

## 2015 年 3 月期 決算短信 (2014 年 4 月 1 日～2015 年 3 月 31 日)

Earnings Report for Fiscal Year ended March 2015 (April 1, 2014 – March 31, 2015)

2015 年 6 月 30 日

June 30, 2015

フ ァ ン ド 名	i シェアーズ 米国小型株 ETF (ラッセル 2000)	上場取引所	東
コ ー ド 番 号	1588	売買単位	1 口
連 動 対 象 指 標	ラッセル 2000 指数		
主 要 投 資 資 産	有価証券		
管 理 会 社	ブラックロック・ファンド・アドバイザーズ		
U R L	<a href="http://www.blackrock.com/jp/products/269025/">http://www.blackrock.com/jp/products/269025/</a>		
代 表 者	(役職名) マネージング・ディレクター (氏名) ジャック・ジー		
問 合 せ 先 責 任 者	(役職名) 代理人 (氏名) 濃川 耕平 (TEL) 03(5562)8500		
Fund name:	iShares Russell 2000 ETF-JDR	Listed Exchange:	TSE
Code:	1588	Trading unit:	1 unit
Underlying indicator:	Russell 2000® Index		
Primary invested assets:	Securities		
Management co.:	BlackRock Fund Advisors		
URL:	<a href="http://www.blackrock.com/jp/products/269025/">http://www.blackrock.com/jp/products/269025/</a>		
Representative:	(Title) Managing Director (Name) Jack Gee		
Contact person:	(Title) Attorney-in-Fact (Name) Kohei Koikawa (TEL) 03(5562)8500		
有価証券報告書提出予定日	2015 年 9 月		
Scheduled date of submission of securities report:	September 2015		

# I ファンドの運用状況

## I Fund Management

### 1. 2015 年 3 月期の運用状況 (2014 年 4 月 1 日～2015 年 3 月 31 日)

#### 1. Management Status for Year Ended March 2015 (from April 1, 2014 to March 31, 2015)

#### (1) 信託財産である外国 ETF の資産内訳

(百万円未満切捨て)

##### (1) Assets of Trust Asset Foreign ETF

(amounts below 1 mil. yen are disregarded)

	主要投資資産		現金・預金・その他の資産 (負債控除後)		合計 (純資産)	
	Primary Invested Assets		Cash/Deposits/Other Assets (minus liabilities)		Total (Net Assets)	
	金額 Amount	構成比 ratio	金額 Amount	構成比 ratio	金額 Amount	構成比 ratio
	百万円 JPY mil.	%	百万円 JPY mil.	%	百万円 JPY mil.	%
2015 年 3 月期 FY ended March 2015	4,390,287	114.77	△564,975	(14.77)	3,825,311	100.00
2014 年 3 月期 FY ended March 2014	4,161,327	116.72	△595,980	(16.72)	3,565,346	100.00

#### (2) 信託財産である外国 ETF の設定・交換実績

##### (2) Creation and Redemption of Trust Asset Foreign ETF

	前計算期間末 発行済口数 No. of Issued Units at End of Previous Calculation Period	設定口数 No. of Units Created	交換口数 No. of Units Redeemed	当計算期間末 発行済口数 No. of Issued Units at End of Calculation Period
	(①)	(②)	(③)	(①+②-③)
	千口 '000 units	千口 '000 units	千口 '000 units	千口 '000 units
2015 年 3 月期 FY ended March 2015	247,500	857,450	856,400	248,550
2014 年 3 月期 FY ended March 2014	226,550	840,300	819,350	247,500

#### (3) 信託財産である外国 ETF の基準価額

##### (3) Net Asset Value of Trust Asset Foreign ETF

	総資産 Total Assets	負債 Liabilities	純資産 Net Assets	1 口当たり基準価額 Net Asset Value per unit
	(①)	(②)	(③(①-②))	((③/①) × 1) ((③/No. of Issued Units at End of Calculation Period) × 1)
	百万円 JPY mil.	百万円 JPY mil.	百万円 JPY mil.	円 JPY
2015 年 3 月期 FY ended March 2015	4,414,173	588,861	3,825,311	15,390.51
2014 年 3 月期 FY ended March 2014	4,191,780	626,433	3,565,346	14,405.44

(4) 上場外国 ETF 信託受益証券に係る設定・交換実績

(4) Creation and Redemption of Listed Foreign ETF Trust Beneficiary Certificates (JDR)

	前計算期間末 発行済口数 No. of Issued Units at End of Previous Calculation Period (①)	設定口数 No. of Units Created (②)	交換口数 No. of Units Redeemed (③)	当計算期間末 発行済口数 No. of Issued Units at End of Calculation Period (①+②-③)
	千口 '000 units	千口 '000 units	千口 '000 units	千口 '000 units
2015 年 3 月期 FY ended March 2015	65	0	9	56
2014 年 3 月期 FY ended March 2014	0	65	0	65

※ 上場外国 ETF 信託受益証券は 2013 年 12 月 3 日に新規に発行されたため、2014 年 3 月期については、2013 年 12 月 3 日～2014 年 3 月 31 日の期間に関する実績を記載しております。

※ Since the Listed Foreign ETF Trust Beneficiary Certificates (JDR) were issued on December 3, 2013, the figures presented for the Fiscal Year ended March 2014 are those of the Accounting Period starting December 3, 2013 and ending March 31, 2014.

(5) 上場外国 ETF 信託受益証券の分配金

(5) Dividend Payment of Listed Foreign ETF Trust Beneficiary Certificates (JDR)

2015 年 3 月期 FY ended March 2015	1 口当たり分配金 Dividend per unit	2014 年 3 月期 FY ended March 2014	1 口当たり分配金 Dividend per unit
※	円 JPY	※	円 JPY
2014 年 7 月 7 日 July 7, 2014	31	2013 年 12 月 26 日 December 26, 2013	30
2014 年 9 月 26 日 September 26, 2014	22	2014 年 3 月 27 日 March 27, 2014	20
2014 年 12 月 29 日 December 29, 2014	35	—	—
2015 年 3 月 27 日 March 27, 2015	30	—	—

※ 当該期間における分配のための基準日を記載しております。

※ The record dates for distributions corresponding to the relevant period are indicated.

(注) 上記 (1) ～ (3) の表における米ドルから日本円への換算は、1 米ドル=123.73 円の換算率 (2015 年 5 月 29 日に株式会社三菱東京 UFJ 銀行が公表した対顧客電信売買相場の仲値) により計算されています。

(Note) Conversion from United States dollars into Japanese yen with respect to the tables in (1) through (3) above has been made at the exchange rate of \$1 = ¥ 123.73 (the telegraphic transfer middle exchange rate vis-à-vis customers quoted by The Bank of Tokyo-Mitsubishi UFJ, Ltd. on May 29, 2015).

2. 信託財産である外国 ETF の会計方針の変更

2. Change in Accounting Policies of Trust Asset Foreign ETF

(1) 会計基準等の改正に伴う会計方針の変更 : 無

(1) Changes accompanying revision to accounting standards, etc. : No

(2) (1) 以外の会計方針の変更 : 無

(2) Changes other than those in (1) : No

## 2015 ANNUAL REPORT

**iShares**<sup>®</sup>  
by BLACKROCK<sup>®</sup>

### **iShares Trust**

- ▶ iShares Russell Top 200 ETF | IWL | NYSE Arca
- ▶ iShares Russell Top 200 Growth ETF | IWY | NYSE Arca
- ▶ iShares Russell Top 200 Value ETF | IWX | NYSE Arca
- ▶ iShares Russell 1000 ETF | IWB | NYSE Arca
- ▶ iShares Russell 1000 Growth ETF | IWF | NYSE Arca
- ▶ iShares Russell 1000 Value ETF | IWD | NYSE Arca
- ▶ iShares Russell 2000 ETF | IWM | NYSE Arca
- ▶ iShares Russell 2000 Growth ETF | IWO | NYSE Arca
- ▶ iShares Russell 2000 Value ETF | IWN | NYSE Arca

# Table of Contents

Management's Discussions Fund Performance .....	5
About Fund Performance .....	24
Shareholder Expenses .....	24
Schedules of Investments .....	25
iShares Russell Top 200 ETF .....	25
iShares Russell Top 200 Growth ETF .....	29
iShares Russell Top 200 Value ETF .....	32
iShares Russell 1000 ETF (Summary) .....	35
iShares Russell 1000 Growth ETF (Summary) .....	39
iShares Russell 1000 Value ETF (Summary) .....	43
iShares Russell 2000 ETF (Summary) .....	47
iShares Russell 2000 Growth ETF (Summary) .....	51
iShares Russell 2000 Value ETF (Summary) .....	55
Financial Statements .....	59
Financial Highlights .....	70
Notes to Financial Statements .....	79
Report of Independent Registered Public Accounting Firm .....	96
Tax Information .....	97
Supplemental Information .....	98
Trustee and Officer Information .....	103

# Statements of Assets and Liabilities (Continued)

## iSHARES® TRUST

March 31, 2015

	iShares Russell 2000 ETF	iShares Russell 2000 Growth ETF	iShares Russell 2000 Value ETF
<b>ASSETS</b>			
Investments, at cost:			
Unaffiliated	\$34,465,421,145	\$ 6,961,235,132	\$5,966,103,719
Affiliated (Note 2)	4,637,838,338	1,562,022,547	683,018,849
Total cost of investments	<u>\$39,103,259,483</u>	<u>\$ 8,523,257,679</u>	<u>\$6,649,122,568</u>
Investments in securities, at fair value (including securities on loan <sup>a</sup> )			
(Note 1):			
Unaffiliated	\$30,849,721,175	\$ 7,315,752,369	\$6,183,126,540
Affiliated (Note 2)	4,633,084,856	1,562,022,547	682,592,546
Total fair value of investments	35,482,806,031	8,877,774,916	6,865,719,086
Cash	1,972,539	737,854	—
Cash pledged to broker	1,897,000	422,000	759,000
Receivables:			
Investment securities sold	139,389,045	37,649,260	21,309,225
Due from custodian (Note 4)	628,269	14,763	18,081
Dividends and interest	39,140,755	5,302,397	12,255,117
Capital shares sold	10,017,341	—	185,424
Total Assets	<u>35,675,850,980</u>	<u>8,921,901,190</u>	<u>6,900,245,933</u>
<b>LIABILITIES</b>			
Payables:			
Investment securities purchased	174,122,235	39,993,467	26,358,807
Collateral for securities on loan (Note 1)	4,576,311,933	1,556,878,728	663,402,334
Capital shares redeemed	3,519,736	197,767	90,649
Futures variation margin	86,940	20,389	36,816
Due to custodian	—	—	210,616
Securities related to in-kind transactions (Note 4)	434,745	—	—
Investment advisory fees (Note 2)	4,769,924	1,530,933	1,291,675
Total Liabilities	<u>4,759,245,513</u>	<u>1,598,621,284</u>	<u>691,390,897</u>
NET ASSETS	<u>\$30,916,605,467</u>	<u>\$ 7,323,279,906</u>	<u>\$6,208,855,036</u>
<b>Net assets consist of:</b>			
Paid-in capital	\$38,038,911,917	\$ 8,302,823,233	\$6,751,895,873
Distributions in excess of net investment income	(1,152,903)	(578,800)	(2,029,840)
Accumulated net realized loss	(3,501,942,039)	(1,333,694,217)	(757,964,768)
Net unrealized appreciation (depreciation)	(3,619,211,508)	354,729,690	216,953,771
NET ASSETS	<u>\$30,916,605,467</u>	<u>\$ 7,323,279,906</u>	<u>\$6,208,855,036</u>
Shares outstanding <sup>b</sup>	<u>248,550,000</u>	<u>48,300,000</u>	<u>60,150,000</u>
Net asset value per share	<u>\$ 124.39</u>	<u>\$ 151.62</u>	<u>\$ 103.22</u>

<sup>a</sup> Securities on loan with values of \$4,412,300,654, \$1,505,700,666 and \$643,569,008 respectively. See Note 1.

<sup>b</sup> No par value, unlimited number of shares authorized.

See notes to financial statements.

# Statements of Operations (Continued)

## iSHARES® TRUST

Year ended March 31, 2015

	iShares Russell 2000 ETF	iShares Russell 2000 Growth ETF	iShares Russell 2000 Value ETF
<b>NET INVESTMENT INCOME</b>			
Dividends — unaffiliated <sup>a</sup>	\$ 348,711,193	\$ 43,540,198	\$ 115,785,526
Dividends — affiliated (Note 2)	2,337,507	—	1,313,686
Interest — affiliated (Note 2)	915	250	304
Securities lending income — affiliated — net (Note 2)	62,342,955	21,263,721	8,093,665
Total investment income	<u>413,392,570</u>	<u>64,804,169</u>	<u>125,193,181</u>
<b>EXPENSES</b>			
Investment advisory fees (Note 2)	<u>51,872,051</u>	<u>15,066,290</u>	<u>14,619,433</u>
Total expenses	<u>51,872,051</u>	<u>15,066,290</u>	<u>14,619,433</u>
Net investment income	<u>361,520,519</u>	<u>49,737,879</u>	<u>110,573,748</u>
<b>NET REALIZED AND UNREALIZED GAIN (LOSS)</b>			
Net realized gain (loss) from:			
Investments — unaffiliated	(924,334,695)	41,454,987	(160,436,688)
Investments — affiliated (Note 2)	(1,940,933)	—	(614,272)
In-kind redemptions — unaffiliated	3,193,791,015	964,879,889	751,481,878
In-kind redemptions — affiliated (Note 2)	(228,699)	—	(17,490)
Futures contracts	2,318,217	766,138	649,461
Foreign currency transactions	(1,954)	—	(1,028)
Net realized gain	<u>2,269,602,951</u>	<u>1,007,101,014</u>	<u>591,061,861</u>
Net change in unrealized appreciation/depreciation on:			
Investments	(716,136,761)	(280,021,278)	(457,144,997)
Futures contracts	<u>1,245,290</u>	<u>212,453</u>	<u>357,253</u>
Net change in unrealized appreciation/depreciation	<u>(714,891,471)</u>	<u>(279,808,825)</u>	<u>(456,787,744)</u>
Net realized and unrealized gain	<u>1,554,711,480</u>	<u>727,292,189</u>	<u>134,274,117</u>
<b>NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<u>\$1,916,231,999</u>	<u>\$ 777,030,068</u>	<u>\$ 244,847,865</u>

<sup>a</sup> Net of foreign withholding tax of \$180,525, \$9,885 and \$73,982, respectively.

See notes to financial statements.

# Statements of Changes in Net Assets (Continued)

## iSHARES® TRUST

	<i>iShares</i> <i>Russell 2000 ETF</i>		<i>iShares</i> <i>Russell 2000</i> <i>Growth ETF</i>	
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014
<b>INCREASE (DECREASE) IN NET ASSETS</b>				
<b>OPERATIONS:</b>				
Net investment income	\$ 361,520,519	\$ 315,965,287	\$ 49,737,879	\$ 41,042,644
Net realized gain	2,269,602,951	5,338,169,740	1,007,101,014	964,971,510
Net change in unrealized appreciation/depreciation	(714,891,471)	(527,399,362)	(279,808,825)	316,271,328
Net increase in net assets resulting from operations	<u>1,916,231,999</u>	<u>5,126,735,665</u>	<u>777,030,068</u>	<u>1,322,285,482</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>				
From net investment income	(377,188,617)	(346,507,853)	(50,213,443)	(45,353,962)
Total distributions to shareholders	<u>(377,188,617)</u>	<u>(346,507,853)</u>	<u>(50,213,443)</u>	<u>(45,353,962)</u>
<b>CAPITAL SHARE TRANSACTIONS:</b>				
Proceeds from shares sold	98,849,425,689	89,407,020,076	4,853,912,948	3,703,190,208
Cost of shares redeemed	(98,287,402,185)	(86,771,773,963)	(4,621,808,371)	(3,401,167,991)
Net increase in net assets from capital share transactions	<u>562,023,504</u>	<u>2,635,246,113</u>	<u>232,104,577</u>	<u>302,022,217</u>
INCREASE IN NET ASSETS	<u>2,101,066,886</u>	<u>7,415,473,925</u>	<u>958,921,202</u>	<u>1,578,953,737</u>
<b>NET ASSETS</b>				
Beginning of year	<u>28,815,538,581</u>	<u>21,400,064,656</u>	<u>6,364,358,704</u>	<u>4,785,404,967</u>
End of year	<u>\$ 30,916,605,467</u>	<u>\$ 28,815,538,581</u>	<u>\$ 7,323,279,906</u>	<u>\$ 6,364,358,704</u>
Distributions in excess of net investment income included in net assets at end of year	<u>\$ (1,152,903)</u>	<u>\$ (384,637)</u>	<u>\$ (578,800)</u>	<u>\$ (474,416)</u>
<b>SHARES ISSUED AND REDEEMED</b>				
Shares sold	857,450,000	840,300,000	36,000,000	29,700,000
Shares redeemed	(856,400,000)	(819,350,000)	(34,450,000)	(27,350,000)
Net increase in shares outstanding	<u>1,050,000</u>	<u>20,950,000</u>	<u>1,550,000</u>	<u>2,350,000</u>

See notes to financial statements.



# Financial Highlights (Continued)

## iSHARES® TRUST

(For a share outstanding throughout each period)

### iShares Russell 2000 ETF

	Year ended Mar. 31, 2015	Year ended Mar. 31, 2014	Year ended Mar. 31, 2013	Year ended Mar. 31, 2012	Year ended Mar. 31, 2011
<b>Net asset value, beginning of year</b>	\$ 116.43	\$ 94.46	\$ 82.84	\$ 84.22	\$ 67.85
<b>Income from investment operations:</b>					
Net investment income <sup>a</sup>	1.59	1.36	1.59	1.08	0.84
Net realized and unrealized gain (loss) <sup>b</sup>	7.96	22.06	11.73	(1.35)	16.42
Total from investment operations	9.55	23.42	13.32	(0.27)	17.26
<b>Less distributions from:</b>					
Net investment income	(1.59)	(1.45)	(1.70)	(1.11)	(0.89)
Total distributions	(1.59)	(1.45)	(1.70)	(1.11)	(0.89)
<b>Net asset value, end of year</b>	\$ 124.39	\$ 116.43	\$ 94.46	\$ 82.84	\$ 84.22
<b>Total return</b>	8.29%	24.91%	16.36%	(0.18)%	25.68%
<b>Ratios/Supplemental data:</b>					
Net assets, end of year (000s)	\$30,916,605	\$28,815,539	\$21,400,065	\$14,870,314	\$17,632,155
Ratio of expenses to average net assets	0.20%	0.20%	0.20%	0.20%	0.20%
Ratio of net investment income to average net assets	1.37%	1.28%	1.91%	1.40%	1.18%
Portfolio turnover rate <sup>c</sup>	19%	18%	19%	21%	20%

<sup>a</sup> Based on average shares outstanding throughout each period.

<sup>b</sup> The amounts reported for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period due to the timing of capital share transactions in relation to the fluctuating market values of the Fund's underlying securities.

<sup>c</sup> Portfolio turnover rates exclude portfolio securities received or delivered as a result of processing capital share transactions in Creation Units.

See notes to financial statements.

# Notes to Financial Statements

## iSHARES® TRUST

iShares Trust (the “Trust”) is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company. The Trust was established as a Delaware statutory trust pursuant to an Agreement and Declaration of Trust dated December 16, 1999.

These financial statements relate only to the following funds (each, a “Fund,” and collectively, the “Funds”):

<i>iShares ETF</i>	<i>Diversification Classification</i>	<i>iShares ETF</i>	<i>Diversification Classification</i>
Russell Top 200	Diversified	Russell 1000 Value	Diversified
Russell Top 200 Growth	Diversified	Russell 2000	Diversified
Russell Top 200 Value	Diversified	Russell 2000 Growth	Diversified
Russell 1000	Diversified	Russell 2000 Value	Diversified
Russell 1000 Growth	Diversified		

The investment objective of each Fund is to seek investment results that correspond generally to the price and yield performance, before fees and expenses, of its underlying index. The investment adviser uses a “passive” or index approach to try to achieve each Fund’s investment objective.

Pursuant to the Trust’s organizational documents, the Funds’ officers and trustees are indemnified against certain liabilities that may arise out of the performance of their duties to the Funds. Additionally, in the normal course of business, the Funds enter into contracts with service providers that contain general indemnification clauses. The Funds’ maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Funds that have not yet occurred.

## 1. SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies are consistently followed by the Funds in the preparation of their financial statements in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Each Fund is considered an investment company under U.S. GAAP and follows the accounting and reporting guidance applicable to investment companies.

## SECURITY VALUATION

Each Fund’s investments are valued at fair value each day that the Fund’s listing exchange is open and, for financial reporting purposes, as of the report date should the reporting period end on a day that the Fund’s listing exchange is not open. U.S. GAAP defines fair value as the price a fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The BlackRock Global Valuation Methodologies Committee (the “Global Valuation Committee”) provides oversight of the valuation of investments for the Funds. The investments of each Fund are valued pursuant to policies and procedures developed by the Global Valuation Committee and approved by the Board of Trustees of the Trust (the “Board”).

- Equity investments traded on a recognized securities exchange are valued at that day’s last reported trade price or the official closing price, as applicable, on the exchange where the stock is primarily traded. Equity investments traded on a recognized exchange for which there were no sales on that day are valued at the last traded price.

# Notes to Financial Statements (Continued)

## iSHARES® TRUST

- Open-end U.S. mutual funds are valued at that day's published net asset value ("NAV").
- Futures contracts are valued at that day's last reported settlement price on the exchange where the contract is traded.

In the event that application of these methods of valuation results in a price for an investment which is deemed not to be representative of the fair value of such investment or if a price is not available, the investment will be valued based upon other available factors deemed relevant by the Global Valuation Committee, in accordance with policies approved by the Board. These factors include but are not limited to (i) attributes specific to the investment; (ii) the principal market for the investment; (iii) the customary participants in the principal market for the investment; (iv) data assumptions by market participants for the investment, if reasonably available; (v) quoted prices for similar investments in active markets; and (vi) other factors, such as future cash flows, interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and/or default rates. Valuations based on such factors are reported to the Board on a quarterly basis.

The Global Valuation Committee employs various methods for calibrating valuation approaches for investments where an active market does not exist, including regular due diligence of the Trust's pricing vendors, a regular review of key inputs and assumptions, transactional back-testing or disposition analysis to compare unrealized gains and losses to realized gains and losses, reviews of missing or stale prices, reviews of large movements in market values, and reviews of market related activity.

Fair value pricing could result in a difference between the prices used to calculate a Fund's NAV and the prices used by the Fund's underlying index, which in turn could result in a difference between the Fund's performance and the performance of the Fund's underlying index.

Various inputs are used in determining the fair value of financial instruments. Inputs may be based on independent market data ("observable inputs") or they may be internally developed ("unobservable inputs"). These inputs are categorized into a disclosure hierarchy consisting of three broad levels for financial reporting purposes. The level of a value determined for a financial instrument within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement in its entirety. The categorization of a value determined for a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and is not necessarily an indication of the risk associated with investing in the instrument. The three levels of the fair value hierarchy are as follows:

- Level 1 — Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not considered to be active, inputs other than quoted prices that are observable for the asset or liability (such as exchange rates, financing terms, interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs; and
- Level 3 — Unobservable inputs for the asset or liability, including the Global Valuation Committee's assumptions used in determining the fair value of investments.

Changes in valuation techniques may result in transfers in or out of an assigned level within the disclosure hierarchy. In accordance with the Trust's policy, transfers between different levels of the fair value hierarchy are deemed to have occurred as of the beginning of the reporting period.

# Notes to Financial Statements (Continued)

## iSHARES® TRUST

The following table summarizes the value of each of the Funds' investments according to the fair value hierarchy as of March 31, 2015. The breakdown of each Fund's investments into major categories is disclosed in its respective schedule of investments.

<i>iShares ETF and</i>	<i>Investments</i>			
<i>Investment Type</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
<i>Russell Top 200</i>				
Assets:				
Common Stocks	\$ 93,222,941	\$ —	\$ —	\$ 93,222,941
Money Market Funds	276,341	—	—	276,341
	<u>\$ 93,499,282</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 93,499,282</u>
<i>Russell Top 200 Growth</i>				
Assets:				
Common Stocks	\$ 656,208,005	\$ —	\$ —	\$ 656,208,005
Money Market Funds	3,492,295	—	—	3,492,295
	<u>\$ 659,700,300</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 659,700,300</u>
<i>Russell Top 200 Value</i>				
Assets:				
Common Stocks	\$ 180,739,118	\$ —	\$ —	\$ 180,739,118
Money Market Funds	96,431	—	—	96,431
	<u>\$ 180,835,549</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 180,835,549</u>
<i>Russell 1000</i>				
Assets:				
Common Stocks	\$11,373,451,421	\$ —	\$ —	\$11,373,451,421
Money Market Funds	278,551,251	—	—	278,551,251
Futures Contracts <sup>a</sup>	258,237	—	—	258,237
	<u>\$11,652,260,909</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$11,652,260,909</u>
<i>Russell 1000 Growth</i>				
Assets:				
Common Stocks	\$29,116,754,278	\$ —	\$ —	\$29,116,754,278
Money Market Funds	294,245,211	—	—	294,245,211
Futures Contracts <sup>a</sup>	415,394	—	—	415,394
	<u>\$29,411,414,883</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$29,411,414,883</u>
<i>Russell 1000 Value</i>				
Assets:				
Common Stocks	\$25,718,575,720	\$ —	\$ —	\$25,718,575,720
Money Market Funds	362,509,864	—	—	362,509,864
Futures Contracts <sup>a</sup>	603,462	—	—	603,462
	<u>\$26,081,689,046</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$26,081,689,046</u>

# Notes to Financial Statements (Continued)

## iSHARES® TRUST

<i>iShares ETF and</i>	<i>Investments</i>			
<i>Investment Type</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
<i>Russell 2000</i>				
Assets:				
Common Stocks	\$30,868,728,575	\$3,543,465	\$ 2,762	\$30,872,274,802
Warrants	—	3	—	3
Money Market Funds	4,610,531,226	—	—	4,610,531,226
Futures Contracts <sup>a</sup>	1,245,290	—	—	1,245,290
	<u>\$35,480,505,091</u>	<u>\$3,543,468</u>	<u>\$ 2,762</u>	<u>\$35,484,051,321</u>
<i>Russell 2000 Growth</i>				
Assets:				
Common Stocks	\$ 7,315,054,655	\$ 697,713	\$ —	\$ 7,315,752,368
Warrants	—	1	—	1
Money Market Funds	1,562,022,547	—	—	1,562,022,547
Futures Contracts <sup>a</sup>	212,453	—	—	212,453
	<u>\$ 8,877,289,655</u>	<u>\$ 697,714</u>	<u>\$ —</u>	<u>\$ 8,877,987,369</u>
<i>Russell 2000 Value</i>				
Assets:				
Common Stocks	\$ 6,194,589,330	\$ 767,312	\$ 1,734	\$ 6,195,358,376
Warrants	—	1	—	1
Money Market Funds	670,360,709	—	—	670,360,709
Futures Contracts <sup>a</sup>	357,253	—	—	357,253
	<u>\$ 6,865,307,292</u>	<u>\$ 767,313</u>	<u>\$ 1,734</u>	<u>\$ 6,866,076,339</u>

<sup>a</sup> Shown at the unrealized appreciation (depreciation) on the contracts.

## SECURITY TRANSACTIONS AND INCOME RECOGNITION

Security transactions are accounted for on trade date. Dividend income and capital gain distributions, if any, are recognized on the ex-dividend date, net of any foreign taxes withheld at source. Any taxes withheld that are reclaimable from foreign tax authorities as of March 31, 2015 are reflected in dividends receivable. Non-cash dividends received in the form of stock in an elective dividend, if any, are recorded as dividend income at fair value. Distributions received by the Funds may include a return of capital that is estimated by management. Such amounts are recorded as a reduction of the cost of investments or reclassified to capital gains. Interest income is accrued daily. Realized gains and losses on investment transactions are determined using the specific identification method.

## FOREIGN CURRENCY TRANSLATION

The accounting records of the Funds are maintained in U.S. dollars. Foreign currencies, as well as investment securities and other assets and liabilities denominated in foreign currencies, are translated into U.S. dollars using exchange rates deemed appropriate by the investment adviser. Purchases and sales of securities, income receipts and expense payments are translated into U.S. dollars on the respective dates of such transactions.

# Notes to Financial Statements (Continued)

## *iSHARES® TRUST*

Each Fund does not isolate the effect of fluctuations in foreign exchange rates from the effect of fluctuations in the market prices of securities. Such fluctuations are reflected by the Funds as a component of realized and unrealized gains and losses from investments for financial reporting purposes.

### **FOREIGN TAXES**

The Funds may be subject to foreign taxes (a portion of which may be reclaimable) on income, stock dividends, capital gains on investments, or certain foreign currency transactions. All foreign taxes are recorded in accordance with the applicable foreign tax regulations and rates that exist in the foreign jurisdictions in which the Funds invest. These foreign taxes, if any, are paid by the Funds and are reflected in their statements of operations as follows: foreign taxes withheld at source are presented as a reduction of income, foreign taxes on securities lending income are presented as a reduction of securities lending income, foreign taxes on stock dividends are presented as "other foreign taxes," and foreign taxes on capital gains from sales of investments and foreign taxes on foreign currency transactions are included in their respective net realized gain (loss) categories. Foreign taxes payable or deferred as of March 31, 2015, if any, are disclosed in the Funds' statements of assets and liabilities.

### **DISTRIBUTIONS TO SHAREHOLDERS**

Dividends and distributions paid by each Fund are recorded on the ex-dividend dates. Distributions are determined on a tax basis and may differ from net investment income and net realized capital gains for financial reporting purposes. Dividends and distributions are paid in U.S. dollars and cannot be automatically reinvested in additional shares of the Funds.

### **LOANS OF PORTFOLIO SECURITIES**

Each Fund may lend its investment securities to approved borrowers, such as brokers, dealers and other financial institutions. The borrower pledges and maintains with the Fund collateral consisting of cash, an irrevocable letter of credit issued by a bank, or securities issued or guaranteed by the U.S. government. The initial collateral received by each Fund is required to have a value of at least 102% of the current value of the loaned securities for securities traded on U.S. exchanges and a value of at least 105% for all other securities. The collateral is maintained thereafter, at a value equal to at least 100% of the current value of the securities on loan. The market value of the loaned securities is determined at the close of each business day of the Funds and any additional required collateral is delivered to the Funds on the next business day. During the term of the loan, each Fund is entitled to all distributions made on or in respect of the loaned securities. Loans of securities are terminable at any time and the borrower, after notice, is required to return borrowed securities within the standard time period for settlement of securities transactions.

Any cash received as collateral for securities on loan may be reinvested in certain short-term instruments either directly on behalf of a fund or through one or more joint accounts or money market funds, including those managed by BlackRock Fund Advisors ("BFA"), the Funds' investment adviser, or its affiliates. As of March 31, 2015, any securities on loan were collateralized by cash. The cash collateral received was invested in money market funds managed by BFA and is disclosed in the schedules of investments. The value of any securities on loan as of March 31, 2015 and the value of the related collateral are disclosed in the statements of assets and liabilities. Income earned by the Funds from securities lending is disclosed in the statements of operations.

The risks of securities lending include the risk that the borrower may not provide additional collateral when required or may not return the securities when due. To mitigate these risks, the Funds benefit from a borrower default indemnity provided by BlackRock, Inc. ("BlackRock"). BlackRock's indemnity allows for full replacement of securities lent. Each Fund could suffer a loss if the value of the investments purchased with cash collateral falls below the value of the cash collateral received.

# Notes to Financial Statements (Continued)

## iSHARES® TRUST

Securities lending transactions are entered into by the Funds under Master Securities Lending Agreements (“MSLA”) which provide the right, in the event of default (including bankruptcy or insolvency) for the non-defaulting party to liquidate the collateral and calculate a net exposure to the defaulting party or request additional collateral. In the event that a borrower defaults, a Fund, as lender, would offset the market value of the collateral received against the market value of the securities loaned. The value of the collateral is typically greater than that of the market value of the securities loaned, leaving the lender with a net amount payable to the defaulting party. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against such a right of offset in the event of an MSLA counterparty’s bankruptcy or insolvency. Under the MSLA, the borrower can resell or re-pledge the loaned securities, and a Fund can reinvest cash collateral, or, upon an event of default, resell or re-pledge the collateral.

The following table is a summary of each Fund’s securities lending agreements which are subject to offset under an MSLA as of March 31, 2015:

<i>iShares ETF</i>	<i>Market Value of Securities on Loan</i>	<i>Cash Collateral Received<sup>a</sup></i>	<i>Net Amount</i>
Russell Top 200	\$ 212,255	\$ 212,255	\$ —
Russell Top 200 Growth	2,890,468	2,890,468	—
Russell 1000	260,985,128	260,985,128	—
Russell 1000 Growth	263,343,725	263,343,725	—
Russell 1000 Value	333,270,020	333,270,020	—
Russell 2000	4,412,300,654	4,412,300,654	—
Russell 2000 Growth	1,505,700,666	1,505,700,666	—
Russell 2000 Value	643,569,008	643,569,008	—

<sup>a</sup> Collateral received in excess of the market value of securities on loan is not presented for financial reporting purposes. The total collateral received is disclosed in each Fund’s statement of assets and liabilities.

## RECENT ACCOUNTING STANDARD

In June 2014, the Financial Accounting Standards Board issued guidance to improve the financial reporting of reverse repurchase agreements and other similar transactions. The guidance will require expanded disclosure for entities that enter into reverse repurchase agreements and similar transactions accounted for as secured borrowings, including securities lending. The guidance is effective for financial statements for fiscal years beginning after December 15, 2014, and interim periods within those fiscal years. Management does not expect the guidance to have a material impact on the Funds’ financial statements and disclosures.

## 2. INVESTMENT ADVISORY AGREEMENT AND OTHER TRANSACTIONS WITH AFFILIATES

Pursuant to an Investment Advisory Agreement with the Trust, BFA manages the investment of each Fund’s assets. BFA is a California corporation indirectly owned by BlackRock. Under the Investment Advisory Agreement, BFA is responsible for substantially all expenses of the Funds, except interest, taxes, brokerage commissions and other expenses connected with the execution of portfolio transactions, distribution fees, litigation expenses and any extraordinary expenses.

# Notes to Financial Statements (Continued)

## iSHARES® TRUST

For its investment advisory services to each of the following Funds, BFA is entitled to an annual investment advisory fee based on the average daily net assets of each Fund as follows:

<i>iShares ETF</i>	<i>Investment Advisory Fee</i>
Russell Top 200	0.15%
Russell Top 200 Growth	0.20
Russell Top 200 Value	0.20
Russell 1000	0.15

For its investment advisory services to each of the iShares Russell 1000 Growth and iShares Russell 1000 Value ETFs, BFA is entitled to an annual investment advisory fee based on each Fund's allocable portion of the aggregate of the average daily net assets of the Fund and certain other iShares funds, as follows:

<i>Investment Advisory Fee</i>	<i>Aggregate Average Daily Net Assets</i>
0.2000%	First \$121 billion
0.1900 <sup>a</sup>	Over \$121 billion, up to and including \$211 billion
0.1805 <sup>a</sup>	Over \$211 billion

<sup>a</sup> Investment advisory fee level reflects a 5% reduction (rounded to the fourth decimal place) from the investment advisory fee at the prior aggregate average daily net asset level.

For its investment advisory services to the iShares Russell 2000 ETF, BFA is entitled to an annual investment advisory fee based on the Fund's allocable portion of the aggregate of the average daily net assets of the Fund and certain other iShares funds, as follows:

<i>Investment Advisory Fee</i>	<i>Aggregate Average Daily Net Assets</i>
0.2000%	First \$46 billion
0.1900 <sup>a</sup>	Over \$46 billion, up to and including \$81 billion
0.1805 <sup>a</sup>	Over \$81 billion, up to and including \$141 billion
0.1715 <sup>a</sup>	Over \$141 billion

<sup>a</sup> Investment advisory fee level reflects a 5% reduction (rounded to the fourth decimal place) from the investment advisory fee at the prior aggregate average daily net asset level.

For its investment advisory services to each of the iShares Russell 2000 Growth and iShares Russell 2000 Value ETFs, BFA is entitled to an annual investment advisory fee based on each Fund's allocable portion of the aggregate of the average daily net assets of the Fund and certain other iShares funds, as follows:

<i>Investment Advisory Fee</i>	<i>Aggregate Average Daily Net Assets</i>
0.2500%	First \$46 billion
0.2375 <sup>a</sup>	Over \$46 billion, up to and including \$81 billion
0.2257 <sup>a</sup>	Over \$81 billion, up to and including \$141 billion
0.2144 <sup>a</sup>	Over \$141 billion

<sup>a</sup> Investment advisory fee level reflects a 5% reduction (rounded to the fourth decimal place) from the investment advisory fee at the prior aggregate average daily net asset level.



# Notes to Financial Statements (Continued)

## iSHARES® TRUST

The U.S. Securities and Exchange Commission has issued an exemptive order which permits BlackRock Institutional Trust Company, N.A. ("BTC"), an affiliate of BFA, to serve as securities lending agent for the Funds, subject to applicable conditions. As securities lending agent, BTC bears all operational costs directly related to securities lending. Each Fund is responsible for fees in connection with the investment of cash collateral received for securities on loan in a money market fund managed by BFA, however, BTC has agreed to reduce the amount of securities lending income it receives in order to effectively limit the collateral investment fees each Fund bears to an annual rate of 0.04% (the "collateral investment fees"). Securities lending income is equal to the total of income earned from the reinvestment of cash collateral, net of fees and other payments to and from borrowers of securities, and less the collateral investment fees. The Funds retain a portion of securities lending income and remit a remaining portion to BTC as compensation for its services as securities lending agent.

Pursuant to a securities lending agreement, each Fund retains 71.5% of securities lending income and the amount retained can never be less than 65% of the total of securities lending income plus the collateral investment fees. In addition, commencing the business day following the date that the aggregate securities lending income plus the collateral investment fees generated across all 1940 Act iShares exchange-traded funds (the "iShares ETF Complex") in a given calendar year exceeds the aggregate securities lending income generated across the iShares ETF Complex in calendar year 2013, each Fund, pursuant to a securities lending agreement, will retain for the remainder of that calendar year 75% of securities lending income and the amount retained can never be less than 65% of the total of securities lending income plus the collateral investment fees.

Prior to January 1, 2015, each Fund retained 70% of securities lending income and the amount retained was never less than 65% of the total of securities lending income plus the collateral investment fees. In addition, commencing the business day following the date that the aggregate securities lending income plus the collateral investment fees generated across the iShares ETF Complex in calendar year 2014 exceeded the aggregate securities lending income generated across the iShares ETF Complex in calendar year 2013 and pursuant to a securities lending agreement, each Fund retained for the remainder of calendar year 2014, 75% of securities lending income and the amount retained was never less than 65% of the total of securities lending income plus the collateral investment fees.

For the year ended March 31, 2015, each Fund paid to BTC the following amounts in total for securities lending agent services and collateral investment fees:

<i>iShares ETF</i>	<i>Fees Paid to BTC</i>	<i>iShares ETF</i>	<i>Fees Paid to BTC</i>
Russell Top 200	\$ 831	Russell 1000 Value	\$ 1,337,871
Russell Top 200 Growth	5,919	Russell 2000	27,542,177
Russell Top 200 Value	424	Russell 2000 Growth	9,323,827
Russell 1000	710,306	Russell 2000 Value	3,626,867
Russell 1000 Growth	2,112,811		

BlackRock Investments, LLC, an affiliate of BFA, is the distributor for each Fund. Pursuant to the distribution agreement, BFA is responsible for any fees or expenses for distribution services provided to the Funds.

Cross trades for the year ended March 31, 2015, if any, were executed by the Funds pursuant to Rule 17a-7 under the 1940 Act. Cross trading is the buying or selling of portfolio securities between funds to which BFA (or an affiliate) serves as investment adviser. At its regularly scheduled quarterly meetings, the Board reviews such transactions as of the most recent calendar quarter for compliance with the requirements and restrictions set forth by Rule 17a-7.

Each Fund may invest its positive cash balances in certain money market funds managed by BFA or an affiliate. The income earned on these temporary cash investments is included in "Interest – affiliated" in the statements of operations.

# Notes to Financial Statements (Continued)

## iSHARES® TRUST

The PNC Financial Services Group, Inc. is the largest stockholder of BlackRock and is considered to be an affiliate of the Funds for 1940 Act purposes.

Investments in issuers considered to be affiliates of the Funds (excluding money market funds) during the year ended March 31, 2015, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

<i>iShares ETF and Name of Affiliated Issuer</i>	<i>Shares Held at Beginning of Year</i>	<i>Shares Purchased</i>	<i>Shares Sold</i>	<i>Shares Held at End of Year</i>	<i>Value at End of Year</i>	<i>Dividend Income</i>	<i>Net Realized Gain (Loss)</i>
<i>Russell Top 200</i>							
BlackRock Inc.	748	1,363	(1,290)	821	\$ 300,355	\$ 9,463	\$ 109,127
PNC Financial Services Group Inc. (The)	3,031	5,659	(5,251)	3,439	320,652	8,526	54,779
					<u>\$ 621,007</u>	<u>\$ 17,989</u>	<u>\$ 163,906</u>
<i>Russell Top 200 Growth</i>							
BlackRock Inc.	3,191	1,280	(193)	4,278	\$ 1,565,063	\$ 29,836	\$ 10,848
<i>Russell Top 200 Value</i>							
BlackRock Inc.	2,350	1,658	(1,977)	2,031	\$ 743,021	\$ 16,246	\$ 72,395
PNC Financial Services Group Inc. (The)	14,707	10,625	(11,570)	13,762	1,283,169	25,885	152,411
					<u>\$ 2,026,190</u>	<u>\$ 42,131</u>	<u>\$ 224,806</u>
<i>Russell 1000</i>							
BlackRock Inc.	60,159	17,850	(9,436)	68,573	\$ 25,086,746	\$ 505,781	\$ 1,046,196
PNC Financial Services Group Inc. (The)	243,798	75,741	(32,255)	287,284	26,786,360	494,459	737,812
					<u>\$ 51,873,106</u>	<u>\$1,000,240</u>	<u>\$ 1,784,008</u>
<i>Russell 1000 Growth</i>							
BlackRock Inc.	108,260	29,502	(8,520)	129,242	\$ 47,281,893	\$ 945,640	\$ 1,181,072
<i>Russell 1000 Value</i>							
BlackRock Inc.	188,718	59,384	(48,962)	199,140	\$ 72,853,378	\$1,546,795	\$ 2,651,602
PNC Financial Services Group Inc. (The)	1,182,258	388,328	(220,627)	1,349,959	125,870,177	2,414,021	3,181,977
					<u>\$198,723,555</u>	<u>\$3,960,816</u>	<u>\$ 5,833,579</u>
<i>Russell 2000</i>							
BlackRock Kelso Capital Corp.	1,269,680	1,183,184	(2,452,864)	—	\$ —	\$ 223,993	\$(2,169,632)
PennyMac Financial Services Inc. Class A	224,219	—	—	224,219	3,804,996	—	—
PennyMac Mortgage Investment Trust	880,631	—	—	880,631	18,748,634	2,113,514	—
					<u>\$ 22,553,630</u>	<u>\$2,337,507</u>	<u>\$(2,169,632)</u>

# Notes to Financial Statements (Continued)

## iSHARES® TRUST

<i>iShares ETF and Name of Affiliated Issuer</i>	<i>Shares Held at Beginning of Year</i>	<i>Shares Purchased</i>	<i>Shares Sold</i>	<i>Shares Held at End of Year</i>	<i>Value at End of Year</i>	<i>Dividend Income</i>	<i>Net Realized Gain (Loss)</i>
<i>Russell 2000 Value</i>							
BlackRock Kelso Capital Corp.	538,048	97,180	(635,228)	—	\$ —	\$ 110,997	\$ (612,025)
PennyMac Financial Services Inc. Class A	93,191	—	—	93,191	1,581,451	—	—
PennyMac Mortgage Investment Trust	503,781	—	(3,528)	500,253	10,650,386	1,202,689	(19,737)
					<u>\$ 12,231,837</u>	<u>\$ 1,313,686</u>	<u>\$ (631,762)</u>

Certain trustees and officers of the Trust are also officers of BTC and/or BFA.

### 3. INVESTMENT PORTFOLIO TRANSACTIONS

Purchases and sales of investments (excluding in-kind transactions and short-term investments) for the year ended March 31, 2015 were as follows:

<i>iShares ETF</i>	<i>Purchases</i>	<i>Sales</i>
Russell Top 200	\$ 6,608,707	\$ 5,939,301
Russell Top 200 Growth	57,585,158	54,506,718
Russell Top 200 Value	23,229,927	23,095,835
Russell 1000	510,224,921	499,107,939
Russell 1000 Growth	3,420,036,186	3,414,170,964
Russell 1000 Value	3,229,179,330	3,200,023,745
Russell 2000	5,193,833,081	5,211,118,224
Russell 2000 Growth	1,832,173,551	1,829,069,530
Russell 2000 Value	1,591,573,268	1,571,965,544

In-kind transactions (see Note 4) for the year ended March 31, 2015 were as follows:

<i>iShares ETF</i>	<i>In-kind Purchases</i>	<i>In-kind Sales</i>
Russell Top 200	\$ 146,165,923	\$ 135,928,717
Russell Top 200 Growth	170,368,680	47,846,157
Russell Top 200 Value	130,927,332	147,049,172
Russell 1000	2,612,469,146	1,091,111,722
Russell 1000 Growth	4,394,720,429	1,608,322,062
Russell 1000 Value	6,582,257,105	3,621,348,970
Russell 2000	97,488,725,360	96,886,036,403
Russell 2000 Growth	4,811,356,575	4,577,687,221
Russell 2000 Value	2,883,227,055	2,820,753,696

# Notes to Financial Statements (Continued)

## iSHARES® TRUST

### 4. CAPITAL SHARE TRANSACTIONS

Capital shares are issued and redeemed by each Fund only in aggregations of a specified number of shares or multiples thereof ("Creation Units") at NAV. Except when aggregated in Creation Units, shares of each Fund are not redeemable. Transactions in capital shares for each Fund are disclosed in detail in the statements of changes in net assets.

The consideration for the purchase of Creation Units of a fund in the Trust generally consists of the in-kind deposit of a designated portfolio of securities and a specified amount of cash. Certain funds in the Trust may be offered in Creation Units solely or partially for cash in U.S. dollars. Investors purchasing and redeeming Creation Units may pay a purchase transaction fee and a redemption transaction fee directly to State Street Bank and Trust Company, the Trust's administrator, to offset transfer and other transaction costs associated with the issuance and redemption of Creation Units, including Creation Units for cash. Investors transacting in Creation Units for cash may also pay an additional variable charge to compensate the relevant fund for certain transaction costs (i.e., stamp taxes, taxes on currency or other financial transactions, and brokerage costs) and market impact expenses relating to investing in portfolio securities. Such variable charges, if any, are included in "Proceeds from shares sold" in the statements of changes in net assets.

From time to time, settlement of securities related to in-kind contributions or in-kind redemptions may be delayed. In such cases, securities related to in-kind contributions are reflected as "Due from custodian" and securities related to in-kind redemptions are reflected as "Securities related to in-kind transactions" in the statements of assets and liabilities.

### 5. FUTURES CONTRACTS

Each Fund may purchase or sell futures contracts in an effort to help such Fund track its underlying index. A futures contract is a standardized, exchange-traded agreement to buy and sell a financial instrument at a set price on a future date. Upon entering into a futures contract, the Fund is required to pledge to the executing broker which holds segregated from its own assets, an amount of cash, U.S. government securities or other high-quality debt and equity securities equal to the minimum initial margin requirements of the exchange on which the contract is traded. Pursuant to the contract, the Fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as margin variation and are recorded by the Fund as unrealized appreciation or depreciation. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. Losses may arise if the value of a futures contract decreases due to an unfavorable change in the market rates or values of the underlying instrument during the term of the contract or if the counterparty does not perform under the contract. The use of futures contracts also involves the risk of an imperfect correlation in the movements in the price of futures contracts and the assets underlying such contracts.

The following table shows the value of futures contracts held by the Funds as of March 31, 2015 and the related locations in the statements of assets and liabilities, presented by risk exposure category:

<i>Assets</i>			
	<i>iShares Russell 1000 ETF</i>	<i>iShares Russell 1000 Growth ETF</i>	<i>iShares Russell 1000 Value ETF</i>
Equity contracts:			
Variation margin/Net assets consist			
of – net unrealized appreciation <sup>a</sup>	\$ 258,237	\$ 415,394	\$ 603,462

# Notes to Financial Statements (Continued)

## iSHARES® TRUST

	<i>Assets</i>		
	<i>iShares Russell 2000 ETF</i>	<i>iShares Russell 2000 Growth ETF</i>	<i>iShares Russell 2000 Value ETF</i>
Equity contracts:			
Variation margin/Net assets consist			
of – net unrealized appreciation <sup>a</sup>	\$ 1,245,290	\$ 212,453	\$ 357,253

<sup>a</sup> Represents cumulative appreciation of futures contracts as reported in the schedules of investments. Only current day's variation margin is reported separately within the statements of assets and liabilities.

The following table shows the realized and unrealized gains (losses) on futures contracts held by the Funds during the year ended March 31, 2015 and the related locations in the statements of operations, presented by risk exposure category:

	<i>Net Realized Gain (Loss)</i>		
	<i>iShares Russell 1000 ETF</i>	<i>iShares Russell 1000 Growth ETF</i>	<i>iShares Russell 1000 Value ETF</i>
Equity contracts:			
Futures contracts	\$ 2,469,419	\$ 2,091,357	\$ (345,357)

	<i>Net Change in Unrealized Appreciation/Depreciation</i>		
	<i>iShares Russell 1000 ETF</i>	<i>iShares Russell 1000 Growth ETF</i>	<i>iShares Russell 1000 Value ETF</i>
Equity contracts:			
Futures contracts	\$ 235,414	\$ 415,394	\$ 603,462

	<i>Net Realized Gain (Loss)</i>		
	<i>iShares Russell 2000 ETF</i>	<i>iShares Russell 2000 Growth ETF</i>	<i>iShares Russell 2000 Value ETF</i>
Equity contracts:			
Futures contracts	\$ 2,318,217	\$ 766,138	\$ 649,461

	<i>Net Change in Unrealized Appreciation/Depreciation</i>		
	<i>iShares Russell 2000 ETF</i>	<i>iShares Russell 2000 Growth ETF</i>	<i>iShares Russell 2000 Value ETF</i>
Equity contracts:			
Futures contracts	\$ 1,245,290	\$ 212,453	\$ 357,253

# Notes to Financial Statements (Continued)

## iSHARES® TRUST

The following table shows the average quarter-end balances of open futures contracts for the year ended March 31, 2015:

	<i>iShares</i> <i>Russell 1000 ETF</i>	<i>iShares</i> <i>Russell 1000</i> <i>Growth ETF</i>	<i>iShares</i> <i>Russell 1000</i> <i>Value ETF</i>
Average value of contracts purchased	\$ 18,923,530	\$ 13,980,512	\$ 27,092,100

  

	<i>iShares</i> <i>Russell 2000 ETF</i>	<i>iShares</i> <i>Russell 2000</i> <i>Growth ETF</i>	<i>iShares</i> <i>Russell 2000</i> <i>Value ETF</i>
Average value of contracts purchased	\$ 33,737,896	\$ 2,219,100	\$ 5,669,576
Average value of contracts sold	\$ (15,128,820)	\$ —	\$ —

## 6. MARKET AND CREDIT RISK

In the normal course of business, each Fund's investment activities expose it to various types of risk associated with the financial instruments and markets in which it invests. The significant types of financial risks each Fund is exposed to include market risk and credit risk. Each Fund's prospectus provides details of these and other types of risk.

BFA uses a "passive" or index approach to try to achieve each Fund's investment objective following the securities included in its underlying index during upturns as well as downturns. BFA does not take steps to reduce market exposure or to lessen the effects of a declining market. Divergence from the underlying index and the composition of the portfolio is monitored by BFA.

### MARKET RISK

Market risk arises mainly from uncertainty about future values of financial instruments influenced by price, currency and interest rate movements. It represents the potential loss each Fund may suffer through holding market positions in the face of market movements. Each Fund is exposed to market risk by virtue of its investment in equity and financial derivative instruments. The fair value of securities held by the Funds may decline due to general market conditions, economic trends or events that are not specifically related to the issuers of the securities including local, regional or global political, social or economic instability or to factors that affect a particular industry or group of industries. The extent of each Fund's exposure to market risk is the market value of the investments held as shown in the Fund's schedule of investments.

A diversified portfolio, where this is appropriate and consistent with a fund's objectives, minimizes the risk that a price change of a particular investment will have a material impact on the NAV of a fund. The investment concentrations within each Fund's portfolio are disclosed in its schedule of investments.

### CREDIT RISK

Credit risk is the risk that an issuer or guarantor of debt instruments or the counterparty to a financial transaction, including derivatives contracts, repurchase agreements or loans of portfolio securities, is unable or unwilling to make timely interest and/or principal payments or to otherwise honor its obligations. BFA and its affiliates manage counterparty credit risk by entering into transactions only with counterparties that they believe have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose the Funds to issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of each Fund's

# Notes to Financial Statements (Continued)

## iSHARES® TRUST

exposure to credit and counterparty risks with respect to those financial assets is approximated by their value recorded in its statement of assets and liabilities.

### 7. INCOME TAX INFORMATION

Each Fund is treated as an entity separate from the Trust's other funds for federal income tax purposes. It is the policy of each Fund to qualify as a regulated investment company by complying with the provisions applicable to regulated investment companies, as defined under Subchapter M of the Internal Revenue Code of 1986, as amended, and to annually distribute substantially all of its ordinary income and any net capital gains (taking into account any capital loss carryforwards) sufficient to relieve it from all, or substantially all, federal income and excise taxes. Accordingly, no provision for federal income taxes is required.

U.S. GAAP requires that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. These reclassifications have no effect on net assets or NAV per share. The following permanent differences as of March 31, 2015, attributable to passive foreign investment companies, the expiration of capital loss carryforwards, distributions paid in excess of taxable income, foreign currency transactions, the characterization of corporate actions and realized gains (losses) from in-kind redemptions, were reclassified to the following accounts:

<i>iShares ETF</i>	<i>Paid-in Capital</i>	<i>Undistributed Net Investment Income/Distributions in Excess of Net Investment Income</i>	<i>Undistributed Net Realized Gain/Accumulated Net Realized Loss</i>
Russell Top 200	\$ 23,594,275	\$ —	\$ (23,594,275)
Russell Top 200 Growth	13,526,483	—	(13,526,483)
Russell Top 200 Value	20,549,232	412,005	(20,961,237)
Russell 1000	409,459,391	8,335,221	(417,794,612)
Russell 1000 Growth	656,730,665	3,980,325	(660,710,990)
Russell 1000 Value	1,352,264,600	39,677,219	(1,391,941,819)
Russell 2000	2,657,986,582	14,899,832	(2,672,886,414)
Russell 2000 Growth	928,014,262	371,180	(928,385,442)
Russell 2000 Value	669,382,562	7,239,878	(676,622,440)

The tax character of distributions paid during the years ended March 31, 2015 and March 31, 2014 was as follows:

<i>iShares ETF</i>	<i>2015</i>	<i>2014</i>
<i>Russell Top 200</i>		
Ordinary Income	\$ 2,178,025	\$ 1,373,236
<i>Russell Top 200 Growth</i>		
Ordinary Income	\$ 8,810,448	\$ 7,099,908
<i>Russell Top 200 Value</i>		
Ordinary Income	\$ 4,244,936	\$ 2,640,009
<i>Russell 1000</i>		
Ordinary Income	\$182,905,594	\$151,617,734

# Notes to Financial Statements (Continued)

## iSHARES® TRUST

<i>iShares ETF</i>	2015	2014
<i>Russell 1000 Growth</i>		
Ordinary Income	<u>\$365,151,473</u>	<u>\$307,506,679</u>
<i>Russell 1000 Value</i>		
Ordinary Income	<u>\$512,726,330</u>	<u>\$419,326,919</u>
<i>Russell 2000</i>		
Ordinary Income	<u>\$377,188,617</u>	<u>\$346,507,853</u>
<i>Russell 2000 Growth</i>		
Ordinary Income	<u>\$ 50,213,443</u>	<u>\$ 45,353,962</u>
<i>Russell 2000 Value</i>		
Ordinary Income	<u>\$117,739,507</u>	<u>\$111,295,810</u>

As of March 31, 2015, the tax components of accumulated net earnings (losses) were as follows:

<i>iShares ETF</i>	<i>Undistributed Ordinary Income</i>	<i>Capital Loss Carryforwards</i>	<i>Net Unrealized Gains (Losses)<sup>a</sup></i>	<i>Qualified Late-Year Losses<sup>b</sup></i>	<i>Total</i>
Russell Top 200	\$ 36,994	\$ (593,539)	\$ (2,677,143)	\$ —	\$ (3,233,688)
Russell Top 200 Growth	204,246	(16,366,396)	177,488,354	—	161,326,204
Russell Top 200 Value	498,044	(4,599,688)	5,398,404	—	1,296,760
Russell 1000	7,520,368	(292,447,850)	1,988,879,171	—	1,703,951,689
Russell 1000 Growth	—	(2,740,264,111)	8,162,686,611	—	5,422,422,500
Russell 1000 Value	38,426,155	(921,719,390)	3,979,430,093	—	3,096,136,858
Russell 2000	—	(3,259,057,994)	(3,777,866,694)	(85,381,762)	(7,122,306,450)
Russell 2000 Growth	1,443	(1,287,946,828)	308,402,058	—	(979,543,327)
Russell 2000 Value	—	(616,244,610)	73,203,773	—	(543,040,837)

<sup>a</sup> The difference between book-basis and tax-basis unrealized gains (losses) was attributable primarily to the tax deferral of losses on wash sales, the realization for tax purposes of unrealized gains (losses) on certain futures contracts, and the realization for tax purposes of unrealized gains on investments in passive foreign investment companies.

<sup>b</sup> The Funds have elected to defer certain qualified late-year losses and recognize such losses in the next taxable year.

As of March 31, 2015, the following Funds had capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates as follows:

<i>iShares ETF</i>	<i>Non- Expiring<sup>a</sup></i>	<i>Expiring 2016</i>	<i>Expiring 2017</i>	<i>Expiring 2018</i>	<i>Expiring 2019</i>	<i>Total</i>
Russell Top 200	\$ 586,782	\$ —	\$ —	\$ —	\$ 6,757	\$ 593,539
Russell Top 200 Growth	12,471,595	—	—	—	3,894,801	16,366,396
Russell Top 200 Value	1,189,463	—	—	—	3,410,225	4,599,688
Russell 1000	26,806,481	—	56,902,659	198,974,722	9,763,988	292,447,850
Russell 1000 Growth	143,959,992	—	659,755,548	1,537,593,620	398,954,951	2,740,264,111
Russell 1000 Value	—	—	—	773,736,451	147,982,939	921,719,390
Russell 2000	1,604,234,369	14,608,054	304,954,114	965,955,801	369,305,656	3,259,057,994
Russell 2000 Growth	117,059,736	10,051,978	291,496,992	592,964,832	276,373,290	1,287,946,828
Russell 2000 Value	59,829,716	—	—	443,046,329	113,368,565	616,244,610

<sup>a</sup> Must be utilized prior to losses subject to expiration.



# Notes to Financial Statements (Continued)

## iSHARES® TRUST

For the year ended March 31, 2015, the following Funds utilized their capital loss carryforwards as follows:

<i>iShares ETF</i>	<i>Utilized</i>
Russell Top 200	\$ 218,786
Russell Top 200 Growth	2,731,581
Russell Top 200 Value	192,320
Russell 1000	58,818,538
Russell 1000 Growth	533,352,478
Russell 1000 Value	144,352,346
Russell 2000 Growth	79,478,185

The Funds may own shares in certain foreign investment entities, referred to, under U.S. tax law, as “passive foreign investment companies.” The Funds may elect to mark-to-market annually the shares of each passive foreign investment company and would be required to distribute to shareholders any such marked-to-market gains.

As of March 31, 2015, gross unrealized appreciation and gross unrealized depreciation based on cost for federal income tax purposes were as follows:

<i>iShares ETF</i>	<i>Tax Cost</i>	<i>Gross Unrealized Appreciation</i>	<i>Gross Unrealized Depreciation</i>	<i>Net Unrealized Appreciation (Depreciation)</i>
Russell Top 200	\$ 96,176,425	\$ 2,632,007	\$ (5,309,150)	\$ (2,677,143)
Russell Top 200 Growth	482,211,946	182,272,193	(4,783,839)	177,488,354
Russell Top 200 Value	175,437,145	12,631,643	(7,233,239)	5,398,404
Russell 1000	9,663,123,501	2,532,425,394	(543,546,223)	1,988,879,171
Russell 1000 Growth	21,248,312,878	8,519,221,196	(356,534,585)	8,162,686,611
Russell 1000 Value	22,101,655,491	5,216,821,732	(1,237,391,639)	3,979,430,093
Russell 2000	39,260,669,379	1,026,344,538	(4,804,207,886)	(3,777,863,348)
Russell 2000 Growth	8,569,372,858	1,000,550,707	(692,148,649)	308,402,058
Russell 2000 Value	6,792,490,032	775,744,311	(702,515,257)	73,229,054

Management has analyzed tax laws and regulations and their application to the Funds as of March 31, 2015, inclusive of the open tax return years, and does not believe there are any uncertain tax positions that require recognition of a tax liability in the Funds’ financial statements.

## 8. LEGAL PROCEEDINGS

On January 18, 2013, a lawsuit was filed in the United States District Court for the Middle District of Tennessee by Laborers’ Local 265 Pension Fund and Plumbers and Pipefitters Local No. 572 Pension Fund (the “Plaintiffs”) against BFA, BTC, and the current members of the iShares Trust Board of Trustees and the Board of Directors of iShares, Inc. (collectively, “Defendants”) for alleged violations of, among other things, Sections 36(a) and 36(b) of the 1940 Act. The complaint purports to be brought derivatively on behalf of iShares Trust and iShares, Inc., as well as the following eight funds: iShares Russell Mid-Cap ETF; iShares MSCI EAFE ETF; iShares MSCI Emerging Markets ETF; iShares Russell 2000 Growth ETF; iShares Russell 2000 Value ETF; iShares Core S&P Mid-Cap ETF; iShares Core S&P Small-Cap ETF; and iShares U.S. Real Estate ETF. The complaint alleges, among other things, that BFA and BTC breached their fiduciary duties under the 1940 Act by charging allegedly excessive fees in connection with the provision of securities lending services to the above eight funds, that the individual defendants breached their fiduciary duties under the 1940 Act by approving those fee arrangements, and that the securities

# Notes to Financial Statements (Continued)

## *iSHARES® TRUST*

lending contracts are unenforceable under Section 47(b) of the 1940 Act. The Plaintiffs sought injunctive relief, rescission of the securities lending contracts, and monetary damages of an unspecified amount. The Defendants believe that the claims are without merit and intend to vigorously defend themselves against the allegations in the lawsuit. The Court dismissed the complaint with prejudice on October 24, 2013. The Plaintiffs filed a notice of appeal on November 8, 2013. On February 13, 2014, the Plaintiffs filed an appeal brief with the United States Court of Appeals for the Sixth Circuit (the "Sixth Circuit"). Oral argument of the Plaintiffs' appeal was heard by the Sixth Circuit on July 30, 2014. On September 30, 2014, the Sixth Circuit affirmed the dismissal of the lawsuit. On December 29, 2014, the Plaintiffs filed a petition for a writ of certiorari asking the U.S. Supreme Court to hear their appeal of the Sixth Circuit's ruling. On March 2, 2015, the U.S. Supreme Court denied the Plaintiffs' petition, which concluded the lawsuit.

### **9. SUBSEQUENT EVENTS**

Management has evaluated the impact of all subsequent events on the Funds through the date the financial statements were available to be issued and has determined that there were no subsequent events requiring adjustment or disclosure in the financial statements.