

BlackRock Asset Management North Asia Limited

27 November 2019

This is a passive exchange traded fund.

This statement provides you with key information about this product.

This statement is a part of the Prospectus.

You should not invest in this product based on this statement alone.

Quick facts

Stock code:	09146 USD counter	03146 HKD counter	83146 RMB counter
Trading lot size:	100 units (for USD, HKD and RMB counters)		
Manager:	BlackRock Asset Management North Asia Limited		
Trustee, Registrar and Custodian:	HSBC Institutional Trust Services (Asia) Limited		
Ongoing charges over a year[#]:	0.22%		
Tracking difference of the last calendar year^{##}:	-0.47%		
Underlying Index:	DAX Index		
Base currency:	Euro (EUR)		
Trading currency:	USD, HKD, RMB		
Financial year end of this fund:	31 December		
Distribution policy:	Annually, at the Manager's discretion (December each year) (if any). Distributions may be made out of capital or effectively out of capital as well as income at the Manager's discretion. All units will receive distributions in the Base Currency (EUR) only. Please refer to "Other currencies distributions risk" and "Distributions payable out of capital or effectively out of capital risk" on page 5 below.		
ETF website:	www.blackrock.com/hk (Please refer to the section Additional Information on how to access the product webpage)		

[#] The ongoing charges figure for the DAX ETF is based on expenses for the year ended 31 December 2018. This figure may vary from year to year. It represents the sum of the ongoing expenses chargeable to the DAX ETF expressed as a percentage of the average Net Asset Value.

^{##} This is the actual tracking difference of the calendar year ended 31 December 2018. Investors should refer to the website of the DAX ETF for more up-to-date information on actual tracking difference.

What is this product?

This is a fund constituted in the form of a unit trust established under Hong Kong law and is a sub-fund of the iShares Asia Trust. The units of the iShares DAX Index ETF (the “**DAX ETF**”) are listed on The Stock Exchange of Hong Kong Limited (“**SEHK**”). These units are traded on SEHK like listed stocks. The DAX ETF is a passively managed index tracking ETF falling under Chapter 8.6 and Appendix I of the Code.

Objective and Investment Strategy

Objective

The DAX ETF aims to provide investment results that, before fees and expenses, closely correspond to the performance of the DAX Index (the “**Underlying Index**”).

Investment Strategy

The DAX ETF adopts a representative sampling investment strategy to achieve its investment objective. A representative sampling investment strategy involves investing in a representative sample of the securities with a high correlation to the Underlying Index (either directly or indirectly) selected by the Manager.

The DAX ETF will invest primarily in securities included in the Underlying Index, or in securities that are not included in the Underlying Index, but which the Manager believes will help the DAX ETF achieve its investment objective. The DAX ETF may also invest in investments including futures contracts, index futures contracts, options on futures contracts and options related to its Underlying Index, local currency and forward currency exchange contracts, and cash and cash equivalents for both non-hedging purposes and hedging purposes, which the Manager believes will help the DAX ETF achieve its investment objective. The DAX ETF’s investments in financial derivative instruments for non-hedging purposes will not exceed 10% of the Net Asset Value (“**NAV**”) of the DAX ETF.

The Manager may switch between the representative sampling and the full replication investment strategies without notice to investors and in its absolute discretion. A full replication investment strategy involves investing in substantially all the securities (either directly or indirectly) in substantially the same weightings as those securities comprised in the Underlying Index.

The Manager may invest in other physical exchange traded fund(s) (“**ETFs**”) tracking indices that are closely correlated to the DAX Index for cash management and contingency purposes, where, subject to market conditions, investing in physical ETFs is in the best interest of unitholders. The DAX ETF may invest up to 10% of its NAV in one or more underlying ETFs which are non-eligible schemes or not authorised by the SFC and up to 30% of its NAV in each underlying ETF which are eligible schemes or authorised by the SFC, including those which are managed by the Manager or its Connected Persons or other third parties. The Manager intends to treat such underlying ETFs as collective investment schemes for the purposes of and subject to the requirements in Chapters 7.11, 7.11A and 7.11B of the Code.

The DAX ETF currently does not intend to engage in any securities lending activities or repurchase transactions or other similar over the counter transactions. One month’s prior notice will be given to Unitholders in the event the Manager intends to engage in such transactions.

Underlying Index

The Underlying Index is a free float-adjusted market capitalisation weighted index that tracks the segment of the 30 largest and most important companies – known as blue chips – on the Frankfurt Stock Exchange. It is calculated and maintained by Deutsche Börse AG. The Underlying Index is a gross total return index, meaning that the performance of the Underlying Index is calculated on the basis that dividends gross of tax are reinvested.

The Underlying Index is denominated in Euro. The Underlying Index was launched on 1 July 1988, it is comprised of 30 constituents listed on the Frankfurt Stock Exchange with total market capitalisation of EUR1,222.72 billion as at 20 November 2019. The base date of the Underlying Index is 30 December 1987.

The Manager and its connected persons are independent of the index provider of the Underlying Index.

For details (including the latest index level, constituents of the Index and their respective weightings and other important news), please refer to the index website at <http://www.dax-indices.com> (this website has not been reviewed by the SFC).

The Bloomberg ticker of the Underlying Index is DAX and the Reuters ticker of the Underlying Index is .GDAXI.

Use of derivatives/investment in derivatives

The DAX ETF's net derivative exposure may be up to 50% of the DAX ETF's NAV.

What are the key risks?

Investment involves risks. Please refer to the Prospectus for details including the risk factors.

1. General investment risk

The DAX ETF's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the DAX ETF may suffer losses. There is no guarantee of the repayment of principal.

2. Equity market risk

The DAX ETF's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

3. Concentration risk

Exposure of the DAX ETF is concentrated in the German market and a greater portion of its assets may be represented in a smaller group of securities. As a result, the DAX ETF may be more volatile than funds having a more diversified portfolio of investments. The value of the DAX ETF may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the German market.

4. Eurozone risk

In light of ongoing concerns on the sovereign debt risk of certain countries within the Eurozone, the DAX ETF's investments in the region may be subject to higher volatility, liquidity, currency and default risks. Any adverse events, such as credit downgrade of a sovereign or exit of EU members from the Eurozone, may have a negative impact on the value of the DAX ETF.

What are the key risks? (Cont'd)**5. Investment in ETFs risk**

- The DAX ETF will be subject to the risks associated with the underlying ETFs it invests in. The DAX ETF does not have control of the investments of the underlying ETFs and there is no assurance that the investment objective and strategy of the underlying ETFs will be successfully achieved which may have a negative impact to the NAV of the DAX ETF. Any tracking error of these ETFs will also contribute to the tracking error of the DAX ETF.
- The underlying ETFs may not be regulated by the SFC. There may be additional costs involved when investing into these underlying ETFs.

6. Passive investment risk

The DAX ETF is passively managed and the Manager will not have the discretion to adapt to market changes due to the inherent investment nature of the DAX ETF. Falls in the Underlying Index are expected to result in corresponding falls in the value of the DAX ETF.

7. Foreign exchange risk & RMB currency and conversion risk

- The DAX ETF's Base Currency, NAV and underlying assets are in EUR but has units traded in USD, HKD and RMB. Accordingly secondary market investors may be subject to additional costs or losses associated with foreign currency fluctuations between the Base Currency and trading currency when trading units in the secondary market.
- Furthermore, RMB is currently not freely convertible and is subject to exchange controls and restrictions. Investors in the secondary market who buy and sell units traded in RMB are exposed to foreign exchange currency risks arising from the fluctuations between the Base Currency (i.e. EUR) and RMB.

8. Tracking error risk

The DAX ETF may be subject to tracking error risk, which is the risk that its performance may not track that of the Underlying Index exactly. This tracking error may result from the investment strategy used, fees and expenses, liquidity of the index constituents and changes to the Underlying Index. The Manager will monitor and seek to manage such risk in minimising tracking error. There can be no assurance of exact or identical replication at any time of the performance of the Underlying Index.

9. Trading differences risks

- As the Frankfurt Stock Exchange may be open when units in the DAX ETF are not priced, the value of the securities in the DAX ETF's portfolio may change on days when investors will not be able to purchase or sell the units.
- Differences in trading hours between the Frankfurt Stock Exchange and the SEHK may also increase the level of premium or discount of the unit price to its NAV.

What are the key risks? (Cont'd)

10. Trading risks

- The trading price of the units on the SEHK is driven by market factors such as the demand and supply of the units. Therefore, the units may trade at a substantial premium or discount to the DAX ETF's NAV.
- As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell units on the SEHK, investors may pay more than the NAV per unit when buying units on the SEHK, and may receive less than the NAV per unit when selling units on the SEHK.

11. Multi-counter risks

If there is a suspension of the inter-counter transfer of units between the counters and/or any limitation on the level of services by brokers and CCASS participants, Unitholders will only be able to trade their units in one counter only, which may inhibit or delay an investor dealing. The market price of units traded in each counter may deviate significantly. As such, investors may pay more or receive less when buying or selling units traded in one counter on the SEHK than in respect of units traded in another counter.

12. Reliance on market maker risks

- Although the Manager will use its best endeavours to put in place arrangements so that at least one market maker will maintain a market for the units traded in each counter and that at least one market maker to each counter gives not less than 3 months' notice prior to termination of the market making arrangement, liquidity in the market for the units may be adversely affected if there is no or only one market maker for the units on any counter. There is also no guarantee that any market making activity will be effective.
- There may be less interest by potential market makers making a market in units denominated and traded in RMB. Any disruption to the availability of RMB may adversely affect the capability of market makers in providing liquidity for the units.

13. Other currencies distributions risk

All units will receive distributions in the Base Currency (EUR) only. In the event that a Unitholder has no EUR account, the Unitholder may have to bear the fees and charges associated with the conversion of such distributions from EUR to USD, HKD, RMB or any other currency. The Unitholder may also have to bear bank or financial institution fees and charges associated with the handling of the distribution payment. Unitholders are advised to check with their brokers regarding arrangements for distributions.

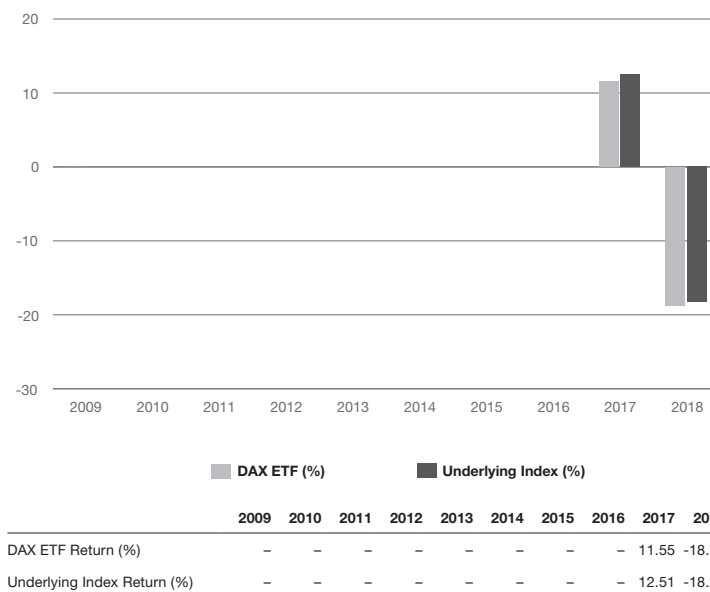
14. Distributions payable out of capital or effectively out of capital risk

The Manager may at its discretion pay distributions out of capital, or effectively out of capital, of the DAX ETF. Payment of distributions out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any such distributions may result in an immediate reduction of the Net Asset Value per unit.

15. Termination risk

The DAX ETF may be terminated early under certain circumstances, for example, where the Underlying Index is no longer available for benchmarking or if the size of the DAX ETF falls below a pre-determined NAV threshold as set out in the constitutive documents and offering documents. Investors may not be able to recover their investments and suffer a loss when the DAX ETF is terminated.

How has the fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividends (if any) reinvested.
- These figures show by how much the DAX ETF increased or decreased in value during the calendar year shown. Performance is calculated in the base currency of the DAX ETF, including ongoing charges and excluding your trading costs on SEHK.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Underlying Index: DAX Index.
- Launch date of DAX ETF: 23 June 2016.

Is there any guarantee?

The DAX ETF does not have any guarantees. You may not get back the amount of money you invest.

What are the fees and charges?**Charges incurred when trading the DAX ETF on SEHK**

Fee	What you pay
Brokerage fee	Market Rate
Transaction levy	0.0027% ⁶ of the trading price
Trading fee	0.005% ⁷ of the trading price
Stamp duty	Nil
Inter-counter transfer fee	HKD5 per instruction

Ongoing fees payable by the DAX ETF

The following expenses will be paid out of the DAX ETF. They affect you because they reduce the net asset value of the DAX ETF which may affect the trading price.

	Annual rate (as a % of the fund's value)
Management fee	0.20% p.a. of net asset value calculated daily
Custodian fee	Included in the management fee
Administration fee	Included in the management fee

Other Fees

You may have to pay other fees when dealing in the units of the DAX ETF. Please refer to the Prospectus for fees and expenses applicable to investing in the DAX ETF.

⁶ Transaction levy of 0.0027% of the price of the units payable by the buyer and the seller.

⁷ Trading fee of 0.005% of the price of the units, payable by the buyer and the seller.

Additional information

You can find the following information of the DAX ETF at www.blackrock.com/hk.

- The DAX ETF's Prospectus and this statement (as revised from time to time);
- Latest annual audited financial reports and interim half yearly unaudited financial report;
- Last NAV (in the Base Currency only i.e. EUR) and last NAV per unit (in each of the trading currencies i.e. USD, HKD and RMB);
- Near real time indicative NAV per unit throughout each dealing day (in each of the trading currencies i.e. USD, HKD and RMB);
- The DAX ETF's holdings (updated on a daily basis);
- The past performance of the DAX ETF;
- Public notices and announcements made by the DAX ETF;
- Latest list of participating dealers and market makers;
- The tracking difference and tracking error of the DAX ETF; and
- Composition of any distributions paid (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months.

Please note that the near real time indicative NAV per Unit (in each of the trading currencies i.e. USD, HKD and RMB) and the last closing NAV per Unit in USD, HKD and RMB are for reference only. The near real time indicative NAV per Unit in USD, HKD and RMB does not use a real time exchange rate between the Base Currency (i.e. EUR) and each of the trading currencies (i.e. USD, HKD and RMB). It is calculated using the indicative NAV per Unit in EUR multiplied by the WM Reuters 4:00p.m (London time)* rate for USD, HKD and RMB (CNH) respectively for the previous Dealing Day. The latest closing NAV per Unit in USD, HKD and RMB is calculated using the latest closing NAV per Unit in the Base Currency (i.e. EUR) multiplied by the WM Reuters 4:00p.m (London time)* rate for USD, HKD and RMB (CNH) respectively for that Dealing Day.

All of the information outlined above can be found on the product webpage of the DAX ETF. The product webpage of the DAX ETF can be located by using the search function and inserting the ticker number of the DAX ETF (i.e. 03146, 83146 or 09146) at www.blackrock.com/hk. Investors should note that the website has not been reviewed by the SFC. The product webpage also provides a link to the announcements and notices section of the website where public announcements and notices can be found.

**Please note 4:00p.m (London time) (i) during British Summer Time is equivalent to 11:00p.m Hong Kong Time and (ii) otherwise is equivalent to 12:00a.m. Hong Kong Time*

Important

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.