
Management fees		73	35	169	156
Custody movement fees		1	1	2	1
Other expenses		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total operating expenses</i>		<u>74</u>	<u>36</u>	<u>171</u>	<u>157</u>
<i>Profit/(loss) for the half-year</i>		<u>709</u>	<u>601</u>	<u>1,164</u>	<u>1,502</u>
Other comprehensive income		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total comprehensive income for the half-year</i>		<u><u>709</u></u>	<u><u>601</u></u>	<u><u>1,164</u></u>	<u><u>1,502</u></u>

The above Condensed Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

iShares Domestic Fixed Interest Funds
Condensed Statements of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2019

Condensed Statements of Profit or Loss and Other Comprehensive Income (continued)

		iShares Treasury ETF	
		Half-year ended	
		31 December 2019	31 December 2018
	Notes	\$'000	\$'000
<i>Investment income</i>			
Interest income		1	1
Net gains/(losses) on financial instruments held at fair value through profit or loss (including FX gains/(losses))	4	975	1,583
Other income		<u>1</u>	<u>-</u>
<i>Total net investment income/(loss)</i>		<u>977</u>	<u>1,584</u>
<i>Expenses</i>			
Management fees		144	54
Custody movement fees		4	2
Other expenses		<u>-</u>	<u>1</u>
<i>Total operating expenses</i>		<u>148</u>	<u>57</u>
<i>Profit/(loss) for the half-year</i>		<u>829</u>	<u>1,527</u>
Other comprehensive income		<u>-</u>	<u>-</u>
<i>Total comprehensive income for the half-year</i>		<u>829</u>	<u>1,527</u>

The above Condensed Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Condensed Statements of Financial Position

		iShares Core Cash ETF		iShares Core Composite Bond ETF	
		As at		As at	
		31 December 2019	30 June 2019	31 December 2019	30 June 2019
		\$'000	\$'000	\$'000	\$'000
Notes					
Assets					
	Cash and cash equivalents	311,999	409,738	7,512	8,391
	Financial assets held at fair value through profit or loss	289,727	36,908	1,093,532	839,016
	Receivables	2,059	3,070	38	9,203
	Total assets	603,785	449,716	1,101,082	856,610
Liabilities					
	Payables	69	49	5,412	12,303
	Total liabilities	69	49	5,412	12,303
	Net assets attributable to unitholders - equity	603,716	449,667	1,095,670	844,307
6					
		iShares Enhanced Cash ETF		iShares Government Inflation ETF	
		As at		As at	
		31 December 2019	30 June 2019	31 December 2019	30 June 2019
		\$'000	\$'000	\$'000	\$'000
Notes					
Assets					
	Cash and cash equivalents	57,284	42,575	407	221
	Financial assets held at fair value through profit or loss	93,747	47,387	128,111	128,427
	Receivables	2,043	3,047	6	1,024
	Total assets	153,074	93,009	128,524	129,672
Liabilities					
	Payables	28	17	286	239
	Total liabilities	28	17	286	239
	Net assets attributable to unitholders - equity	153,046	92,992	128,238	129,433
6					

The above Condensed Statements of Financial Position should be read in conjunction with the accompanying notes.

Condensed Statements of Financial Position (continued)

		iShares Treasury ETF	
		As at	
		31 December	30 June
		2019	2019
	Notes	\$'000	\$'000
Assets			
Cash and cash equivalents		71	168
Financial assets held at fair value through profit or loss	7	80,816	143,248
Receivables		<u>420</u>	<u>3,317</u>
Total assets		<u>81,307</u>	<u>146,733</u>
Liabilities			
Payables		<u>374</u>	<u>2,789</u>
Total liabilities		<u>374</u>	<u>2,789</u>
Net assets attributable to unitholders - equity	6	<u>80,933</u>	<u>143,944</u>

The above Condensed Statements of Financial Position should be read in conjunction with the accompanying notes.

iShares Domestic Fixed Interest Funds
Condensed Statements of Changes in Equity
For the half-year ended 31 December 2019

Condensed Statements of Changes in Equity

		iShares Core Cash ETF		iShares Core Composite Bond ETF	
		Half-year ended		Half-year ended	
		31	31	31	31
		December	December	December	December
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
Notes					
	Total equity at the beginning of the financial half-year	449,667	197,019	844,307	583,156
	Comprehensive income for the half-year				
	Profit/(loss) for the half-year	2,893	2,592	2,273	17,034
	Other comprehensive income for the half-year	-	-	-	-
	Total comprehensive income for the half-year	2,893	2,592	2,273	17,034
	Transactions with unitholders				
	Creations	172,480	103,252	258,918	81,825
	Redemptions	(18,255)	-	-	(17,749)
	Units issued upon reinvestment of distributions	9	11	260	170
	Distributions paid and payable	(3,078)	(2,442)	(10,088)	(7,139)
	Total transactions with unitholders	151,156	100,821	249,090	57,107
	Total equity at the end of the financial half-year	603,716	300,432	1,095,670	657,297
		iShares Enhanced Cash ETF		iShares Government Inflation ETF	
		Half-year ended		Half-year ended	
		31	31	31	31
		December	December	December	December
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
Notes					
	Total equity at the beginning of the financial half-year	92,992	36,127	129,433	116,985
	Comprehensive income for the half-year				
	Profit/(loss) for the half-year	709	601	1,164	1,502
	Other comprehensive income for the half-year	-	-	-	-
	Total comprehensive income for the half-year	709	601	1,164	1,502
	Transactions with unitholders				
	Creations	63,095	38,123	12,802	5,838
	Redemptions	(3,014)	-	(13,987)	(1,177)
	Units issued upon reinvestment of distributions	9	2	85	10
	Distributions paid and payable	(745)	(559)	(1,259)	(662)
	Total transactions with unitholders	59,345	37,566	(2,359)	4,009
	Total equity at the end of the financial half-year	153,046	74,294	128,238	122,496

The above Condensed Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Condensed Statements of Changes in Equity (continued)

	Notes	iShares Treasury ETF	
		Half-year ended	
		31 December 2019 \$'000	31 December 2018 \$'000
<i>Total equity at the beginning of the financial half-year</i>		143,944	30,842
<i>Comprehensive income for the half-year</i>			
Profit/(loss) for the half-year		829	1,527
Other comprehensive income for the half-year		-	-
<i>Total comprehensive income for the half-year</i>		829	1,527
<i>Transactions with unitholders</i>			
Creations	6	18,181	40,674
Redemptions	6	(81,054)	-
Units issued upon reinvestment of distributions	6	27	4
Distributions paid and payable	5	(994)	(383)
<i>Total transactions with unitholders</i>		(63,840)	40,295
<i>Total equity at the end of the financial half-year</i>		<u>80,933</u>	<u>72,664</u>

The above Condensed Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Condensed Statements of Cash Flows

	iShares Core Cash ETF		iShares Core Composite Bond ETF	
	Half-year ended		Half-year ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Notes	\$'000	\$'000	\$'000	\$'000
<i>Cash flows from operating activities</i>				
Proceeds from sale of financial instruments held at fair value through profit or loss	606,491	308,788	32,700	51,839
Purchase of financial instruments held at fair value through profit or loss	(856,505)	(309,331)	(306,578)	(119,494)
Interest received	292	204	16,262	11,376
Other income received	-	1	5	-
Management fees paid	(173)	(81)	(916)	(602)
Operating expenses paid	(4)	(2)	(10)	(5)
<i>Net cash inflow/(outflow) from operating activities</i>	<u>(249,899)</u>	<u>(421)</u>	<u>(258,537)</u>	<u>(56,886)</u>
<i>Cash flows from financing activities</i>				
Proceeds from creations by unitholders	173,484	104,255	267,486	81,825
Payments for redemptions by unitholders	(18,255)	-	-	(17,749)
Distributions paid	(3,069)	(2,431)	(9,828)	(6,969)
<i>Net cash inflow/(outflow) from financing activities</i>	<u>152,160</u>	<u>101,824</u>	<u>257,658</u>	<u>57,107</u>
<i>Net increase/(decrease) in cash and cash equivalents</i>	<u>(97,739)</u>	<u>101,403</u>	<u>(879)</u>	<u>221</u>
Cash and cash equivalents at the beginning of the half-year	<u>409,738</u>	<u>190,036</u>	<u>8,391</u>	<u>1,330</u>
<i>Cash and cash equivalents at the end of the half-year</i>	<u>311,999</u>	<u>291,439</u>	<u>7,512</u>	<u>1,551</u>
Non cash financing activities	6	9	11	260
				170

The above Condensed Statements of Cash Flows should be read in conjunction with the accompanying notes.

Condensed Statements of Cash Flows (continued)

	iShares Enhanced Cash ETF		iShares Government Inflation ETF	
	Half-year ended		Half-year ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Notes	\$'000	\$'000	\$'000	\$'000
<i>Cash flows from operating activities</i>				
Proceeds from sale of financial instruments held at fair value through profit or loss	63,594	27,518	13,150	15,093
Purchase of financial instruments held at fair value through profit or loss	(109,378)	(62,960)	(11,680)	(20,168)
Interest received	204	236	1,249	1,282
Other income received	-	-	1	-
Management fees paid	(61)	(27)	(173)	(152)
Operating expenses paid	(1)	(1)	(2)	(1)
<i>Net cash inflow/(outflow) from operating activities</i>	<u>(45,642)</u>	<u>(35,234)</u>	<u>2,545</u>	<u>(3,946)</u>
<i>Cash flows from financing activities</i>				
Proceeds from creations by unitholders	64,101	38,123	12,802	5,838
Payments for redemptions by unitholders	(3,014)	-	(13,987)	(1,177)
Distributions paid	(736)	(557)	(1,174)	(652)
<i>Net cash inflow/(outflow) from financing activities</i>	<u>60,351</u>	<u>37,566</u>	<u>(2,359)</u>	<u>4,009</u>
<i>Net increase/(decrease) in cash and cash equivalents</i>	14,709	2,332	186	63
Cash and cash equivalents at the beginning of the half-year	<u>42,575</u>	<u>13,784</u>	<u>221</u>	<u>450</u>
<i>Cash and cash equivalents at the end of the half-year</i>	<u>57,284</u>	<u>16,116</u>	<u>407</u>	<u>513</u>
Non cash financing activities	6	9	2	85
				10

The above Condensed Statements of Cash Flows should be read in conjunction with the accompanying notes.

Condensed Statements of Cash Flows (continued)

		iShares Treasury ETF	
		Half-year ended	
		31 December 2019	31 December 2018
Notes		\$'000	\$'000
<i>Cash flows from operating activities</i>			
	Proceeds from sale of financial instruments held at fair value through profit or loss	88,261	2,040
	Purchase of financial instruments held at fair value through profit or loss	(27,977)	(42,840)
	Interest received	1,380	678
	Other income received	-	-
	Management fees paid	(167)	(46)
	Operating expenses paid	(5)	(3)
	<i>Net cash inflow/(outflow) from operating activities</i>	<u>61,492</u>	<u>(40,171)</u>
<i>Cash flows from financing activities</i>			
	Proceeds from creations by unitholders	20,432	40,674
	Payments for redemptions by unitholders	(81,054)	-
	Distributions paid	(967)	(379)
	<i>Net cash inflow/(outflow) from financing activities</i>	<u>(61,589)</u>	<u>40,295</u>
	<i>Net increase/(decrease) in cash and cash equivalents</i>	<u>(97)</u>	<u>124</u>
	Cash and cash equivalents at the beginning of the half-year	<u>168</u>	<u>105</u>
	<i>Cash and cash equivalents at the end of the half-year</i>	<u>71</u>	<u>229</u>
	Non cash financing activities	6 <u>27</u>	<u>4</u>

The above Condensed Statements of Cash Flows should be read in conjunction with the accompanying notes.

1 Statement of Compliance

The condensed financial statements are general purpose financial statements prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

These condensed financial statements do not include all the notes normally included in an annual financial report. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

2 Basis of Preparation and Accounting Policies

These condensed financial statements include financial statements for iShares Core Cash ETF, iShares Core Composite Bond ETF, iShares Enhanced Cash ETF, iShares Government Inflation ETF, iShares Treasury ETF (the "Funds") as individual entities. The Funds were constituted on 9 February 2017, 2 December 2011, 9 February 2017, 2 December 2011 and 26 August 2010 respectively.

The Funds are registered schemes of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the directors' report and financial statements. Amounts in the directors' report and financial statements have been rounded to the nearest thousand in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial statements are consistent with those adopted and disclosed in the Funds' 2019 annual financial report for the financial year ended 30 June 2019.

There are no new standards, interpretations or amendments to existing standards that are effective for the first time for the financial half-year beginning 1 July 2019 that would be expected to have a material impact on the Funds.

3 Financial Risk Management

(a) Fair Values of Financial Assets and Liabilities

The carrying amounts of the Funds' assets and liabilities at the end of each reporting period approximate their fair values.

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Condensed Statements of Profit or Loss and Other Comprehensive Income.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair value. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Funds for similar financial instruments.

(i) Fair value in an active market

The fair value of financial assets and liabilities traded in active markets is based on their last traded prices at the end of the reporting period without any deduction for estimated future selling costs.

The Funds value their investments in accordance with the accounting policies set out in Note 2 of the annual financial report for financial year ended 30 June 2019. For the majority of their investments, the Funds rely on information provided by independent pricing services for the valuation of their investments.

The quoted market price used for financial assets and financial liabilities held by the Funds is the last traded market price. Where the last traded price does not fall within the bid-ask spread, an assessment is performed by the Responsible Entity to determine the appropriate valuation price to use that is most representative of fair value.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual regularly occurring market transactions on an arm's length basis.

3 Financial Risk Management (continued)

(a) Fair Values of Financial Assets and Liabilities (continued)

(ii) Fair value in an inactive or unquoted market

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Funds would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward foreign exchange contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

Investments in other unlisted unit trusts are recorded at the net asset value per unit as reported by the Responsible Entity of such funds.

(b) Fair Value Hierarchy

The Funds classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Responsible Entity. The Responsible Entity considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following tables present the Funds' financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 31 December 2019 and 30 June 2019.

	iShares Core Cash ETF			
	Level 1	Level 2	Level 3	Total
As at 31 December 2019	\$'000	\$'000	\$'000	\$'000
Financial assets				
Money market securities	<u>289,727</u>	<u>-</u>	<u>-</u>	<u>289,727</u>
Total	<u><u>289,727</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>289,727</u></u>

3 Financial Risk Management (continued)

(b) Fair Value Hierarchy (continued)

	iShares Core Cash ETF			
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
As at 30 June 2019				
Financial assets				
Money market securities	<u>36,908</u>	<u>-</u>	<u>-</u>	<u>36,908</u>
Total	<u><u>36,908</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>36,908</u></u>

	iShares Core Composite Bond ETF			
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
As at 31 December 2019				
Financial assets				
Interest bearing securities	<u>-</u>	<u>1,093,532</u>	<u>-</u>	<u>1,093,532</u>
Total	<u><u>-</u></u>	<u><u>1,093,532</u></u>	<u><u>-</u></u>	<u><u>1,093,532</u></u>

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
As at 30 June 2019				
Financial assets				
Interest bearing securities	<u>-</u>	<u>839,016</u>	<u>-</u>	<u>839,016</u>
Total	<u><u>-</u></u>	<u><u>839,016</u></u>	<u><u>-</u></u>	<u><u>839,016</u></u>

	iShares Enhanced Cash ETF			
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
As at 31 December 2019				
Financial assets				
Interest bearing securities	<u>-</u>	<u>26,949</u>	<u>-</u>	<u>26,949</u>
Money market securities	<u>22,969</u>	<u>43,829</u>	<u>-</u>	<u>66,798</u>
Total	<u><u>22,969</u></u>	<u><u>70,778</u></u>	<u><u>-</u></u>	<u><u>93,747</u></u>

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
As at 30 June 2019				
Financial assets				
Interest bearing securities	<u>-</u>	<u>17,468</u>	<u>-</u>	<u>17,468</u>
Money market securities	<u>17,974</u>	<u>11,945</u>	<u>-</u>	<u>29,919</u>
Total	<u><u>17,974</u></u>	<u><u>29,413</u></u>	<u><u>-</u></u>	<u><u>47,387</u></u>

	iShares Government Inflation ETF			
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
As at 31 December 2019				
Financial assets				
Interest bearing securities	<u>-</u>	<u>128,111</u>	<u>-</u>	<u>128,111</u>
Total	<u><u>-</u></u>	<u><u>128,111</u></u>	<u><u>-</u></u>	<u><u>128,111</u></u>

3 Financial Risk Management (continued)

(b) Fair Value Hierarchy (continued)

iShares Government Inflation ETF				
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2019				
Financial assets				
Interest bearing securities	-	128,427	-	128,427
Total	-	128,427	-	128,427
iShares Treasury ETF				
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 31 December 2019				
Financial assets				
Interest bearing securities	-	80,816	-	80,816
Total	-	80,816	-	80,816
iShares Treasury ETF				
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2019				
Financial assets				
Interest bearing securities	-	143,248	-	143,248
Total	-	143,248	-	143,248

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities, listed unit trusts, exchange traded derivatives and money market securities.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include investment grade corporate bonds, certain listed equities, certain unlisted unit trusts, and over-the-counter derivatives. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Investments classified as level 2 are money market securities and debt instruments. The fair value of money market securities and debt instruments is derived from industry standard valuation models with published or observable market data.

Investments classified within level 3 have significant unobservable inputs, as they are infrequently traded. As observable prices are not available for these securities, the Responsible Entity has used valuation techniques to derive fair value.

The Funds' assets and liabilities not measured at fair value on a recurring basis (but fair value disclosures are required) at 31 December 2019 and 30 June 2019 have been classified as level 2. The carrying amounts of these assets and liabilities approximate their fair values as at the end of the reporting date.

The Funds did not hold any level 3 instruments during the half-year ended 31 December 2019 (30 June 2019: Nil).

There were no transfers between levels for recurring fair value measurements during the half-year ended 31 December 2019 (30 June 2019: Nil).

4 Net Gains/(Losses) on Financial Instruments Held at Fair Value Through Profit or Loss

The net gains/(losses) recognised in relation to financial assets and financial liabilities held at fair value through profit or loss:

	iShares Core Cash ETF		iShares Core Composite Bond ETF	
	Half-year ended		Half-year ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000	\$'000
Net gain/(loss) on financial assets and liabilities held at fair value through profit or loss (including FX gains/(losses))	<u>2,805</u>	<u>2,468</u>	<u>3,251</u>	<u>17,659</u>
	<u><u>2,805</u></u>	<u><u>2,468</u></u>	<u><u>3,251</u></u>	<u><u>17,659</u></u>
	iShares Enhanced Cash ETF		iShares Government Inflation ETF	
	Half-year ended		Half-year ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000	\$'000
Net gain/(loss) on financial assets and liabilities held at fair value through profit or loss (including FX gains/(losses))	<u>576</u>	<u>545</u>	<u>1,333</u>	<u>1,657</u>
	<u><u>576</u></u>	<u><u>545</u></u>	<u><u>1,333</u></u>	<u><u>1,657</u></u>
	iShares Treasury ETF			
	Half-year ended			
	31 December 2019		31 December 2018	
	\$'000		\$'000	
Net gain/(loss) on financial assets and liabilities held at fair value through profit or loss (including FX gains/(losses))	<u>975</u>		<u>1,583</u>	
	<u><u>975</u></u>		<u><u>1,583</u></u>	

5 Distributions to Unitholders

The distributions during the half-year were as follows:

iShares Core Cash ETF				
Half-year ended				
	31 December 2019		31 December 2018	
	\$'000	CPU	\$'000	CPU
Distributions paid - 30 June*	580	12.94	326	16.59
Distributions paid - 31 July	544	11.38	347	15.96
Distributions paid - 31 August	534	9.68	411	16.60
Distributions paid - 30 September	608	10.69	462	16.24
Distributions paid - 31 October	333	5.78	409	14.08
Distributions paid - 30 November	479	8.21	487	16.44
	<u>3,078</u>		<u>2,442</u>	

iShares Core Composite Bond ETF				
Half-year ended				
	31 December 2019		31 December 2018	
	\$'000	CPU	\$'000	CPU
Distributions paid - Quarter 4*	4,859	65.78	3,261	59.82
Distributions paid - Quarter 1	5,229	59.43	3,878	66.88
	<u>10,088</u>		<u>7,139</u>	

iShares Enhanced Cash ETF				
Half-year ended				
	31 December 2019		31 December 2018	
	\$'000	CPU	\$'000	CPU
Distributions paid - 30 June*	131	14.25	58	16.01
Distributions paid - 31 July	124	12.03	70	17.02
Distributions paid - 31 August	132	11.82	81	18.78
Distributions paid - 30 September	153	12.53	113	17.20
Distributions paid - 31 October	85	6.44	107	15.70
Distributions paid - 30 November	120	8.62	130	18.36
	<u>745</u>		<u>559</u>	

iShares Government Inflation ETF				
Half-year ended				
	31 December 2019		31 December 2018	
	\$'000	CPU	\$'000	CPU
Distributions paid - Quarter 4*	982	96.01	415	41.79
Distributions paid - Quarter 1	277	27.06	247	24.38
	<u>1,259</u>		<u>662</u>	

* Relates to 30 June 2019 and 30 June 2018 distributions which had an ex-date of 1 July 2019 and 2 July 2018 respectively.

5 Distributions to Unitholders (continued)

	iShares Treasury ETF			
	Half-year ended			
	31 December 2019		31 December 2018	
	\$'000	CPU	\$'000	CPU
Distributions paid - Quarter 4*	649	50.79	183	61.72
Distributions paid - Quarter 1	<u>345</u>	<u>44.59</u>	<u>200</u>	<u>52.90</u>
	<u>994</u>		<u>383</u>	

* Relates to 30 June 2019 and 30 June 2018 distributions which had an ex-date of 1 July 2019 and 2 July 2018 respectively.

6 Net Assets Attributable to Unitholders

Under AASB 132 *Financial instruments: Presentation*, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. The Funds shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions.

The Funds meet the criteria set out under AASB 132 and net assets attributable to unitholders is classified as equity.

As stipulated within the Funds' Constitutions, each unit represents a right to an individual share in the Funds and does not extend to a right to the underlying assets of the Funds. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Funds. Units are created and redeemed at the unitholders' option at prices based on the value of the Funds' net assets at the time of creation/redemption less transaction costs.

Movement in number of units and net assets attributable to unitholders during the half-year were as follows:

	iShares Core Cash ETF			
	31 December 2019	30 June 2019	31 December 2019	30 June 2019
	No.'000	No.'000	\$'000	\$'000
Opening balance	4,480	1,964	449,667	197,019
Profit/(loss) for the half-year	-	-	2,893	6,238
Creations	1,720	2,530	172,480	253,714
Redemptions	(182)	(15)	(18,255)	(1,506)
Units issued upon reinvestment of distributions	-	-	9	33
Distributions paid and payable	-	-	(3,078)	(5,831)
Closing balance	<u>6,018</u>	<u>4,479</u>	<u>603,716</u>	<u>449,667</u>

	iShares Core Composite Bond ETF			
	31 December 2019	30 June 2019	31 December 2019	30 June 2019
	No.'000	No.'000	\$'000	\$'000
Opening balance	7,388	5,453	844,307	583,156
Profit/(loss) for the half-year	-	-	2,273	63,128
Creations	2,250	2,172	258,918	238,809
Redemptions	-	(240)	-	(26,130)
Units issued upon reinvestment of distributions	2	3	260	362
Distributions paid and payable	-	-	(10,088)	(15,018)
Closing balance	<u>9,640</u>	<u>7,388</u>	<u>1,095,670</u>	<u>844,307</u>

6 Net Assets Attributable to Unitholders (continued)

	iShares Enhanced Cash ETF			
	31 December	30 June	31 December	30 June
	2019 No.'000	2019 No.'000	2019 \$'000	2019 \$'000
Opening balance	925	360	92,992	36,127
Profit/(loss) for the half-year	-	-	709	1,558
Creations	628	695	63,095	69,759
Redemptions	(30)	(130)	(3,014)	(13,057)
Units issued upon reinvestment of distributions	-	-	9	6
Distributions paid and payable	-	-	(745)	(1,401)
Closing balance	1,523	925	153,046	92,992

	iShares Government Inflation ETF			
	31 December	30 June	31 December	30 June
	2019 No.'000	2019 No.'000	2019 \$'000	2019 \$'000
Opening balance	1,023	993	129,433	116,985
Profit/(loss) for the half-year	-	-	1,164	10,607
Creations	100	270	12,802	32,872
Redemptions	(110)	(240)	(13,987)	(29,817)
Units issued upon reinvestment of distributions	1	-	85	20
Distributions paid and payable	-	-	(1,259)	(1,234)
Closing balance	1,014	1,023	128,238	129,433

	iShares Treasury ETF			
	31 December	30 June	31 December	30 June
	2019 No.'000	2019 No.'000	2019 \$'000	2019 \$'000
Opening balance	1,278	298	143,944	30,842
Profit/(loss) for the half-year	-	-	829	10,108
Creations	160	1,080	18,181	115,190
Redemptions	(715)	(100)	(81,054)	(11,095)
Units issued upon reinvestment of distributions	-	-	27	15
Distributions paid and payable	-	-	(994)	(1,116)
Closing balance	723	1,278	80,933	143,944

Capital Risk Management

The Funds manage their net assets attributable to unitholders as capital. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Funds are subject to daily creations and redemptions at the discretion of unitholders.

The Funds monitor the level of daily creations and redemptions relative to the liquid assets in the Funds. As of 31 December 2019 the capital of the Funds are represented in the net assets attributable to unitholders table.

In the event of a significant redemption, the Funds' Constitutions allow the delay of payment beyond the usual redemption timeframe but no later than the maximum number of days specified in the Constitution for satisfying redemption requests. Further, in certain circumstances such as disrupted markets, the Constitutions allow payment to be delayed beyond the maximum number of days.

7 Financial Assets Held at Fair Value Through Profit or Loss

	iShares Core Cash ETF		iShares Core Composite Bond ETF	
	As at		As at	
	31 December 2019	30 June 2019	31 December 2019	30 June 2019
	\$'000	\$'000	\$'000	\$'000
Interest bearing securities	-	-	1,093,532	839,016
Money market securities	<u>289,727</u>	<u>36,908</u>	<u>-</u>	<u>-</u>
Total financial assets held at fair value through profit or loss	<u>289,727</u>	<u>36,908</u>	<u>1,093,532</u>	<u>839,016</u>

	iShares Enhanced Cash ETF		iShares Government Inflation ETF	
	As at		As at	
	31 December 2019	30 June 2019	31 December 2019	30 June 2019
	\$'000	\$'000	\$'000	\$'000
Interest bearing securities	26,949	17,468	128,111	128,427
Money market securities	<u>66,798</u>	<u>29,919</u>	<u>-</u>	<u>-</u>
Total financial assets held at fair value through profit or loss	<u>93,747</u>	<u>47,387</u>	<u>128,111</u>	<u>128,427</u>

	iShares Treasury ETF	
	As at	
	31 December 2019	30 June 2019
	\$'000	\$'000
Interest bearing securities	80,816	143,248
Money market securities	<u>-</u>	<u>-</u>
Total financial assets held at fair value through profit or loss	<u>80,816</u>	<u>143,248</u>

8 Segment Information

iShares Core Cash ETF

The Fund operates solely in the business of providing investors with the performance of the market, before fees and expenses, as represented by the S&P/ASX Bank Bill Index. The Responsible Entity, which is the chief operating decision maker for the purposes of assessing performance and determining the allocation of resources, ensures that the Fund's holdings and performance are in accordance with the S&P/ASX Bank Bill Index. Accordingly, no additional qualitative or quantitative disclosures are required.

iShares Core Composite Bond ETF

The Fund operates solely in the business of providing investors with the performance of the market, before fees and expenses, as represented by the Bloomberg AusBond Composite Index. The Responsible Entity, which is the chief operating decision maker for the purposes of assessing performance and determining the allocation of resources, ensures that the Fund's holdings and performance are in accordance with the Bloomberg AusBond Composite Index. Accordingly, no additional qualitative or quantitative disclosures are required.

8 Segment Information (continued)

iShares Enhanced Cash ETF

The Fund operates solely in the business of providing investors with the performance of the market, before fees and expenses, as represented by the S&P/ASX Bank Bill Index. The Responsible Entity, which is the chief operating decision maker for the purposes of assessing performance and determining the allocation of resources, ensures that the Fund's holdings and performance are in accordance with the S&P/ASX Bank Bill Index. Accordingly, no additional qualitative or quantitative disclosures are required.

iShares Government Inflation ETF

The Fund operates solely in the business of providing investors with the performance of the market, before fees and expenses, as represented by the Bloomberg AusBond Inflation Government Index. The Responsible Entity, which is the chief operating decision maker for the purposes of assessing performance and determining the allocation of resources, ensures that the Fund's holdings and performance are in accordance with the Bloomberg AusBond Inflation Government Index. Accordingly, no additional qualitative or quantitative disclosures are required.

iShares Treasury ETF

The Fund operates solely in the business of providing investors with the performance of the market, before fees and expenses, as represented by the Bloomberg AusBond Treasury Index. The Responsible Entity, which is the chief operating decision maker for the purposes of assessing performance and determining the allocation of resources, ensures that the Fund's holdings and performance are in accordance with the Bloomberg AusBond Treasury Index. Accordingly, no additional qualitative or quantitative disclosures are required.

9 Events Occurring After the Reporting Period

iShares Core Cash ETF

The Fund announced on 07 January 2020 an interim distribution of 8.36 cents per unit, which equates to \$505,689. The interim distribution ex-date was 06 January 2020 and payment was on 16 January 2020.

iShares Core Composite Bond ETF

The Fund announced on 07 January 2020 an interim distribution of 49.31 cents per unit, which equates to \$4,798,262. The interim distribution ex-date was 06 January 2020 and payment was on 16 January 2020.

iShares Enhanced Cash ETF

The Fund announced on 07 January 2020 an interim distribution of 8.39 cents per unit, which equates to \$129,458. The interim distribution ex-date was 06 January 2020 and payment was on 16 January 2020.

iShares Government Inflation ETF

The Fund announced on 07 January 2020 an interim distribution of 37.80 cents per unit, which equates to \$383,232. The interim distribution ex-date was 06 January 2020 and payment was on 16 January 2020.

iShares Treasury ETF

The Fund announced on 07 January 2020 an interim distribution of 64.42 cents per unit, which equates to \$465,731. The interim distribution ex-date was 06 January 2020 and payment was on 16 January 2020.

No other significant events have occurred since the end of the reporting period up to the date of signing the Condensed Financial Report which would impact on the financial position of the Funds disclosed in the Condensed Statements of Financial Position as at 31 December 2019 or on the results and cash flows of the Funds for the half-year ended on that date.

Directors' Declaration

The directors of the Responsible Entity declare that:

- (a) In the opinion of the directors of the Responsible Entity, there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable; and
- (b) In the opinion of the directors of the Responsible Entity, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Funds.

Signed in accordance with a resolution of the Responsible Entity made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the directors of the Responsible Entity.



Director

A Telfer

Sydney

4 March 2020

Independent Auditor's Review Report to the unitholders of iShares Domestic Fixed Interest Funds

We have reviewed the accompanying half-year financial reports of iShares Core Cash ETF, iShares Core Composite Bond ETF, iShares Enhanced Cash ETF, iShares Government Inflation ETF and iShares Treasury ETF (collectively "iShares Domestic Fixed Interest Funds" or the "Funds"), which comprises the condensed statements of financial position as at 31 December 2019, and the condensed statements of profit or loss and other comprehensive income, the condensed statements of cash flows and the condensed statements of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration as set out on pages 5 to 25.

Directors' Responsibility for the Half-Year Financial Reports

The directors of BlackRock Investment Management (Australia) Limited (the "Responsible Entity"), as Responsible Entity for the Funds are responsible for the preparation of the half-year financial reports that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial reports that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial reports based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial reports are not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Funds' financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Funds, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Responsible Entity, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial reports of the Funds are not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Funds' financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



DELOITTE TOUCHE TOHMATSU



Neil Brown
Partner
Chartered Accountants
Melbourne, 4 March 2020

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