

Announcement by BlackRock Asset Management Deutschland AG
Adjustments to Net Asset Values of Certain German-Domiciled iShares Exchange Traded Funds
Issued on 23 April 2020

Summary

BlackRock Asset Management Deutschland AG (“**BAMDE**”) today announces that adjustments are being made to the net asset values of the German-domiciled iShares exchange traded funds set out in the table below (“**Funds**”) due to their accruals for withholding tax (“**WHT**”) reclaims on dividends received from Swiss issuers from 2015 onwards being partially written down as explained below.

Background

The Funds invest in securities issued by Swiss issuers. Dividends of Swiss issuers are subject to 35% Swiss WHT. In accordance with the double tax treaty in place between Germany and Switzerland, BAMDE, the Funds’ management company, may apply on behalf of the Funds, within three years from the end of a calendar year in which Swiss WHT arises, to reclaim Swiss WHT in respect of the proportion of German tax residents invested in each Fund. Accordingly, relief of 20% Swiss WHT in respect of the proportion of German tax residents in the Funds has generally been obtainable in the past via a retrospective tax reclaim filed with the Swiss Federal Tax Administration (i.e. Eidgenössische Steuerverwaltung) (the “**SFTA**”), leaving only 15% (net) withheld.

BAMDE files reclaims annually with the SFTA according to the percentage of German investors within the Funds for the relevant tax year. In the past, BAMDE had filed the reclaims using summary records from the register held by Clearstream Banking AG Frankfurt (“**Clearstream**”), the central securities depository for the Funds’ units in Germany and such reclaims had historically been repaid. On this basis, the expected Swiss WHT reclaims have been accrued and included within the net asset value calculations of the Funds.

Change in SFTA Approach

The SFTA informed BAMDE in that, in order to refund Swiss WHT, it requires further granular data on German-domiciled end-investors of the Funds. Since the SFTA’s change in its approach to refunds, BAMDE has been in close dialogue with the SFTA to find a solution and has explored a range of options and undertaken analysis to obtain the additional granular data required by the SFTA. As the Funds’ units are broadly distributed, traded on exchange and over-the-counter and are generally held via custody banks, nominees, brokers and other intermediaries, full end-investor data required by the SFTA has not generally been accessible to BAMDE.

After exploring various potential options with the SFTA, BAMDE believes that it now has a workable proposal to obtain at least a part of the additional granular data required by the SFTA and which the SFTA considers, in principle, to be viable. BAMDE has put together a plan to implement this proposal and continues to engage with the SFTA to fine tune the methodology.

Downward Adjustment to the Net Asset Values of the Funds

Based on BAMDE’s best current assessment of the most probable outcome from the proposal in accordance with German accounting rules, BAMDE reviewed the validity of maintaining the current accruals in the Funds and consulted the Funds’ auditor. As the levels of Swiss WHT reclaims are expected to be lower, compared to current accruals based on the data from the Clearstream register, BAMDE has decided to write down the projected difference for the tax years from 2015 to 21 April 2020 (the latest practicable date). The impact of such write-downs is that the net asset values of the Funds set out below will be adjusted downwards by the amounts in the table, as at the respective adjustment dates.

Fund Name	ISIN	Base Currency	Projected Adjustment to Net Asset Value (base currency)	Projected Adjustment to Net Asset Value (basis points)¹	Effective Date of Adjustment
iShares STOXX Europe 50 UCITS ETF (DE)	DE0005933949	EUR	137,827.23	8.69	23-Apr-20

¹ Based on the valuation date of 21 April 2020 (the latest practicable date)

Fund Name	ISIN	Base Currency	Projected Adjustment to Net Asset Value (base currency)	Projected Adjustment to Net Asset Value (basis points) ¹	Effective Date of Adjustment
iShares STOXX Europe 600 Health Care UCITS ETF (DE)	DE000A0Q4R36	EUR	3,013,333.44	47.35	23-Apr-20
iShares STOXX Europe 600 Food & Beverage UCITS ETF (DE)	DE000A0H08H3	EUR	159,445.41	7.14	23-Apr-20
iShares STOXX Europe 600 Insurance UCITS ETF (DE)	DE000A0H08K7	EUR	966,127.35	89.87	23-Apr-20
iShares STOXX Europe 600 UCITS ETF (DE)	DE0002635307	EUR	4,443,986.52	8.94	23-Apr-20
iShares STOXX Europe Select Dividend 30 UCITS ETF (DE)	DE0002635299	EUR	299,365.04	9.35	23-Apr-20
iShares STOXX Europe 600 Chemicals UCITS ETF (DE)	DE000A0H08E0	EUR	22,913.99	3.08	23-Apr-20
iShares STOXX Europe 600 Financial Services UCITS ETF (DE)	DE000A0H08G5	EUR	38,744.99	8.87	23-Apr-20
iShares STOXX Europe 600 Construction & Materials UCITS ETF (DE)	DE000A0H08F7	EUR	76,578.86	16.59	23-Apr-20
iShares STOXX Global Select Dividend 100 UCITS ETF (DE)	DE000A0F5UH1	EUR	179,668.40	1.70	24-Apr-20
iShares Dow Jones Global Titans 50 UCITS ETF (DE)	DE0006289382	EUR	40,052.26	0.79	24-Apr-20
iShares STOXX Europe Small 200 UCITS ETF (DE)	DE000A0D8QZ7	EUR	191,096.43	5.82	23-Apr-20
iShares STOXX Europe 600 Industrial Goods & Services UCITS ETF (DE)	DE000A0H08J9	EUR	209,268.66	8.96	23-Apr-20
iShares STOXX Europe 600 Personal & Household Goods UCITS ETF (DE)	DE000A0H08N1	EUR	86,396.17	9.60	23-Apr-20
iShares STOXX Europe 600 Telecommunications UCITS ETF (DE)	DE000A0H08R2	EUR	558,612.28	11.15	23-Apr-20
iShares STOXX Europe 600 Real Estate UCITS ETF (DE)	DE000A0Q4R44	EUR	40,730.93	8.00	23-Apr-20
iShares STOXX Europe 600 Technology UCITS ETF (DE)	DE000A0H08Q4	EUR	14,091.60	0.74	23-Apr-20
iShares STOXX Europe 600 Media UCITS ETF (DE)	DE000A0H08L5	EUR	591.09	0.87	23-Apr-20
iShares STOXX Europe 600 Retail UCITS ETF (DE)	DE000A0H08P6	EUR	1,227.71	0.46	23-Apr-20
iShares STOXX Europe 600 Banks UCITS ETF (DE)	DE000A0F5UJ7	EUR	8,776.39	0.40	23-Apr-20

The projected proportion of German tax residents for each Fund that is based on the most probable outcome from implementation of the proposal will be applied to accruals of Swiss WHT for the respective Fund until the end of 2021, in accordance with German accounting rules. This could change if the implementation of the proposal yields different results or if the methodology is subject to fine tuning. The methodology and future accrual policy from 2022 onwards will be determined closer to that time. BAMDE reserves the right to review this if the SFTA changes its approach or if a new data source becomes available which will be acceptable to SFTA.

Swiss WHT reclaims are also filed for iShares STOXX Europe Large 200 UCITS ETF (DE) (ISIN: DE0005933980), iShares STOXX Europe Mid 200 UCITS ETF (DE) (ISIN: DE0005933998) and iShares SLI UCITS ETF (DE) (ISIN: DE0005933964). However, based on BAMDE's best current assessment of the most probable outcome from the proposal in accordance with German accounting rules, no adjustments to the net asset values for these funds are currently required. Alongside the Funds in the table, accrual levels for these three funds will be reviewed as discussions progress with the SFTA.

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