

iShares Currency Hedged MSCI EAFE Small-Cap ETF

HSCZ | NYSE Arca

Annual Shareholder Report — July 31, 2024



This annual shareholder report contains important information about iShares Currency Hedged MSCI EAFE Small-Cap ETF (the “Fund”) for the period of August 1, 2023 to July 31, 2024. You can find additional information about the Fund at blackrock.com/fundreports. You can also request this information by contacting us at 1-800-iShares (1-800-474-2737).

What were the Fund costs for the last year? (based on a hypothetical \$10,000 investment)

Fund name	Costs of a \$10,000 investment	Costs paid as a percentage of a \$10,000 investment
iShares Currency Hedged MSCI EAFE Small-Cap ETF	\$3 ^(a)	0.03% ^(a)

^(a) Excludes fees and expenses incurred indirectly as a result of investments in underlying funds.

How did the Fund perform last year?

- While global equities rose for the reporting period, small-capitalization stocks underperformed their larger-capitalization peers due to increasing risk aversion and their vulnerability to high inflation, rising interest rates, a slowing economy, and the war in Ukraine.
- In Europe, concerns grew over slowing economic growth and the European Central Bank cut its primary lending rate, a major turning point in monetary policy, as higher borrowing costs have negatively impacted both consumers and businesses.
- Conversely, the Bank of Japan exited its zero-interest rate policy that it had held since 2016.

What contributed to performance?

Japanese small-capitalization stocks led the Fund’s return during the reporting period. Japanese stocks comprise approximately 34% of the Fund on average, and benefited from resilient economic growth, corporate structural reforms, and a return to monetary policy normalization. The industrials sector was helped by construction manufacturers on increased demand for factory construction and large-scale redevelopment projects. Regional banking stocks positively impacted the Fund’s return following the Bank of Japan’s gradual move away from negative interest rates. The United Kingdom comprises approximately 15% of the Fund on average, also contributed. Toward the end of the reporting period, news of the Labour Party’s election win helped smaller-capitalization stocks, which rose on hopes of improved economic growth.

What detracted from performance?

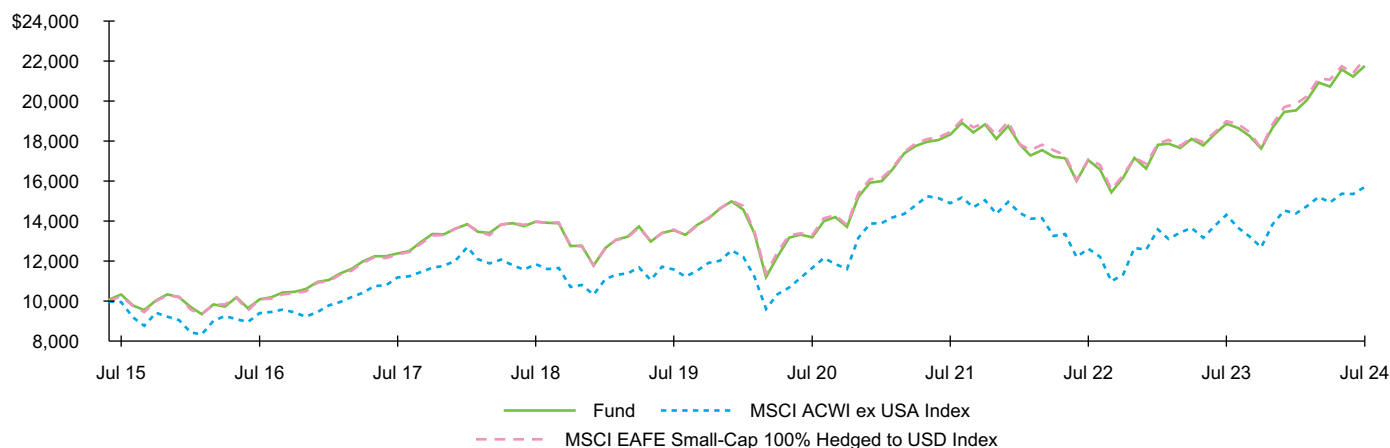
Germany’s industrials sector declined during the reporting period. Added to higher energy costs, the sector also felt the effects of geopolitical strife, with shipment delays stemming from both the Russia/Ukraine war and the crisis in the Middle East. In addition to cooling economic data, French small caps lagged due to political uncertainty spurred by a snap Parliamentary election.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

Fund performance

Cumulative performance: June 29, 2015 through July 31, 2024

Initial investment of \$10,000



See “Average annual total returns” for additional information on fund performance.

Average annual total returns

	1 Year	5 Years	Since Fund Inception
Fund NAV	15.34%	9.95%	8.93%
Fund Market	15.35	9.92	8.93
MSCI ACWI ex USA Index	9.75	6.29	5.10
MSCI EAFE Small Cap 100% Hedged to USD Index	16.41	10.25	9.13

The Fund has added the MSCI ACWI ex USA Index in response to new regulatory requirements.

The inception date of the Fund was June 29, 2015. The first day of secondary market trading was July 1, 2015.

Past performance is not an indication of future results. Performance results do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares. Visit [iShares.com](https://www.ishares.com) for more recent performance information.

What did the Fund invest in?

(as of July 31, 2024)

Portfolio composition

Investment Type	Percent of Net Assets
Investment Companies	100.2%
Short-term Investments	— ^(a)
Forward foreign currency exchange contracts, net cumulative depreciation	(2.4)
Other assets less liabilities	2.2

^(a) Rounds to less than 0.1%.

^(b) The underlying fund is iShares MSCI EAFE Small-Cap ETF.

^(c) Excludes money market funds.

Key Fund statistics

Net Assets	\$150,905,323
Number of Portfolio Holdings	115
Net Investment Advisory Fees	\$33,777
Portfolio Turnover Rate	12%

Sector allocation (of the underlying fund)^(b)

Sector	Percent of Total Investments ^(c)
Industrials	23.3%
Financials	12.8
Consumer Discretionary	12.6
Real Estate	10.7
Information Technology	9.4
Materials	9.2
Consumer Staples	6.4
Health Care	6.0
Communication Services	3.7
Energy	3.3
Utilities	2.6

Additional Information

If you wish to view additional information about the Fund, including but not limited to financial statements, the Fund's prospectus, and proxy voting policies and procedures, please visit [blackrock.com/fundreports](https://www.blackrock.com/fundreports). For proxy voting records, visit [blackrock.com/proxyrecords](https://www.blackrock.com/proxyrecords).

Householding

Householding is an option available to certain fund investors. Householding is a method of delivery, based on the preference of the individual investor, in which a single copy of certain shareholder documents can be delivered to investors who share the same address, even if their accounts are registered under different names. Please contact your broker-dealer if you are interested in enrolling in householding and receiving a single copy of prospectuses and other shareholder documents, or if you are currently enrolled in householding and wish to change your householding status.

The Fund is not sponsored, endorsed, issued, sold, or promoted by MSCI, Inc. and its affiliates, nor does this company make any representation regarding the advisability of investing in the Fund. BlackRock is not affiliated with the company listed above.

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