

Conversion of 20 iShares into international ETF structure

BlackRock (iShares) intends to convert its Irish-domiciled and Global Bearer Certificate Exchange-Traded Funds (ETFs) to the ICSD model in Common Depository structure. The first migration wave will consist of 20 ETFs issued under the iShares IV umbrella.

This document contains the relevant details on the conversion of the 20 iShares into the international ETF structure.

No action is required from you for the conversion of the securities into the international ETF structure.

Depending on your current settlement arrangements, there may be settlement-related actions for you to take. Please refer to the information provided below.

Mandatory exchange

The 20 iShares IV plc ETFs¹ (governed by Irish law) in the table on [page 2](#) will be converted into new international ETFs on Monday, 21 September 2015 (the 'effective date'). The conversion from the current domestic to the new international issuance structure is mandatory and does not require an action from you.

- DE-ISINs (Global Bearer Certificates/GBCs in Collective Safe Custody) will be converted into international IE-ISINs over the weekend of the exchange based on your holdings on Friday, 18 September 2015 - 'the record date' on a 1:1 basis. Trading in the DE ISINs will remain possible until close of business on Friday 18 September 2015. As from that time, external and Bridge settlement in the DE ISINs will no longer be possible. Booking of GBC exchanges from the original German securities codes into German certificates and GBC re-exchange from German certificates into the original German securities codes are only possible until noon (CET) 17 September 2015.
- IE-ISINs (Irish domiciled) - static data will be updated in our securities database to flag the ISIN as international. The IE ISINs will remain the same. We will not process any debit/ re-credit movements on your holdings.
- IE-ISINs (in Collective Safe Custody) - static data will be updated in WSS database to flag the ISIN as international. Your holdings in your CASCADE accounts (Collective Safe Custody) will be converted into your corresponding CBFi accounts ("6-series accounts") in the international settlement over the weekend of the exchange based on your holdings on Friday, 18 September 2015 - 'the record date' - on a 1:1 basis. Trading will remain possible.

Please note that positions in Remote Market Common Codes held in CSDs such as Clearstream Banking Frankfurt will be repatriated to their respective Home Market Common Code between Wednesday, 16 September and Friday, 18 September 2015. Meaning that as from 14:30 CET on 16 September the Remote Market Common Code will be closed for settlement. Any pending settlement instructions will be cancelled in the Remote Market Common Codes and you will have to re-instruct with the Home Market Common Code.

1. For more details on these iShares ETFs and the Scheme of Arrangement that governs the iShares IV conversions, please go to www.ishares.com.

Impacted securities

Before Monday, 21 September 2015			As from Monday, 21 September 2015
Sub-Fund Name (iShares IV)	Domestic IE ISIN	Domestic DE ISIN (Global Bearer Certificates)	Final International IE ISIN
iShares \$ Short Duration Corporate Bond UCITS ETF	IE00BCRY5Y77	DE000A1W4WC9	IE00BCRY5Y77
iShares \$ Short Duration High Yield Corporate Bond UCITS ETF	IE00BCRY6003	DE000A1W4WD7	IE00BCRY6003
iShares \$ Treasury Bond 20+yr UCITS ETF	IE00BSKRJZ44	DE000A12HSS9	IE00BSKRJZ44
iShares \$ Ultrashort Bond UCITS ETF	IE00BCRY6227	DE000A1W4WE5	IE00BCRY6227
iShares £ Ultrashort Bond UCITS ETF	IE00BCRY6441	-	IE00BCRY6441
iShares Euro Government Bond 20yr Target Duration UCITS ETF	IE00BSKRJX20	DE000A12HST7	IE00BSKRJX20
iShares Euro Ultrashort Bond UCITS ETF	IE00BCRY6557	DE000A1W4WF2	IE00BCRY6557
iShares iBonds Sep 2018 USD Corporate UCITS ETF	IE00BVC3VM20	-	IE00BVC3VM20
iShares MSCI EMU Large Cap UCITS ETF	IE00BCLWRF22	-	IE00BCLWRF22
iShares MSCI EMU Mid Cap UCITS ETF	IE00BCLWRD08	-	IE00BCLWRD08
iShares MSCI Europe Momentum Factor UCITS ETF	IE00BQN1K786	DE000A12GXR3	IE00BQN1K786
iShares MSCI Europe Quality Factor UCITS ETF	IE00BQN1K562	DE000A12GXQ5	IE00BQN1K562
iShares MSCI Europe Size Factor UCITS ETF	IE00BQN1KC32	DE000A12GXT9	IE00BQN1KC32
iShares MSCI Europe Value Factor UCITS ETF	IE00BQN1K901	DE000A12GXS1	IE00BQN1K901
iShares MSCI France UCITS ETF	IE00BP3QZJ36	DE000A12A4K6	IE00BP3QZJ36
iShares MSCI World Momentum Factor UCITS ETF	IE00BP3QZ825	DE000A12BHF2	IE00BP3QZ825
iShares MSCI World Quality Factor UCITS ETF	IE00BP3QZ601	DE000A12BHE5	IE00BP3QZ601
iShares MSCI World Size Factor UCITS ETF	IE00BP3QZD73	DE000A12BHH8	IE00BP3QZD73
iShares MSCI World Value Factor UCITS ETF	IE00BP3QZB59	DE000A12BHG0	IE00BP3QZB59
iShares US Equity Buyback Achievers UCITS ETF	IE00BQT3VN15	DE000A14MBJ0	IE00BQT3VN15

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Impact on Stock Exchange settlement instructions

Friday, 18 September 2015	What will happen
After close of business	<ul style="list-style-type: none">• DE ISINs CBL customers: pending Exchange settlement instructions will be cancelled and re-instructed to the CBL/CBFI settlement platform (Creation) on customers' accounts with the relevant IE ISIN. CBF customers: pending Exchange settlement instructions will be modified to the CBFI settlement platform (Creation) on customers' accounts. No separate customer information will go out.• IE ISINs CBL customers: pending Exchange settlement instructions will be cancelled following change in static data of securities database. Customers should re-instruct accordingly. CBF customers: pending Exchange settlement instructions will be modified to the CBFI settlement platform (Creation) on customers' accounts. No separate customer information will go out.
Monday, 21 September 2015	What will happen
Start of business	Stock exchange transactions on Xetra will settle in CBL/CBFI from settlement date Monday, 21 September 2015.

Impact on OTC settlement instructions

Friday, 18 September 2015	What will happen
After close of business	<ul style="list-style-type: none">• DE ISINs CBL and CBF customers: pending OTC settlement instructions will be cancelled. Customers should re-instruct to the CBL/CBFI settlement platform (Creation) on their accounts, with the relevant IE ISIN. No separate customer information will go out.• IE ISINs CBL customers: pending OTC settlement instructions will be cancelled following change in static data of securities database. Customers should re-instruct accordingly. CBF customers: pending OTC settlement instructions will be cancelled. Customers should re-instruct to the CBL/CBFI settlement platform (Creation) on their accounts. No separate customer information will go out.
Monday, 21 September 2015	What will happen
Start of business	External settlement instructions The place of settlement for your transactions in international ETFs will be CBL/CBFI as from settlement date Monday, 21 September 2015.

Are you trading/clearing in the above DE ISINs on Xetra?

For trades executed on Xetra as from Thursday, 17 September 2015, the related transactions will settle exclusively in CBL/CBFi.

I settle my Xetra transactions in CBL or CBFi

Your DE ISIN holdings will be converted to relevant IE ISIN holdings.

There is no further impact for you. Your transactions will continue to settle in CBL/CBFi.

I settle my Xetra transactions in CBF today:

What will happen	Action to take
Close of business on Friday, 18 September 2015	
CBF will modify your pending instructions to the CBFi settlement platform (Creation) on your account in CBFi.	No action to take.
The start of business on Monday, 21 September 2015	
CBL/CBF will execute the conversion and credit your account in CBL/CBFi with the IE ISINs of the corporate action. Your CASCADE account will be debited accordingly.	<ul style="list-style-type: none">You should amend your static reference data for the 20 iShares ETFs to reflect the place of safekeeping, and holding ledger.We recommend that you make arrangements with your underlying customers to make the relevant amendments as soon as possible after the effective date.

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Are you trading/clearing in the above IE ISINs on Xetra?

No impact on CBL customers. CBF customers will need to settle on their CBFi account, as described for the DE ISINs (above).

I settle my Xetra transactions in CBL or CBFi

There is no further impact for you. Your transactions will continue to settle in CBL/CBFi.

I settle my Xetra transactions in CBF today

What will happen	Action to take
Close of business on Friday, 18 September 2015	
CBF will modify your pending instructions to the CBFi settlement platform (Creation) on your account in CBFi.	No action to take.
The start of business on Monday, 21 September 2015	
CBL/CBF will execute the conversion and credit your account in CBL/CBFi with the IE ISINs of the corporate action.	You should amend your static reference data for the 20 iShares ETFs to reflect the place of safekeeping, and holding ledger.
Your CASCADE account will be debited accordingly.	We recommend that you make arrangements with your underlying customers to make the relevant amendments as soon as possible after the effective date.

Other stock exchanges

We recommend that you check the relevant details with the local infrastructure of the other trading venues (Euronext, LSE, Borsa Italiana, SIX Swiss Exchange).

Place of settlement - Overview

Settlement type	Trading venue	Place of settlement pre-conversion	Place of settlement post-conversion ^a
Stock exchange settlement	Xetra	CBL (/CBFi)	CBL (/CBFi)
	Xetra	CBF	CBL (/CBFi)
OTC	N/A	CBL (/CBFi)	CBL (/CBFi)
	N/A	CBF	CBL (/CBFi)

a. Allowing you to centralise your OTC activity and stock exchange activity in the same location.

Any questions?

Have you read our international ETFs Product Information publication?

The Product Information publication is available on our website (www.clearstream.com) and offers you further details on how the international ETF structure helps meet the post-trade challenges of the ETF market.

For further information, please contact Client Services on the contact details below.

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