

## Interim Financial Report

### iShares Hedged Funds

- iShares Core Global Corporate Bond (AUD Hedged) ETF  
ARSN 607 996 387
- iShares Global High Yield Bond (AUD Hedged) ETF  
ARSN 607 996 403
- iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF  
ARSN 607 996 510
- iShares Global Aggregate Bond ESG (AUD Hedged) ETF  
ARSN 660 926 312

# iShares Hedged Funds

## Condensed Financial Report - For the half-year ended 31 December 2023

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## Directors' Report

The directors of BlackRock Investment Management (Australia) Limited (ABN 13 006 165 975) (the "Responsible Entity"), the Responsible Entity of iShares Hedged Funds (the "Funds"), present their interim report together with the condensed financial statements of the Funds, for the half-year ended 31 December 2023 and the auditor's report thereon.

These condensed financial statements have been prepared for the iShares Hedged Funds (which comprise of iShares Core Global Corporate Bond (AUD Hedged) ETF, iShares Global High Yield Bond (AUD Hedged) ETF, iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF and iShares Global Aggregate Bond ESG (AUD Hedged) ETF as they are disclosing entities under the Corporations Act 2001.

### Fund Objectives

#### *iShares Core Global Corporate Bond (AUD Hedged) ETF*

The Fund aims to provide investors with the performance of an index, before fees and expenses (including the cost of hedging), composed of investment grade corporate fixed rate bonds issued by corporations in emerging and developed markets worldwide (hedged to Australian dollars).

#### *iShares Global High Yield Bond (AUD Hedged) ETF*

The Fund aims to provide investors with the performance of an index, before fees and expenses (including the cost of hedging), composed of liquid, global developed, high yield corporate bonds (hedged to Australian dollars).

#### *iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF*

The Fund aims to provide investors with the performance of an index, before fees and expenses (including the cost of hedging), composed of U.S. dollar denominated, emerging market bonds (hedged to Australian dollars).

#### *iShares Global Aggregate Bond ESG (AUD Hedged) ETF*

The Fund aims to provide investors with the performance of an index, before fees and expenses (including the cost of hedging). The index is designed to measure the AUD hedged performance of global investment grade ESG (environmental, social and governance) screened bonds.

### Principal Activities

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

The Funds are currently listed on the Australian Securities Exchange (ASX). The admission date for iShares Core Global Corporate Bond (AUD Hedged) ETF, iShares Global High Yield Bond (AUD Hedged) ETF and iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF was 9 December 2015. The admission date for iShares Global Aggregate Bond ESG (AUD Hedged) ETF was 11 August 2022.

The Funds did not have any employees during the half-year ended 31 December 2023 (31 December 2022: Nil).

There were no significant changes in the nature of the Funds' activities during the half-year ended 31 December 2023 (31 December 2022: Nil).

### Directors

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

Director	Date appointed
M S McCorry	Appointed 2 December 2009
J Collins	Appointed 29 July 2015
A Landman	Appointed 3 February 2020
I Davila	Appointed 5 March 2020

### Review and Results of Operations

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

## Directors' Report (continued)

### Review and Results of Operations (continued)

#### Results

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

	iShares Core Global Corporate Bond (AUD Hedged) ETF		iShares Global High Yield Bond (AUD Hedged) ETF	
	Half-year ended		Half-year ended	
	31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
Profit/(loss) for the half-year	13,523	(7,012)	7,493	9,971
Distributions paid and payable	4,857	4,746	5,227	3,265

	iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF		iShares Global Aggregate Bond ESG (AUD Hedged) ETF	
	Half-year ended		Half-year ended	
	31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	For the period 25 July 2022 to 31 December 2022 \$'000
Profit/(loss) for the half-year	4,757	860	2,859	(986)
Distributions paid and payable	1,603	1,737	1,085	-

#### Returns

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

	Returns*		
	1 July 2023 to 31 December 2023 %	1 July 2022 to 31 December 2022 %	1 July 2021 to 31 December 2021 %
iShares Core Global Corporate Bond (AUD Hedged) ETF	4.55	(1.91)	(0.32)
iShares Global High Yield Bond (AUD Hedged) ETF	6.01	4.14	0.60
iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF	4.61	1.18	(1.08)
iShares Global Aggregate Bond ESG (AUD Hedged) ETF	2.95	_**	_**

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

\*\* Returns are Nil as the Funds have not completed the target period since inception.

#### Significant Changes in State of Affairs

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

## Directors' Report (continued)

### Rounding of Amounts

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

### Additional Disclosure

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

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

## Directors' Report (continued)

### Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 5.

The condensed financial statements were authorised for issue by the directors on 01 March 2024.

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



Director  
J Collins

Sydney  
01 March 2024

1 March 2024

The Board of Directors  
BlackRock Investment Management (Australia) Limited  
Level 37 Chifley Tower, 2 Chifley Square  
SYDNEY NSW 2000

Dear Directors

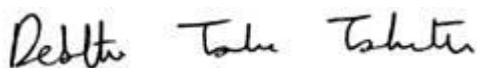
**Auditor's Independence Declaration to iShares Core Global Corporate Bond (AUD Hedged) ETF, iShares Global High Yield Bond (AUD Hedged) ETF, iShares JP Morgan USD Emerging Markets Bond (AUD Hedged) ETF and iShares Global Aggregate Bond ESG (AUD Hedged) ETF (collectively "iShares Hedged Funds" or the "Funds")**

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

As lead audit partner for the review of the half year financial report of iShares Hedged Funds for the half year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the review and
- Any applicable code of professional conduct in relation to the review.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Neil Brown  
Partner  
Chartered Accountants

iShares Hedged Funds  
Condensed Statements of Profit or Loss and Other Comprehensive Income  
For the half-year ended 31 December 2023

Condensed Statements of Profit or Loss and Other Comprehensive Income

	Notes	iShares Core Global Corporate Bond (AUD Hedged) ETF		iShares Global High Yield Bond (AUD Hedged) ETF	
		Half-year ended		Half-year ended	
		31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
<b>Investment income</b>					
Interest income		3	1	3	-
Distributions from related schemes		4,882	4,279	3,756	1,918
Net gains/(losses) on financial instruments held at fair value through profit or loss (including any FX gains/(losses))	4	8,725	(11,196)	3,774	8,097
Fee rebates from related schemes		264	305	325	305
Other income		1	1	6	2
<b>Total net investment income/(loss)</b>		<u>13,875</u>	<u>(6,610)</u>	<u>7,864</u>	<u>10,322</u>
<b>Expenses</b>					
Management fees		344	398	365	347
Transaction costs		-	2	1	3
Custody movement fees		8	2	5	1
<b>Total operating expenses</b>		<u>352</u>	<u>402</u>	<u>371</u>	<u>351</u>
<b>Profit/(loss) for the half-year</b>		<u>13,523</u>	<u>(7,012)</u>	<u>7,493</u>	<u>9,971</u>
Other comprehensive income		-	-	-	-
<b>Total comprehensive income/(loss) for the half-year</b>		<u><u>13,523</u></u>	<u><u>(7,012)</u></u>	<u><u>7,493</u></u>	<u><u>9,971</u></u>

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



iShares Hedged Funds  
Condensed Statements of Profit or Loss and Other Comprehensive Income  
For the half-year ended 31 December 2023

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

	Notes	iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF		iShares Global Aggregate Bond ESG (AUD Hedged) ETF	
		Half-year ended 31 December 2023 \$'000	31 December 2022 \$'000	Half-year ended 31 December 2023 \$'000	Half-year ended 31 December 2022 \$'000
					For the period 25 July 2022 to
					31 December 2022 \$'000
<b>Investment income</b>					
Interest income		1	-	1	-
Distributions from related schemes		2,511	1,096	1,101	-
Net gains/(losses) on financial instruments held at fair value through profit or loss (including any FX gains/(losses))	4	2,271	(221)	1,791	(983)
Fee rebates from related schemes		170	88	54	5
<b>Total net investment income/(loss)</b>		<b>4,953</b>	<b>963</b>	<b>2,947</b>	<b>(978)</b>
<b>Expenses</b>					
Management fees		193	101	86	7
Transaction costs		1	1	1	1
Custody movement fees		2	1	1	-
<b>Total operating expenses</b>		<b>196</b>	<b>103</b>	<b>88</b>	<b>8</b>
<b>Profit/(loss) for the half-year/period</b>		<b>4,757</b>	<b>860</b>	<b>2,859</b>	<b>(986)</b>
Other comprehensive income		-	-	-	-
<b>Total comprehensive income/(loss) for the half-year/period</b>		<b>4,757</b>	<b>860</b>	<b>2,859</b>	<b>(986)</b>

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

## Condensed Statements of Financial Position

	Notes	iShares Core Global Corporate Bond (AUD Hedged) ETF		iShares Global High Yield Bond (AUD Hedged) ETF	
		As at		As at	
		31 December 2023 \$'000	30 June 2023 \$'000	31 December 2023 \$'000	30 June 2023 \$'000
<b>Assets</b>					
Cash and cash equivalents		235	19	118	81
Financial assets held at fair value through profit or loss	7	310,825	247,486	117,330	138,687
Receivables		93	85	1,029	113
<b>Total assets</b>		<b>311,153</b>	<b>247,590</b>	<b>118,477</b>	<b>138,881</b>
<b>Liabilities</b>					
Financial liabilities held at fair value through profit or loss	8	39	209	43	61
Payables		7,865	4,119	3,615	761
<b>Total liabilities</b>		<b>7,904</b>	<b>4,328</b>	<b>3,658</b>	<b>822</b>
<b>Net assets attributable to unitholders - equity</b>	6	<b>303,249</b>	<b>243,262</b>	<b>114,819</b>	<b>138,059</b>

	Notes	iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF		iShares Global Aggregate Bond ESG (AUD Hedged) ETF	
		As at		As at	
		31 December 2023 \$'000	30 June 2023 \$'000	31 December 2023 \$'000	30 June 2023 \$'000
<b>Assets</b>					
Cash and cash equivalents		526	218	26	29
Financial assets held at fair value through profit or loss	7	90,265	55,454	99,705	85,589
Receivables		62	40	19	18
<b>Total assets</b>		<b>90,853</b>	<b>55,712</b>	<b>99,750</b>	<b>85,636</b>
<b>Liabilities</b>					
Financial liabilities held at fair value through profit or loss	8	-	61	-	-
Payables		3,227	931	30	27
<b>Total liabilities</b>		<b>3,227</b>	<b>992</b>	<b>30</b>	<b>27</b>
<b>Net assets attributable to unitholders - equity</b>	6	<b>87,626</b>	<b>54,720</b>	<b>99,720</b>	<b>85,609</b>

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

## Condensed Statements of Changes in Equity

	Notes	iShares Core Global Corporate Bond (AUD Hedged) ETF		iShares Global High Yield Bond (AUD Hedged) ETF	
		Half-year ended		Half-year ended	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
		\$'000	\$'000	\$'000	\$'000
<b>Total equity at the beginning of the financial half-year</b>		243,262	296,279	138,059	173,919
<b>Comprehensive income for the half-year</b>					
Profit/(loss) for the half-year		13,523	(7,012)	7,493	9,971
Other comprehensive income for the half-year		-	-	-	-
<b>Total comprehensive income/(loss) for the half-year</b>		<u>13,523</u>	<u>(7,012)</u>	<u>7,493</u>	<u>9,971</u>
<b>Transactions with unitholders</b>					
Creations	6	54,993	29,524	16,578	66,671
Redemptions	6	(3,826)	(26,064)	(42,216)	(112,134)
Units issued upon reinvestment of distributions	6	154	133	132	69
Distributions paid and payable	5	(4,857)	(4,746)	(5,227)	(3,265)
<b>Total transactions with unitholders</b>		<u>46,464</u>	<u>(1,153)</u>	<u>(30,733)</u>	<u>(48,659)</u>
<b>Total equity at the end of the financial half-year</b>		<u><u>303,249</u></u>	<u><u>288,114</u></u>	<u><u>114,819</u></u>	<u><u>135,231</u></u>

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

Condensed Statements of Changes in Equity (continued)

	Notes	iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF		iShares Global Aggregate Bond ESG (AUD Hedged) ETF	
		Half-year ended		Half-year ended	
		31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	For the period 25 July 2022 to 31 December 2022 \$'000
<b>Total equity at the beginning of the financial half-year/period</b>		54,720	36,684	85,609	-
<b>Comprehensive income for the half-year/period</b>					
Profit/(loss) for the half-year/period		4,757	860	2,859	(986)
Other comprehensive income for the half-year/period		-	-	-	-
<b>Total comprehensive income/(loss) for the half-year/period</b>		<u>4,757</u>	<u>860</u>	<u>2,859</u>	<u>(986)</u>
<b>Transactions with unitholders</b>					
Creations	6	40,051	10,259	14,773	43,534
Redemptions	6	(10,323)	(1,552)	(2,436)	(8,641)
Units issued upon reinvestment of distributions	6	24	37	-	-
Distributions paid and payable	5	(1,603)	(1,737)	(1,085)	-
<b>Total transactions with unitholders</b>		<u>28,149</u>	<u>7,007</u>	<u>11,252</u>	<u>34,893</u>
<b>Total equity at the end of the financial half-year/period</b>		<u><u>87,626</u></u>	<u><u>44,551</u></u>	<u><u>99,720</u></u>	<u><u>33,907</u></u>

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

## Condensed Statements of Cash Flows

	Notes	iShares Core Global Corporate Bond (AUD Hedged) ETF		iShares Global High Yield Bond (AUD Hedged) ETF	
		Half-year ended		Half-year ended	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
		\$'000	\$'000	\$'000	\$'000
<b><i>Cash flows from operating activities</i></b>					
Proceeds from sale of financial instruments held at fair value through profit or loss		24,880	44,772	53,511	120,487
Purchases of financial instruments held at fair value through profit or loss		(76,128)	(45,223)	(25,672)	(73,789)
Transaction costs		-	(2)	(1)	(3)
Interest received		3	1	3	-
Distributions received from related schemes		4,936	4,440	3,797	1,990
Fee rebates from related schemes received		256	306	345	366
Other income received		1	1	6	2
Management fees paid		(336)	(397)	(389)	(413)
Operating expenses paid		(8)	(1)	(4)	(3)
<b><i>Net cash inflow/(outflow) from operating activities</i></b>		<b><u>(46,396)</u></b>	<b><u>3,897</u></b>	<b><u>31,596</u></b>	<b><u>48,637</u></b>
<b><i>Cash flows from financing activities</i></b>					
Proceeds from creations by unitholders		54,993	29,524	15,643	66,671
Payments for redemptions by unitholders		(3,826)	(26,064)	(42,216)	(112,134)
Distributions paid		(4,703)	(4,612)	(5,095)	(3,196)
<b><i>Net cash inflow/(outflow) from financing activities</i></b>		<b><u>46,464</u></b>	<b><u>(1,152)</u></b>	<b><u>(31,668)</u></b>	<b><u>(48,659)</u></b>
<b><i>Net increase/(decrease) in cash and cash equivalents</i></b>					
		<b>68</b>	<b>2,745</b>	<b>(72)</b>	<b>(22)</b>
Cash and cash equivalents at the beginning of the half-year		19	135	81	100
Effects of foreign currency exchange rate changes on cash and cash equivalents		148	(2,695)	109	19
<b><i>Cash and cash equivalents at the end of the half-year</i></b>		<b><u>235</u></b>	<b><u>185</u></b>	<b><u>118</u></b>	<b><u>97</u></b>
Non cash financing activities	6	<u>154</u>	<u>133</u>	<u>132</u>	<u>69</u>

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

## Condensed Statements of Cash Flows (continued)

	Notes	iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF		iShares Global Aggregate Bond ESG (AUD Hedged) ETF	
		Half-year ended		Half-year ended	
		31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	For the period 25 July 2022 to 31 December 2022 \$'000
<b>Cash flows from operating activities</b>					
Proceeds from sale of financial instruments held at fair value through profit or loss		17,359	5,063	3,393	8,644
Purchases of financial instruments held at fair value through profit or loss		(47,701)	(13,101)	(15,717)	(43,534)
Transaction costs		(1)	(1)	(1)	(1)
Interest received		1	-	1	-
Distributions received from related schemes		2,501	1,090	1,101	-
Fee rebates from related schemes received		147	90	52	1
Other income received		-	4	-	-
Management fees paid		(168)	(102)	(83)	(2)
Operating expenses paid		(2)	(4)	(1)	-
<b>Net cash inflow/(outflow) from operating activities</b>		<b>(27,864)</b>	<b>(6,961)</b>	<b>(11,255)</b>	<b>(34,892)</b>
<b>Cash flows from financing activities</b>					
Proceeds from creations by unitholders		40,051	10,259	14,773	43,535
Payments for redemptions by unitholders		(10,323)	(1,552)	(2,436)	(8,641)
Distributions paid		(1,579)	(1,700)	(1,085)	-
<b>Net cash inflow/(outflow) from financing activities</b>		<b>28,149</b>	<b>7,007</b>	<b>11,252</b>	<b>34,894</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>					
Cash and cash equivalents at the beginning of the half-year/period		218	202	29	-
Effects of foreign currency exchange rate changes on cash and cash equivalents		23	10	-	-
<b>Cash and cash equivalents at the end of the half-year/period</b>		<b>526</b>	<b>258</b>	<b>26</b>	<b>2</b>
Non cash financing activities	6	24	37	-	-

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

## 1 Statement of Compliance

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

These condensed financial statements do not include all the notes normally included in an annual financial report. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

## 2 Basis of Preparation and Accounting Policies

These condensed financial statements include financial statements for iShares Core Global Corporate Bond (AUD Hedged) ETF, iShares Global High Yield Bond (AUD Hedged) ETF, iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF and iShares Global Aggregate Bond ESG (AUD Hedged) ETF (the "Funds") as individual entities. The iShares Core Global Corporate Bond (AUD Hedged) ETF, iShares Global High Yield Bond (AUD Hedged) ETF & iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF were constituted on 31 August 2015 & iShares Global Aggregate Bond ESG (AUD Hedged) ETF was constituted on 25 July 2022.

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

The accounting policies and methods of computation adopted in the preparation of the half-year financial statements are consistent with those adopted and disclosed in the Fund's 2023 annual financial report for the financial year ended 30 June 2023.

There are no new standards, interpretations or amendments to existing standards that are effective for the first time for the financial half-year beginning 1 July 2023 that would be expected to have a material impact on the Funds.

## 3 Financial Risk Management

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

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

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

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

#### (i) Fair value in an active market

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

The Funds value their investments in accordance with the accounting policies set out in Note 2 of the annual financial report for financial year ended 30 June 2023. For the majority of their investments, the Funds rely on information provided by independent pricing services for the valuation of their investments.

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

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

#### (ii) Fair value in an inactive or unquoted market

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

### 3 Financial Risk Management (continued)

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

##### (ii) Fair value in an inactive or unquoted market (continued)

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

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

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

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

#### (b) Fair Value Hierarchy

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

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

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

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



### 3 Financial Risk Management (continued)

#### (b) Fair Value Hierarchy (continued)

The following tables present the Funds' financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 31 December 2023 and 30 June 2023.

	iShares Core Global Corporate Bond (AUD Hedged) ETF			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>As at 31 December 2023</b>				
<b>Financial assets</b>				
Forward foreign exchange contracts	-	6,770	-	6,770
Listed unit trusts	304,055	-	-	304,055
<b>Total</b>	<u>304,055</u>	<u>6,770</u>	<u>-</u>	<u>310,825</u>
<b>Financial liabilities</b>				
Forward foreign exchange contracts	-	39	-	39
<b>Total</b>	<u>-</u>	<u>39</u>	<u>-</u>	<u>39</u>

	iShares Core Global Corporate Bond (AUD Hedged) ETF			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>As at 30 June 2023</b>				
<b>Financial assets</b>				
Forward foreign exchange contracts	-	5,200	-	5,200
Listed unit trusts	242,286	-	-	242,286
<b>Total</b>	<u>242,286</u>	<u>5,200</u>	<u>-</u>	<u>247,486</u>
<b>Financial liabilities</b>				
Forward foreign exchange contracts	-	209	-	209
<b>Total</b>	<u>-</u>	<u>209</u>	<u>-</u>	<u>209</u>

	iShares Global High Yield Bond (AUD Hedged) ETF			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>As at 31 December 2023</b>				
<b>Financial assets</b>				
Forward foreign exchange contracts	-	2,343	-	2,343
Listed unit trusts	114,987	-	-	114,987
<b>Total</b>	<u>114,987</u>	<u>2,343</u>	<u>-</u>	<u>117,330</u>
<b>Financial liabilities</b>				
Forward foreign exchange contracts	-	43	-	43
<b>Total</b>	<u>-</u>	<u>43</u>	<u>-</u>	<u>43</u>

	iShares Global High Yield Bond (AUD Hedged) ETF			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>As at 30 June 2023</b>				
<b>Financial assets</b>				
Forward foreign exchange contracts	-	2,169	-	2,169
Listed unit trusts	136,518	-	-	136,518
<b>Total</b>	<u>136,518</u>	<u>2,169</u>	<u>-</u>	<u>138,687</u>
<b>Financial liabilities</b>				
Forward foreign exchange contracts	-	61	-	61
<b>Total</b>	<u>-</u>	<u>61</u>	<u>-</u>	<u>61</u>

### 3 Financial Risk Management (continued)

(b) Fair Value Hierarchy (continued)

As at 31 December 2023	iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
Forward foreign exchange contracts	-	2,273	-	2,273
Listed unit trusts	87,992	-	-	87,992
<b>Total</b>	<u>87,992</u>	<u>2,273</u>	<u>-</u>	<u>90,265</u>
<b>Financial liabilities</b>				
Forward foreign exchange contracts	-	-*	-	-*
<b>Total</b>	<u>-</u>	<u>-*</u>	<u>-</u>	<u>-*</u>

As at 30 June 2023	iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
Forward foreign exchange contracts	-	1,478	-	1,478
Listed unit trusts	53,976	-	-	53,976
<b>Total</b>	<u>53,976</u>	<u>1,478</u>	<u>-</u>	<u>55,454</u>
<b>Financial liabilities</b>				
Forward foreign exchange contracts	-	61	-	61
<b>Total</b>	<u>-</u>	<u>61</u>	<u>-</u>	<u>61</u>

As at 31 December 2023	iShares Global Aggregate Bond ESG (AUD Hedged) ETF			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
Listed unit trusts	99,705	-	-	99,705
<b>Total</b>	<u>99,705</u>	<u>-</u>	<u>-</u>	<u>99,705</u>

As at 30 June 2023	iShares Global Aggregate Bond ESG (AUD Hedged) ETF			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
Listed unit trusts	85,589	-	-	85,589
<b>Total</b>	<u>85,589</u>	<u>-</u>	<u>-</u>	<u>85,589</u>

\* The amount is nil when it is rounded to the nearest thousand dollar.

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

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

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

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

### 3 Financial Risk Management (continued)

#### (b) Fair Value Hierarchy (continued)

The fair value of a forward foreign exchange contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date. Future cash flows are estimated using FX forward exchange rates and the contracted rates. Cash flows are discounted at a rate that reflects the time value of money and credit risk.

The Funds' assets and liabilities not measured at fair value on a recurring basis (but fair value disclosures are required) at 31 December 2023 and 30 June 2023 have been classified as level 2. The carrying amounts of these assets and liabilities approximate their fair values as at the end of the reporting date.

The Funds did not hold any level 3 instruments during the half-year ended 31 December 2023 (30 June 2023: Nil).

There were no transfers between levels for recurring fair value measurements during the half-year ended 31 December 2023 (30 June 2023: Nil).

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

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

	<b>iShares Core Global Corporate Bond (AUD Hedged) ETF</b>		<b>iShares Global High Yield Bond (AUD Hedged) ETF</b>	
	<b>Half-year ended</b>		<b>Half-year ended</b>	
	<b>31 December 2023 \$'000</b>	<b>31 December 2022 \$'000</b>	<b>31 December 2023 \$'000</b>	<b>31 December 2022 \$'000</b>
Net gains/(losses) on financial assets and liabilities held at fair value through profit or loss (including any FX gains/(losses))	<u>8,725</u>	<u>(11,196)</u>	<u>3,774</u>	<u>8,097</u>
	<u>8,725</u>	<u>(11,196)</u>	<u>3,774</u>	<u>8,097</u>
	<b>iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF</b>		<b>iShares Global Aggregate Bond ESG (AUD Hedged) ETF</b>	
	<b>Half-year ended</b>		<b>Half-year ended</b>	
	<b>31 December 2023 \$'000</b>	<b>31 December 2022 \$'000</b>	<b>31 December 2023 \$'000</b>	<b>For the period 25 July 2022 to 31 December 2022 \$'000</b>
Net gains/(losses) on financial assets and liabilities held at fair value through profit or loss (including any FX gains/(losses))	<u>2,271</u>	<u>(221)</u>	<u>1,791</u>	<u>(983)</u>
	<u>2,271</u>	<u>(221)</u>	<u>1,791</u>	<u>(983)</u>

## 5 Distributions to Unitholders

The distributions during the half-year were as follows:

	<b>iShares Core Global Corporate Bond (AUD Hedged) ETF</b>			
	Half-year ended			
	31 December 2023		31 December 2022	
	\$'000	CPU	\$'000	CPU
Distributions paid - Quarter 4*	-	-	1,689	53.71
Distributions paid - Quarter 1	<u>4,857</u>	<u>165.38</u>	<u>3,057</u>	<u>89.79</u>
	<u><u>4,857</u></u>		<u><u>4,746</u></u>	

	<b>iShares Global High Yield Bond (AUD Hedged) ETF</b>			
	Half-year ended			
	31 December 2023		31 December 2022	
	\$'000	CPU	\$'000	CPU
Distributions paid - Quarter 4*	1,471	97.02	1,696	85.91
Distributions paid - Quarter 1	<u>3,756</u>	<u>246.06</u>	<u>1,569</u>	<u>154.60</u>
	<u><u>5,227</u></u>		<u><u>3,265</u></u>	

	<b>iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF</b>			
	Half-year ended			
	31 December 2023		31 December 2022	
	\$'000	CPU	\$'000	CPU
Distributions paid - Quarter 4*	589	80.45	1,253	260.40
Distributions paid - Quarter 1	<u>1,014</u>	<u>87.29</u>	<u>484</u>	<u>92.83</u>
	<u><u>1,603</u></u>		<u><u>1,737</u></u>	

	<b>iShares Global Aggregate Bond ESG (AUD Hedged) ETF</b>			
	Half-year ended			
	31 December 2023		For the period 25 July 2022 to 31 December 2022	
	\$'000	CPU	\$'000	CPU
Distributions paid - Quarter 1	<u>1,085</u>	<u>113.63</u>	-	-
	<u><u>1,085</u></u>		<u><u>-</u></u>	

\* Relates to 30 June 2023 and 30 June 2022 distributions which had an ex-date of 3 July 2023 and 1 July 2022 respectively.

## 6 Net Assets Attributable to Unitholders

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

Units are classified as equity when they satisfy the following criteria under AASB 132 *Financial instruments: Presentation*:

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Fund's liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Funds, and it is not a contract settled in the Funds' own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

In addition to the instrument having all the above features, paragraph 16B of AASB 132 requires that the issuer have no other financial instrument or contract that has:

- Total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in fair value of the recognised and unrecognised net assets of the entity.
- The effect of substantially restricting or fixing the residual return to the puttable instrument holders.

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

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

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

	iShares Core Global Corporate Bond (AUD Hedged) ETF			
	31 December 2023	30 June 2023	31 December 2023	30 June 2023
	No.'000	No.'000	\$'000	\$'000
Opening balance	2,677	3,144	243,262	296,279
Profit/(loss) for the half-year	-	-	13,523	(2,425)
Creations	610	850	54,993	79,242
Redemptions	(40)	(1,320)	(3,826)	(120,375)
Units issued upon reinvestment of distributions	2	3	154	258
Distributions paid and payable	-	-	(4,857)	(9,717)
<b>Closing balance</b>	<b>3,249</b>	<b>2,677</b>	<b>303,249</b>	<b>243,262</b>

	iShares Global High Yield Bond (AUD Hedged) ETF			
	31 December 2023	30 June 2023	31 December 2023	30 June 2023
	No.'000	No.'000	\$'000	\$'000
Opening balance	1,516	1,975	138,059	173,919
Profit/(loss) for the half-year	-	-	7,493	14,615
Creations	180	890	16,578	79,498
Redemptions	(470)	(1,350)	(42,216)	(124,810)
Units issued upon reinvestment of distributions	1	1	132	121
Distributions paid and payable	-	-	(5,227)	(5,284)
<b>Closing balance</b>	<b>1,227</b>	<b>1,516</b>	<b>114,819</b>	<b>138,059</b>

## 6 Net Assets Attributable to Unitholders (continued)

	iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF			
	31 December 2023	30 June 2023	31 December 2023	30 June 2023
	No.'000	No.'000	\$'000	\$'000
Opening balance	731	480	54,720	36,684
Profit/(loss) for the half-year	-	-	4,757	2,263
Creations	550	280	40,051	20,807
Redemptions	(140)	(30)	(10,323)	(2,372)
Units issued upon reinvestment of distributions	1	1	24	52
Distributions paid and payable	-	-	(1,603)	(2,714)
<b>Closing balance</b>	<b>1,142</b>	<b>731</b>	<b>87,626</b>	<b>54,720</b>

	iShares Global Aggregate Bond ESG (AUD Hedged) ETF			
	31 December 2023	30 June 2023	31 December 2023	30 June 2023
	No.'000	No.'000	\$'000	\$'000
Opening balance	895	-	85,609	-
Profit/(loss) for the half-year	-	-	2,859	(253)
Creations	155	1,220	14,773	117,268
Redemptions	(25)	(325)	(2,436)	(31,090)
Distributions paid and payable	-	-	(1,085)	(316)
<b>Closing balance</b>	<b>1,025</b>	<b>895</b>	<b>99,720</b>	<b>85,609</b>

### Capital Risk Management

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

The Funds monitor the level of daily creations and redemptions relative to the liquid assets in the Funds. As of 31 December 2023 the capital of the Funds are represented in the net assets attributable to unitholders table.

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

## 7 Financial Assets Held at Fair Value Through Profit or Loss

	iShares Core Global Corporate Bond (AUD Hedged) ETF		iShares Global High Yield Bond (AUD Hedged) ETF	
	As at		As at	
	31 December 2023 \$'000	30 June 2023 \$'000	31 December 2023 \$'000	30 June 2023 \$'000
Forward foreign exchange contracts	6,770	5,200	2,343	2,169
Listed unit trusts	304,055	242,286	114,987	136,518
<b>Total financial assets held at fair value through profit or loss</b>	<b>310,825</b>	<b>247,486</b>	<b>117,330</b>	<b>138,687</b>

## 7 Financial Assets Held at Fair Value Through Profit or Loss (continued)

	iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF		iShares Global Aggregate Bond ESG (AUD Hedged) ETF	
	As at		As at	
	31 December 2023 \$'000	30 June 2023 \$'000	31 December 2023 \$'000	30 June 2023 \$'000
Forward foreign exchange contracts	2,273	1,478	-	-
Listed unit trusts	<u>87,992</u>	<u>53,976</u>	<u>99,705</u>	<u>85,589</u>
<b>Total financial assets held at fair value through profit or loss</b>	<b><u>90,265</u></b>	<b><u>55,454</u></b>	<b><u>99,705</u></b>	<b><u>85,589</u></b>

## 8 Financial Liabilities Held at Fair Value Through Profit or Loss

	iShares Core Global Corporate Bond (AUD Hedged) ETF		iShares Global High Yield Bond (AUD Hedged) ETF	
	As at		As at	
	31 December 2023 \$'000	30 June 2023 \$'000	31 December 2023 \$'000	30 June 2023 \$'000
Forward foreign exchange contracts	39	209	43	61
<b>Total financial liabilities held at fair value through profit or loss</b>	<b><u>39</u></b>	<b><u>209</u></b>	<b><u>43</u></b>	<b><u>61</u></b>

	iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF		iShares Global Aggregate Bond ESG (AUD Hedged) ETF	
	As at		As at	
	31 December 2023 \$'000	30 June 2023 \$'000	31 December 2023 \$'000	30 June 2023 \$'000
Forward foreign exchange contracts	.*	61	-	-
<b>Total financial liabilities held at fair value through profit or loss</b>	<b><u>-</u></b>	<b><u>61</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

\* The amount is nil when it is rounded to the nearest thousand dollar.

## 9 Segment Information

### *iShares Core Global Corporate Bond (AUD Hedged) ETF*

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

### *iShares Global High Yield Bond (AUD Hedged) ETF*

The Fund operates solely in the business of providing investors with the performance of the market, before fees and expenses, as represented by the Market iBoxx Global Developed Markets Liquid High Yield Capped Index (AUD Hedged). The Responsible Entity, which is the chief operating decision maker for the purposes of assessing performance and determining the allocation of resources, ensures that the Fund's holdings and performance are in accordance with the Market iBoxx Global Developed Markets Liquid High Yield Capped Index (AUD Hedged). Accordingly, no additional qualitative or quantitative disclosures are required.

### *iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF*

The Fund operates solely in the business of providing investors with the performance of the market, before fees and expenses, as represented by the composed of U.S. dollar denominated, emerging market bonds (hedged to Australian dollars). The Responsible Entity, which is the chief operating decision maker for the purposes of assessing performance and determining the allocation of resources, ensures that the Fund's holdings and performance are in accordance with the index composed of U.S. dollar denominated, emerging market bonds (hedged to Australian dollars). Accordingly, no additional qualitative or quantitative disclosures are required.

### *iShares Global Aggregate Bond ESG (AUD Hedged) ETF*

The Fund operates solely in the business of providing investors with the performance of the market, before fees and expenses, as represented by the iShares Global Aggregate Bond ESG (AUD Hedged) ETF. The Responsible Entity, which is the chief operating decision maker for the purposes of assessing performance and determining the allocation of resources, ensures that the Fund's holdings and performance are in accordance with the iShares Global Aggregate Bond ESG (AUD Hedged) ETF. Accordingly, no additional qualitative or quantitative disclosures are required.

## 10 Events Occurring After the Reporting Period

No significant events have occurred since the end of the reporting period up to the date of signing the Condensed Financial Report which would impact on the financial position of the Funds disclosed in the Condensed Statements of Financial Position as at 31 December 2023 or on the results and cash flows of the Funds for the half-year ended on that date.



## Directors' Declaration

The directors of the Responsible Entity declare that:

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

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

On behalf of the directors of the Responsible Entity.



Director  
J Collins

Sydney  
01 March 2024

## Independent Auditor's Review Report to the Unitholders of iShares Hedged Funds

### *Conclusion*

We have reviewed the half-year financial report of iShares Core Global Corporate Bond (AUD Hedged) ETF, iShares Global High Yield Bond (AUD Hedged) ETF, iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF and iShares Global Aggregate Bond ESG (AUD Hedged) ETF (collectively "iShares Hedged Funds" or the "Funds"), which comprises the condensed statements of financial position as at 31 December 2023, and the condensed statements of profit or loss and comprehensive income, the condensed statements of cash flows and the condensed statements of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 6 to 23.

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

- Giving a true and fair view of the Funds' financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 Review of a *Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Funds in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of BlackRock Investment Management (Australia) Limited (the "Responsible Entity"), as Responsible Entity for the Funds, would be in the same terms if given to the directors as at the time of this auditor's review report.

### *Directors' Responsibilities for the Half-year Financial Report*

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

## *Auditor's Responsibilities for the Review of the Half-year Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Funds' financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



DELOITTE TOUCHE TOHMATSU



Neil Brown  
Partner  
Chartered Accountants

Melbourne, 1 March 2024

## Want to know more?

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