

KEY INVESTOR INFORMATION

This document provides you with key investor information about this Fund. It is not marketing material. The information is required by law to help you understand the nature and risks of investing in this Fund. You are advised to read it so you can make an informed decision about whether to invest.

**iShares MSCI Target UK Real Estate UCITS
ETF**

A sub-fund of iShares III plc

GBP (Dist) Share Class

ISIN: IE00BRHZ0398

Exchange Traded Fund (ETF)

Manager: BlackRock Asset Management Ireland Limited

Objectives and Investment Policy

- ▶ The Share Class is a share class of a Fund which aims to achieve a return on your investment, through a combination of capital growth and income on the Fund's assets, which reflects the return of the MSCI UK IMI Liquid Real Estate Index, the Fund's benchmark index (Index).
 - ▶ The Share Class, via the Fund, aims to invest so far as possible and practicable in the equity securities (e.g. shares) and fixed income (FI) securities (e.g. bonds) that make up the Index.
 - ▶ The Index aims to measure the performance of the UK real estate market through exposure to UK Real Estate Investment Trusts (REITs), property companies and liquid FI transferable securities.
 - ▶ As REITs are typically investment vehicles which have significant debt obligations, and REITs and property companies have a risk and reward profile close to that of an equity security, liquid FI securities are used within the Index to reduce the impact of debt obligations, volatility and the performance of equity markets on its returns. The FI securities are UK inflation linked bonds, which are investment grade (i.e. meet a specified level of credit worthiness) government bonds the value of which is linked to a rate of inflation. At each Index rebalance, the proportion of bonds comprising the Index is adjusted to match the weighted average level of debt obligations in the UK REITs and property companies comprising the Index. Liquid means that the FI securities that make up the Index can be easily bought and sold in the market in normal market conditions.
 - ▶ The Fund intends to replicate the Index by holding the equity securities, which make up the Index, in similar proportions to it.
 - ▶ The Fund may also engage in short-term secured lending of its investments to certain eligible third parties to generate additional income to off-set the costs of the Fund.
 - ▶ Recommendation: This Fund may not be appropriate for short-term investment.
 - ▶ Your shares will be distributing shares (i.e. dividend income will be paid on the shares quarterly).
 - ▶ Your shares will be denominated in Sterling, the Fund's base currency.
 - ▶ The shares are listed on one or more stock exchanges and may be traded in currencies other than their base currency. The performance of your shares may be affected by this currency difference. In normal circumstances, only authorised participants (e.g. select financial institutions) may deal in shares (or interests in shares) directly with the Fund. Other investors can deal in shares (or interests in shares) daily through an intermediary on stock exchange (s) on which the shares are traded.
- For more information on the Fund, Share Class, risks and charges, please see the Fund's prospectus, available on the product pages at www.blackrock.com

Risk and Reward Profile



- ▶ This indicator is based on historical data and may not be a reliable indication of the future risk profile of this Share Class.
- ▶ The risk category shown is not guaranteed and may change over time.
- ▶ The lowest category does not mean risk free.
- ▶ The Share Class is rated four due to the nature of its investments which include the risks listed below. These factors may impact the value of the Share Class or expose the Share Class to losses.
 - Credit risk, changes to interest rates and/or issuer defaults will have a significant impact on the performance of fixed income securities. Potential or actual credit rating downgrades may increase the level of risk.

- Investment risk is concentrated in specific sectors, countries, currencies or companies. This means the Fund is more sensitive to any localised economic, market, political or regulatory events.
- The value of equities and equity-related securities can be affected by daily stock market movements. Other influential factors include political, economic news, company earnings and significant corporate events.
- Investments in property securities can be affected by the general performance of stock markets and the property sector. In particular, changing interest rates can affect the value of properties in which a property company invests.
- ▶ Particular risks not adequately captured by the risk indicator include:
 - Counterparty Risk: The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Share Class to financial loss.
 - Credit Risk: The issuer of a financial asset held within the Fund may not pay income or repay capital to the Fund when due.
 - Liquidity Risk: Lower liquidity means there are insufficient buyers or sellers to allow the Fund to sell or buy investments readily.

Charges

The charges are used to pay the costs of running the Share Class, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

*Not applicable to secondary market investors. Investors dealing on a stock exchange will pay fees charged by their stock brokers. Such charges are publicly available on exchanges on which the shares are listed and traded, or can be obtained from stock brokers.

*Authorised participants dealing directly with the Fund will pay related transaction costs.

The ongoing charges figure is based on the fixed annualised fee charged to the Share Class in accordance with the Fund's prospectus. This figure excludes portfolio trade related costs, except costs paid to the custodian and any entry/exit charge paid to an underlying collective investment scheme (if any).

** To the extent the Fund undertakes securities lending to reduce costs, the Fund will receive 62.5% of the associated revenue generated and the remaining 37.5% will be received by BlackRock as the securities lending agent. As securities lending revenue sharing does not increase the costs of running the Fund, this has been excluded from the ongoing charges.

One-off charges taken before or after you invest	
Entry Charge	None*
Exit Charge	None*
This is the maximum that might be taken out of your money before it is invested or before proceeds of your investments are paid out.	
Charges taken from the Share Class over each year	
Ongoing Charges	0.40%**
Charges taken from the Share Class under certain conditions	
Performance Fee	None

Past Performance

Past performance is not a guide to future performance.

The chart shows the Share Class's annual performance in GBP for each full calendar year over the period displayed in the chart. It is expressed as a percentage change of the Share Class's net asset value at each year-end. The Fund was launched in 2015. The Share Class was launched in 2015. Performance is shown after deduction of ongoing charges. Any entry/exit charges are excluded from the calculation.

† Benchmark: MSCI UK IMI Liquid Real Estate Index (GBP)

Historic performance to 31 December 2017



Practical Information

- ▶ The custodian of the Fund is State Street Custodial Services (Ireland) Limited.
- ▶ Further information about the Fund and the Share Class can be obtained from the latest annual report and half-yearly reports of iShares III plc. These documents are available free of charge in English and certain other languages. These can be found, along with other information, such as details of the key underlying investments of the Share Class and share prices, on the iShares website at www.ishares.com or by calling +44 (0)845 357 7000 or from your broker or financial adviser.
- ▶ Investors should note that the tax legislation that applies to the Fund and Share Class may have an impact on the personal tax position of your investment.
- ▶ The Fund is a sub-fund of iShares III plc, an umbrella structure comprising different sub-funds. The Fund has one or more share classes. This document is specific to the Fund and Share Class stated at the beginning of this document. However, the prospectus, annual and half-yearly reports are prepared for the umbrella.
- ▶ iShares III plc may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the Fund's prospectus.
- ▶ The indicative intra-day net asset value of the Share Class is available at <http://deutsche-boerse.com> and/or <http://www.reuters.com>.
- ▶ Under Irish law, iShares III plc has segregated liability between its sub-funds (i.e. the Fund's assets will not be used to discharge the liabilities of other sub-funds within iShares III plc). In addition, the Fund's assets are held separately from the assets of other sub-funds. Assets and liabilities specific to a share class would be attributable to only that share class, however there is no segregation of liabilities between share classes under Irish law.
- ▶ Switching of shares between the Fund and other sub-funds within iShares III plc is not available to investors. Only Authorised Participants dealing directly with the Fund may switch shares between share classes of the Fund subject to meeting certain conditions in the Fund's prospectus.
- ▶ The Remuneration Policy of the Management Company, which describes how remuneration and benefits are determined and awarded, and the associated governance arrangements, is available at www.blackrock.com/Remunerationpolicy or on request from the registered office of the Management Company.