

2016 年 4 月期 決算短信 (2015 年 5 月 1 日～2016 年 4 月 30 日)
Earnings Report for Fiscal Year ended April 2016 (May 1, 2015 – April 30, 2016)

2016 年 7 月 13 日

July 13, 2016

フ ァ ン ド 名	i シェアーズ 米国高配当株 ETF (モーニングスター配当フォーカス)	上場取引所	東
コ ー ド 番 号	1589	売買単位	1 口
連 動 対 象 指 標	モーニングスター配当フォーカス指数		
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	http://www.blackrock.com/jp/products/269026/		
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(6250)6200

Fund name:	iShares Core High Dividend ETF-JDR	Listed Exchange:	TSE
Code:	1589	Trading unit:	1 unit
Underlying indicator:	Morningstar® Dividend Yield Focus Index SM		
Primary invested assets:	Securities		
Management co.:	BlackRock Fund Advisors		
URL:	http://www.blackrock.com/jp/products/269026/		
Representative:	(Title) Managing Director	(Name) Jack Gee	
Contact person:	(Title) Attorney-in-Fact	(Name) Kohei Koikawa	(TEL) 03(6250)6200

有価証券報告書提出予定日	2016 年 10 月
Scheduled date of submission of securities report:	October 2016

I ファンドの運用状況

I Fund Management

1. 2016 年 4 月期の運用状況 (2015 年 5 月 1 日～2016 年 4 月 30 日)

1. Management Status for Year Ended April 2016 (from May 1, 2015 to April 30, 2016)

(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	構成比	金額	構成比	金額	構成比
	Amount	ratio	Amount	ratio	Amount	ratio
	百万円	%	百万円	%	百万円	%
	JPY mil.	%	JPY mil.	%	JPY mil.	%
2016 年 4 月期	521, 791	99. 87	677	0. 13	522, 469	100. 00
FY ended April 2016						
2015 年 4 月期	499, 982	100. 00	△23	(0. 00)	499, 959	100. 00
FY ended April 2015						

(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 (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
2016 年 4 月期 FY ended April 2016	62,950	18,050	16,600	64,400
2015 年 4 月期 FY ended April 2015	48,000	57,300	42,350	62,950

(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 (①)	負債 Liabilities (②)	純資産 Net Assets (③(①-②))	1口当たり基準価額 Net Asset Value per unit (③/③/当計算期間末 発行済口数) × 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
2016 年 4 月期 FY ended April 2016	522,527	57	522,469	8,112.87
2015 年 4 月期 FY ended April 2015	502,546	2,586	499,959	7,942.16

(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
2016 年 4 月期 FY ended April 2016	183.714	30	5	208.714
2015 年 4 月期 FY ended April 2015	121	63	0.286	183.714

(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)

2016 年 4 月期 FY ended April 2016	1 口当たり分配金 Dividend per unit	2015 年 4 月期 FY ended April 2015	1 口当たり分配金 Dividend per unit
※1	円 JPY	※	円 JPY
2015 年 6 月 26 日 June 26, 2015	61	2014 年 6 月 26 日 June 26, 2014	40
2015 年 9 月 25 日 September 25, 2015	※2 税率(Tax Rate)10% : 76 税率(Tax Rate)30% : 59	2014 年 9 月 26 日 September 26, 2014	46
2015 年 12 月 29 日 December 29, 2015	※2 税率(Tax Rate)10% : 74 税率(Tax Rate)30% : 57	2014 年 12 月 29 日 December 29, 2014	54
2016 年 3 月 28 日 March 28, 2016	※2 税率(Tax Rate)10% : 64 税率(Tax Rate)30% : 49	2015 年 3 月 27 日 March 27, 2015	58

※1 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。

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

※2 適用される米国源泉税率毎に算出されています。上記以外の税率についての記載は省略しております。

※2 These amounts of dividend per unit are shown together with, and after the application of, the respective applicable U.S. withholding tax rates.
Except to the extent given above, the information concerning the tax rates is omitted.

(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=102.91 円の換算率 (2016 年 6 月 30 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 = ¥ 102.91 (the telegraphic transfer middle exchange rate vis-à-vis customers quoted by The Bank of Tokyo-Mitsubishi UFJ, Ltd. on June 30, 2016).

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

2016 ANNUAL REPORT

iShares[®]
by BLACKROCK[®]

iShares Trust

- ▶ iShares Core Dividend Growth ETF | DGRO | NYSE Arca
- ▶ iShares Core High Dividend ETF | HDV | NYSE Arca
- ▶ iShares International Select Dividend ETF | IDV | NYSE Arca
- ▶ iShares Select Dividend ETF | DVY | NYSE Arca

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Statements of Assets and Liabilities

iSHARES® TRUST

April 30, 2016

	iShares Core Dividend Growth ETF	iShares Core High Dividend ETF	iShares International Select Dividend ETF
ASSETS			
Investments, at cost:			
Unaffiliated	\$445,704,981	\$4,822,578,553	\$2,961,443,274
Affiliated (Note 2)	4,607,135	6,602,318	7,819,646
Total cost of investments	<u>\$450,312,116</u>	<u>\$4,829,180,871</u>	<u>\$2,969,262,920</u>
Investments in securities, at fair value (including securities on loan ^a)			
(Note 1):			
Unaffiliated	\$471,713,050	\$5,063,764,751	\$2,717,933,314
Affiliated (Note 2)	4,718,547	6,602,318	7,819,646
Total fair value of investments	476,431,597	5,070,367,069	2,725,752,960
Foreign currency, at value ^b	—	—	11,323,069
Cash	—	433	—
Cash pledged to broker	36,400	522,600	—
Receivables:			
Dividends and interest	537,591	6,558,144	6,396,039
Capital shares sold	—	66,325	—
Tax reclaims	—	—	2,494,815
Total Assets	<u>477,005,588</u>	<u>5,077,514,571</u>	<u>2,745,966,883</u>
LIABILITIES			
Payables:			
Collateral for securities on loan (Note 1)	—	—	7,491,845
Futures variation margin	5,320	77,140	—
Investment advisory fees (Note 2)	45,153	484,597	1,084,101
Total Liabilities	<u>50,473</u>	<u>561,737</u>	<u>8,575,946</u>
NET ASSETS	<u>\$476,955,115</u>	<u>\$5,076,952,834</u>	<u>\$2,737,390,937</u>
Net assets consist of:			
Paid-in capital	\$461,439,255	\$5,044,386,408	\$3,485,144,618
Undistributed net investment income	523,910	6,373,191	8,099,285
Accumulated net realized loss	(11,131,400)	(215,293,983)	(512,468,454)
Net unrealized appreciation (depreciation)	26,123,350	241,487,218	(243,384,512)
NET ASSETS	<u>\$476,955,115</u>	<u>\$5,076,952,834</u>	<u>\$2,737,390,937</u>
Shares outstanding ^c	<u>17,850,000</u>	<u>64,400,000</u>	<u>91,700,000</u>
Net asset value per share	<u>\$ 26.72</u>	<u>\$ 78.83</u>	<u>\$ 29.85</u>

^a Securities on loan with values of \$ —, \$ — and \$7,033,391, respectively. See Note 1.

^b Cost of foreign currency: \$ —, \$ — and \$11,203,211, respectively.

^c No par value, unlimited number of shares authorized.

See notes to financial statements.

Statements of Operations

iSHARES® TRUST

Year ended April 30, 2016

	iShares Core Dividend Growth ETF	iShares Core High Dividend ETF	iShares International Select Dividend ETF
NET INVESTMENT INCOME			
Dividends — unaffiliated ^a	\$ 7,427,228	\$ 165,230,455	\$ 166,167,738
Dividends — affiliated (Note 2)	60,790	5,759	9,367,927
Interest — unaffiliated	15	342	—
Securities lending income — affiliated — net (Note 2)	169	12,966	445,854
Total investment income	<u>7,488,202</u>	<u>165,249,522</u>	<u>175,981,519</u>
EXPENSES			
Investment advisory fees (Note 2)	<u>330,450</u>	<u>5,293,214</u>	<u>16,078,082</u>
Total expenses	330,450	5,293,214	16,078,082
Less investment advisory fees waived (Note 2)	<u>(61,599)</u>	<u>—</u>	<u>—</u>
Net expenses	<u>268,851</u>	<u>5,293,214</u>	<u>16,078,082</u>
Net investment income	<u>7,219,351</u>	<u>159,956,308</u>	<u>159,903,437</u>
NET REALIZED AND UNREALIZED GAIN (LOSS)			
Net realized gain (loss) from:			
Investments — unaffiliated	(10,592,485)	(181,039,943)	(207,564,216)
Investments — affiliated (Note 2)	(78,692)	—	(111,027,195)
In-kind redemptions — unaffiliated	1,623,952	118,278,578	10,833,896
In-kind redemptions — affiliated (Note 2)	5,186	—	(12,167,037)
Futures contracts	20,935	1,040,691	—
Foreign currency transactions	<u>—</u>	<u>—</u>	<u>(536,511)</u>
Net realized loss	<u>(9,021,104)</u>	<u>(61,720,674)</u>	<u>(320,461,063)</u>
Net change in unrealized appreciation/depreciation on:			
Investments	23,411,684	164,929,977	(346,917,534)
Futures contracts	(3,173)	269,619	—
Translation of assets and liabilities in foreign currencies	<u>—</u>	<u>—</u>	<u>(17,277)</u>
Net change in unrealized appreciation/depreciation	<u>23,408,511</u>	<u>165,199,596</u>	<u>(346,934,811)</u>
Net realized and unrealized gain (loss)	<u>14,387,407</u>	<u>103,478,922</u>	<u>(667,395,874)</u>
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ 21,606,758</u>	<u>\$ 263,435,230</u>	<u>\$(507,492,437)</u>

^a Net of foreign withholding tax of \$267, \$9,230 and \$11,955,096, respectively.

See notes to financial statements.

Statements of Changes in Net Assets

iSHARES® TRUST

	<i>iShares</i> Core Dividend Growth ETF		<i>iShares</i> Core High Dividend ETF	
	Year ended April 30, 2016	Period from June 10, 2014 ^a to April 30, 2015	Year ended April 30, 2016	Year ended April 30, 2015
INCREASE (DECREASE) IN NET ASSETS				
OPERATIONS:				
Net investment income	\$ 7,219,351	\$ 2,193,259	\$ 159,956,308	\$ 168,393,493
Net realized gain (loss)	(9,021,104)	3,674,826	(61,720,674)	426,639,122
Net change in unrealized appreciation/depreciation	23,408,511	2,714,839	165,199,596	(230,857,166)
Net increase in net assets resulting from operations	21,606,758	8,582,924	263,435,230	364,175,449
DISTRIBUTIONS TO SHAREHOLDERS:				
From net investment income	(6,924,753)	(1,963,947)	(167,183,051)	(160,579,515)
Total distributions to shareholders	(6,924,753)	(1,963,947)	(167,183,051)	(160,579,515)
CAPITAL SHARE TRANSACTIONS:				
Proceeds from shares sold	313,360,709	208,188,682	1,368,869,927	4,343,976,218
Cost of shares redeemed	(19,714,275)	(46,180,983)	(1,246,387,730)	(3,231,652,468)
Net increase in net assets from capital share transactions	293,646,434	162,007,699	122,482,197	1,112,323,750
INCREASE IN NET ASSETS	308,328,439	168,626,676	218,734,376	1,315,919,684
NET ASSETS				
Beginning of period	168,626,676	—	4,858,218,458	3,542,298,774
End of period	\$476,955,115	\$168,626,676	\$ 5,076,952,834	\$ 4,858,218,458
Undistributed net investment income included in net assets at end of period	\$ 523,910	\$ 229,312	\$ 6,373,191	\$ 13,599,934
SHARES ISSUED AND REDEEMED				
Shares sold	12,250,000	8,150,000	18,050,000	57,300,000
Shares redeemed	(800,000)	(1,750,000)	(16,600,000)	(42,350,000)
Net increase in shares outstanding	11,450,000	6,400,000	1,450,000	14,950,000

^a Commencement of operations.

See notes to financial statements.

Financial Highlights (Continued)

iSHARES® TRUST

(For a share outstanding throughout each period)

iShares Core High Dividend ETF

	Year ended Apr. 30, 2016	Year ended Apr. 30, 2015	Year ended Apr. 30, 2014	Year ended Apr. 30, 2013	Year ended Apr. 30, 2012
Net asset value, beginning of year	\$ 77.18	\$ 73.80	\$ 68.58	\$ 57.95	\$ 52.88
Income from investment operations:					
Net investment income ^a	2.70	2.71	2.27	2.11	2.10
Net realized and unrealized gain ^b	1.79	3.27	5.21	10.63	4.41
Total from investment operations	4.49	5.98	7.48	12.74	6.51
Less distributions from:					
Net investment income	(2.84)	(2.60)	(2.26)	(2.11)	(1.44)
Total distributions	(2.84)	(2.60)	(2.26)	(2.11)	(1.44)
Net asset value, end of year	\$ 78.83	\$ 77.18	\$ 73.80	\$ 68.58	\$ 57.95
Total return	6.12%	8.21%	11.20%	22.49%	12.54%
Ratios/Supplemental data:					
Net assets, end of year (000s)	\$5,076,953	\$4,858,218	\$3,542,299	\$3,518,312	\$1,445,926
Ratio of expenses to average net assets	0.12%	0.14%	0.40%	0.40%	0.40%
Ratio of net investment income to average net assets	3.63%	3.57%	3.29%	3.45%	3.82%
Portfolio turnover rate ^c	74%	63%	47%	43%	28%

^a Based on average shares outstanding throughout each period.

^b 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.

^c 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>
Core Dividend Growth	Diversified
Core High Dividend	Non-diversified
International Select Dividend	Diversified
Select Dividend	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 (including money market 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.

As of April 30, 2016, the value of each of the Funds' investments was classified as Level 1. The breakdown of each Fund's investments into major categories is disclosed in its respective schedule of investments.

Notes to Financial Statements (Continued)

iSHARES® TRUST

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 April 30, 2016 are reflected in tax reclaims 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.

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 April 30, 2016, 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. Any additional required collateral is delivered to the Funds and any excess collateral is returned by the Funds on the next business

Notes to Financial Statements (Continued)

iSHARES® TRUST

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 April 30, 2016, 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 securities on loan for each Fund are also disclosed in its schedule of investments. The total value of any securities on loan as of April 30, 2016 and the total 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.

On July 23, 2014, the U.S. Securities and Exchange Commission (the "SEC") adopted amendments to Rule 2a-7 under the 1940 Act, which governs the operations of U.S. money market funds. When implemented in October 2016, the change may affect the Funds with regard to the reinvestment of cash collateral received for securities on loan. Each Fund continues to evaluate its reinvestment strategy in light of the new regulations.

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.

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 securities lending agreements which are subject to offset under an MSLA as of April 30, 2016:

<i>iShares ETF and Counterparty</i>	<i>Market Value of Securities on Loan</i>	<i>Cash Collateral Received^a</i>	<i>Net Amount</i>
<i>International Select Dividend</i>			
Citigroup Global Markets Inc.	\$ 350,485	\$ 350,485	\$ —
Morgan Stanley & Co. LLC	6,682,906	6,682,906	—
	<u>\$ 7,033,391</u>	<u>\$ 7,033,391</u>	<u>\$ —</u>

^a Collateral received in excess of the market value of securities on loan is not presented in this table. The total cash collateral received by the Fund is disclosed in the Fund's statement of assets and liabilities.

Notes to Financial Statements (Continued)

iSHARES® TRUST

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.

For its investment advisory services to the iShares Core Dividend Growth ETF, BFA is entitled to an annual investment advisory fee of 0.12% based on the average daily net assets of the Fund. For the year ended April 30, 2016, BFA has voluntarily waived a portion of its investment advisory fees for the Fund in the amount of \$61,599.

For its investment advisory services to the iShares Core High Dividend ETF, BFA is entitled to an annual investment advisory fee of 0.12% based on the average daily net assets of the Fund.

For its investment advisory services to the iShares International Select Dividend 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>
0.5000%	First \$12 billion
0.4750 ^a	Over \$12 billion, up to and including \$21 billion
0.4513 ^a	Over \$21 billion

^a 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 Select Dividend 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>
0.4000%	First \$46 billion
0.3800 ^a	Over \$46 billion, up to and including \$81 billion
0.3610 ^a	Over \$81 billion, up to and including \$111 billion
0.3430 ^a	Over \$111 billion, up to and including \$141 billion
0.3259 ^a	Over \$141 billion

^a 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.

Prior to July 1, 2015, for its investment advisory services to the iShares Select Dividend ETF, BFA was 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>
0.4000%	First \$46 billion
0.3800 ^a	Over \$46 billion, up to and including \$81 billion
0.3610 ^a	Over \$81 billion, up to and including \$141 billion
0.3430 ^a	Over \$141 billion

^a 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 SEC 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 the remaining portion to BTC as compensation for its services as securities lending agent.

Pursuant to a securities lending agreement, the iShares Core Dividend Growth ETF, iShares Core High Dividend ETF and iShares Select Dividend ETF (the “Group 1 Funds”), retain 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.

Pursuant to a securities lending agreement, the iShares International Select Dividend ETF (the “Group 2 Fund”), retains 80% of securities lending income and the amount retained can never be less than 70% 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 the calendar year 2013, each Group 1 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. The Group 2 Fund will receive for the remainder of that calendar year 85% of securities lending income and the amount retained can never be less than 70% of the total of securities lending income plus the collateral investment fees.

For the year ended April 30, 2016, the total of securities lending agent services and collateral investment fees paid were as follows:

<i>iShares ETF</i>	<i>Fees Paid to BTC</i>
Core Dividend Growth	\$ 91
Core High Dividend	5,197
International Select Dividend	108,776
Select Dividend	50,958

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 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.

Notes to Financial Statements (Continued)

iSHARES® TRUST

For the year ended April 30, 2016, transactions executed by the Funds pursuant to Rule 17a-7 under the 1940 Act were as follows:

<i>iShares ETF</i>	<i>Purchases</i>	<i>Sales</i>
Core High Dividend	\$525,336,136	\$721,439,743
International Select Dividend	4,550,661	796,833
Select Dividend	26,984,645	29,751,785

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 "Dividends – affiliated" in the statements of operations.

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 April 30, 2016, 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>Core Dividend Growth</i>							
BlackRock Inc.	2,851	6,257	(2,713)	6,395	\$ 2,278,730	\$ 40,622	\$ (71,755)
PNC Financial Service Group, Inc. (The)	—	23,741	(799)	22,942	2,013,849	19,532	(1,751)
					<u>\$ 4,292,579</u>	<u>\$ 60,154</u>	<u>\$ (73,506)</u>
<i>International Select Dividend</i>							
Monadelphous Group Ltd. ^a	8,395,650	—	(8,395,650)	—	\$ —	\$ 4,113,481	\$ (62,801,453)
Neopost SA ^a	1,934,944	61,761	(1,996,705)	—	—	5,251,894	(60,392,779)
					<u>\$ —</u>	<u>\$ 9,365,375</u>	<u>\$ (123,194,232)</u>
<i>Select Dividend</i>							
Avista Corp. ^a	3,387,065	615,203	(1,266,063)	2,736,205	\$ 109,639,734	\$ 4,335,672	\$ 8,859,411
Bank of Hawaii Corp. ^a	2,446,999	449,740	(763,960)	2,132,779	145,903,412	4,238,033	7,613,778
Black Hills Corp. ^a	2,788,058	505,362	(1,031,770)	2,261,650	137,033,374	4,389,097	7,868,698
Domtar Corp.	3,038,801	1,007,801	(532,398)	3,514,204	135,788,843	4,883,233	1,241,441
Guess? Inc. ^a	4,333,874	784,892	(1,914,217)	3,204,549	58,803,474	3,547,276	(90,882)
IDACORP Inc. ^a	2,601,021	475,910	(899,478)	2,177,453	158,366,157	4,908,768	7,801,934
Mercury General Corp.	3,780,855	—	(232,132)	3,548,723	187,727,447	8,997,086	14,523
Meredith Corp.	2,843,131	1,108,268	(498,993)	3,452,406	177,142,952	5,107,274	4,272,800
NorthWestern Corp.	—	3,715,734	(1,152,966)	2,562,768	145,667,733	4,473,572	4,958,050
Nu Skin Enterprises Inc. Class A	—	3,402,921	(86,176)	3,316,745	135,223,694	—	71,342
Tupperware Brands Corp.	3,398,108	1,196,705	(597,492)	3,997,321	232,124,431	8,953,023	(190,076)
Waddell & Reed Financial Inc. Class A	—	5,919,093	(150,118)	5,768,975	117,340,952	2,638,118	(217,979)
					<u>\$1,740,762,203</u>	<u>\$56,471,152</u>	<u>\$ 42,203,040</u>

^a Not an affiliate at the end of the year.

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

Notes to Financial Statements (Continued)

iSHARES® TRUST

3. INVESTMENT PORTFOLIO TRANSACTIONS

Purchases and sales of investments (excluding in-kind transactions and short-term investments) for the year ended April 30, 2016 were as follows:

<i>iShares ETF</i>	<i>Purchases</i>	<i>Sales</i>
Core Dividend Growth	\$ 127,342,911	\$ 124,635,761
Core High Dividend	3,298,874,791	3,296,414,075
International Select Dividend	873,183,614	943,489,383
Select Dividend	3,084,788,310	2,929,233,413

In-kind transactions (see Note 4) for the year ended April 30, 2016 were as follows:

<i>iShares ETF</i>	<i>In-kind Purchases</i>	<i>In-kind Sales</i>
Core Dividend Growth	\$ 312,244,659	\$ 19,653,539
Core High Dividend	1,363,452,822	1,239,135,052
International Select Dividend	157,576,334	1,295,158,422
Select Dividend	1,787,431,894	2,556,974,278

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.

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 or 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

Notes to Financial Statements (Continued)

iSHARES® TRUST

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 as of April 30, 2016 and the related locations in the statements of assets and liabilities, presented by risk exposure category:

	<i>Assets</i>		
	<i>iShares Core Dividend Growth ETF</i>	<i>iShares Core High Dividend ETF</i>	<i>iShares Select Dividend ETF</i>
Equity contracts:			
Variation margin / Net assets consist of — net unrealized appreciation (depreciation) ^a	<u>\$ 3,869</u>	<u>\$ 301,020</u>	<u>\$ 582,549</u>

^a 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 during the year ended April 30, 2016 and the related locations in the statements of operations, presented by risk exposure category:

	<i>Net Realized Gain (Loss)</i>		
	<i>iShares Core Dividend Growth ETF</i>	<i>iShares Core High Dividend ETF</i>	<i>iShares Select Dividend ETF</i>
Equity contracts:			
Futures contracts	<u>\$ 20,935</u>	<u>\$ 1,040,691</u>	<u>\$ 873,877</u>

	<i>Net Change in Unrealized Appreciation/Depreciation</i>		
	<i>iShares Core Dividend Growth ETF</i>	<i>iShares Core High Dividend ETF</i>	<i>iShares Select Dividend ETF</i>
Equity contracts:			
Futures contracts	<u>\$ (3,173)</u>	<u>\$ 269,619</u>	<u>\$ 322,520</u>

The following table shows the average quarter-end balances of open futures contracts for the year ended April 30, 2016:

	<i>iShares Core Dividend Growth ETF</i>	<i>iShares Core High Dividend ETF</i>	<i>iShares Select Dividend ETF</i>
Average value of contracts purchased	<u>\$ 588,061</u>	<u>\$ 9,694,840</u>	<u>\$ 20,304,448</u>

Notes to Financial Statements (Continued)

iSHARES® TRUST

6. **PRINCIPAL RISKS**

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.

The iShares International Select Dividend ETF invests a substantial amount of its assets in securities of non-U.S. issuers that trade in non-U.S. markets. This involves certain considerations and risks not typically associated with securities of U.S. issuers. Such risks include, but are not limited to: generally less liquid and less efficient securities markets; generally greater price volatility; exchange rate fluctuations and exchange controls; imposition of restrictions on the expatriation of funds or other assets of the Fund; less publicly available information about issuers; the imposition of withholding or other taxes; higher transaction and custody costs; settlement delays and risk of loss attendant in settlement procedures; difficulties in enforcing contractual obligations; less regulation of securities markets; different accounting, disclosure and reporting requirements; more substantial governmental involvement in the economy; higher inflation rates; greater social, economic and political uncertainties; the risk of nationalization or expropriation of assets; and the risk of war. These risks are heightened for investments in issuers from countries with less developed markets.

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 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.

Notes to Financial Statements (Continued)

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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 April 30, 2016, attributable to foreign currency transactions and realized gains (losses) from in-kind redemptions, were reclassified to the following accounts:

		<i>Undistributed Net Investment Income/Distributions in Excess of Net Investment Income</i>	<i>Undistributed Net Realized Gain/Accumulated Net Realized Loss</i>
<i>iShares ETF</i>	<i>Paid-in Capital</i>		
Core Dividend Growth	\$ 1,399,070	\$ —	\$ (1,399,070)
Core High Dividend	92,943,759	—	(92,943,759)
International Select Dividend	(36,970,528)	(536,511)	37,507,039
Select Dividend	734,513,361	—	(734,513,361)

The tax character of distributions paid during the years ended April 30, 2016 and April 30, 2015 was as follows:

<i>iShares ETF</i>	<i>2016</i>	<i>2015</i>
<i>Core Dividend Growth</i>		
Ordinary income	<u>\$ 6,924,753</u>	<u>\$ 1,963,947</u>
<i>Core High Dividend</i>		
Ordinary income	<u>\$167,183,051</u>	<u>\$160,579,515</u>
<i>International Select Dividend</i>		
Ordinary income	\$168,115,003	\$202,564,966
Long-term capital gain	—	13,140,094
	<u>\$168,115,003</u>	<u>\$215,705,060</u>
<i>Select Dividend</i>		
Ordinary income	<u>\$471,155,295</u>	<u>\$458,102,906</u>

Notes to Financial Statements (Continued)

iSHARES® TRUST

As of April 30, 2016, 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)^a</i>	<i>Qualified Late-Year Losses^b</i>	<i>Total</i>
Core Dividend Growth	\$ 523,910	\$ (1,201,844)	\$ 17,290,701	\$ (1,096,907)	\$ 15,515,860
Core High Dividend	6,373,191	(100,327,722)	187,923,348	(61,402,391)	32,566,426
International Select Dividend	8,099,285	(210,195,910)	(279,060,268)	(266,596,788)	(747,753,681)
Select Dividend	892,611	(1,402,636,463)	2,310,971,569	(478,274)	908,749,443

^a The difference between book-basis and tax-basis unrealized gains (losses) was attributable primarily to the tax deferral of losses on wash sales and the realization for tax purposes of unrealized gains (losses) on certain futures contracts.

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

As of April 30, 2016, 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^a</i>	<i>Expiring 2018</i>	<i>Total</i>
Core Dividend Growth	\$ 1,201,844	\$ —	\$ 1,201,844
Core High Dividend	100,327,722	—	100,327,722
International Select Dividend	210,195,910	—	210,195,910
Select Dividend	—	1,402,636,463	1,402,636,463

^a Must be utilized prior to losses subject to expiration.

For the year ended April 30, 2016, the iShares Select Dividend ETF utilized \$212,530,334 of its capital loss carryforwards.

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 April 30, 2016, 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>
Core Dividend Growth	\$ 459,140,896	\$ 29,797,820	\$ (12,507,119)	\$ 17,290,701
Core High Dividend	4,882,443,721	275,833,735	(87,910,387)	187,923,348
International Select Dividend	3,004,938,676	113,529,488	(392,715,204)	(279,185,716)
Select Dividend	12,318,571,908	2,807,568,713	(496,597,144)	2,310,971,569

Management has analyzed tax laws and regulations and their application to the Funds as of April 30, 2016, 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.

Notes to Financial Statements (Continued)

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8. 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.