Product Key Facts
iShares Core MSCI China ETF

BlackRock Asset Management North Asia Limited **30 April 2024**

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:	2801 HKD Counter 9801 USD counter
Trading lot size:	200 units (for HKD and USD counters)
Manager:	BlackRock Asset Management North Asia Limited
Sub-Managers:	BlackRock (Singapore) Limited (internal delegation, Singapore) BlackRock Investment Management (UK) Limited (internal delegation, United Kingdom) BlackRock Japan Co., Ltd. (internal delegation, Japan)
Trustee, Registrar and Custodian:	HSBC Institutional Trust Services (Asia) Limited
Ongoing charges over a year[#]:	0.20%
Tracking difference of the last calendar year[##]:	-0.18%
Underlying Index:	MSCI China Index
Base currency:	Hong Kong dollars (HKD)
Trading currency:	HKD and USD
Financial year end of this fund:	31 December
Dividend policy:	Annually, at Manager's discretion (usually in November/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 (HKD) only. Please refer to the risk factor "Dividends 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 is based on expenses for the year ended 31 December 2023 (calculated in HKD). This figure may vary from year to year. It represents the sum of the ongoing expenses chargeable to the MSCI China ETF expressed as a percentage of the average Net Asset Value

[##] This is the actual tracking difference of the calendar year ended 31 December 2023. Investors should refer to the website of the MSCI China 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. The units of the iShares Core MSCI China ETF (the "**MSCI China ETF"**) are listed on The Stock Exchange of Hong Kong Limited ("**SEHK").** These units are traded on SEHK like listed stocks.

Objective and Investment Strategy

Objective

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

Investment Strategy

The MSCI China ETF may adopt either a representative sampling investment strategy or a replication investment strategy to achieve its investment objective.

A representative sampling investment strategy involves investing in a representative sample of the securities* in the Underlying Index (either directly or indirectly) selected by the Manager.

The MSCI China ETF may or may not (either directly or indirectly) hold all of the Securities that are included in the Underlying Index, and may hold Securities which are not included in the Underlying Index but which the Manager believes will help the MSCI China ETF achieve its investment objective.

The Manager will select securities based on their contribution to certain capitalisation, industry and fundamental investment characteristics and by doing so, seeking to construct a portfolio that perform like the Underlying Index.

A 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 switch between the replication and the representative sampling investment strategies without notice to investors and in its absolute discretion.

The MSCI China ETF may invest in financial derivative instruments ("**FDIs**") including futures contracts and swaps for reducing tracking error, hedging purposes or to achieve its investment objective, subject to the limit that the MSCI China ETF's net derivative exposure does not exceed 50% of MSCI China ETF's NAV. The MSCI China ETF may only enter into futures contracts which are traded on the Hong Kong Futures Exchange Limited or an international futures exchange which is recognized by the SFC or which is approved by the Trustee and the Manager.

The MSCI China ETF may invest in one or more physical exchange traded funds (ETFs) for cash management and contingency purposes only and if it considers that investing in them is in the best interests of the unitholders taking into account various factors including but not limited to returns to investors, fees, and market conditions. The MSCI China ETF may invest up to 10% of its NAV in one or more underlying ETFs, which may be eligible schemes or non-eligible schemes and may or may not be authorised by the SFC, including those which are managed by the Manager, any of the Sub-Managers or their 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.

Although the MSCI China ETF may enter into securities lending transactions to a maximum level of 50% of its NAV, the Manager does not expect securities lending transactions in respect of the MSCI China ETF to exceed one-third of the NAV. The Manager will be able to recall the securities lent out at any time.

As part of the securities lending transactions, the MSCI China ETF must receive cash and/or non-cash collateral of at least 100% of the value of the securities lent. The collateral will be marked-to-market on a daily basis and be safekept by the Trustee (or its nominee, agent or delegate, or delegate(s) or agent(s) further appointed by such nominee, agent or delegate). Non-cash collateral received in connection with a securities lending transaction may not be sold, reinvested or pledged by the MSCI China ETF. Any reinvestment of cash collateral received shall be subject to the requirements as set out in the Code and the relevant sections of the Prospectus. To the extent the MSCI China ETF undertakes securities lending transactions, all revenues (net of direct and indirect expenses as reasonable and normal compensation for the services rendered by the Manager, a securities lending agent and/or other service providers in the context of such transactions to the extent permitted by applicable legal and regulatory requirements) shall be returned to the MSCI China ETF. The costs relating to securities lending transactions will be borne by the securities lending agent or the borrower.

Save for the foregoing, the MSCI China ETF currently does not intend to engage in any sale and repurchase transactions, reverse 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 activities.

**Including (i) Depositary Receipts and (ii) effective from 1 June 2018, China A shares (by investing via the Stock Connect).*

Underlying Index

The Underlying Index is a free-float adjusted market capitalisation-weighted index that is compiled and published by MSCI Inc. It is designed to track the equity market performance of (i) Chinese securities (H shares, red chips and P chips) listed on the SEHK, (ii) B shares of Chinese securities listed on the Shanghai Stock Exchange and the Shenzhen Stock Exchange (and effective from 1 June 2018, China A shares) and (iii) companies traded outside the country of classification (i.e. foreign listed companies) including those traded by way of Depositary Receipts. As at 31 March 2024, the Underlying Index contained 704 stocks.

For details (including the last closing index level and other important news), please refer to the index website at www.msci.com. The index constituents and their respective weightings can be accessed on http://www.msci.com/constituents (this website has not been reviewed by the SFC).

Use of derivatives/ investment in derivatives

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

What are the key risks?

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

1. Emerging market risk

Generally, investments in emerging markets such as the PRC are subject to a greater risk of loss than investments in developed markets due to greater political, economic, taxation and regulatory uncertainty and risks linked to volatility and market liquidity.

2. Concentration risk

The exposure of the MSCI China ETF is concentrated in companies with business operations based and/or controlled by shareholders in the PRC and may be more volatile than funds adopting a more diversified strategy.

3. Risks related to the PRC

There can be no assurance that the PRC Government will continue to pursue economic or tax reform policies which will result in economic growth and social progress or continue its existing foreign exchange policy which have significantly reduced government foreign exchange controls. There is also significant uncertainty in interpretation and enforcement of PRC regulations.

4. Liquidity risk

The Shanghai Stock Exchange and Shenzhen Stock Exchange in which B shares are traded are undergoing development. This may result in higher market volatility, settlement difficulties and potential lack of liquidity due to low trading volume in the B shares markets, which may in turn result in significant price fluctuations and changes in the net asset value of the MSCI China ETF.

5. Foreign security risk

The MSCI China ETF invests in PRC companies which are subject to special risks not typically associated with investing in Hong Kong companies including the possibility of expropriation or confiscatory taxation, adverse changes in investment or exchange control regulations, political instability which may affect local investments in foreign countries and potential restrictions on the flow of international capital.

6. Foreign exchange rate risk

The MSCI China ETF’s base currency is in HKD but has units traded in USD (in addition to HKD). Accordingly secondary market investors may be subject to additional costs or losses associated with foreign currency fluctuations between the base currency and USD when trading units in the secondary market.

7. Risks associated with investment in FDIs

Risks associated with FDI include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDI by the MSCI China ETF. Exposure to FDI may lead to a high risk of significant loss by the MSCI China ETF.

8. Securities lending transactions risks

- The borrower may fail to return the securities in a timely manner or at all. The MSCI China ETF may as a result suffer from a loss or delay when recovering the securities lent out. This may restrict the MSCI China ETF's ability in meeting delivery or payment obligations from redemption requests.

- As part of the securities lending transactions, the MSCI China ETF must receive at least 100% of the valuation of the securities lent as collateral marked-to-market on a daily basis. However, there is a risk of shortfall of collateral value due to inaccurate pricing of the collateral, adverse market movements in the collateral value, change of value of securities lent or if a borrower does not provide additional collateral when required. This may cause significant losses to the MSCI China ETF. The MSCI China ETF may also be subject to liquidity and custody risk of the collateral, as well as legal risk of enforcement.

- By undertaking securities lending transactions, the MSCI China ETF is exposed to operational risks such as delay or failure of settlement. Such delays and failure may restrict the MSCI China ETF's ability in meeting delivery or payment obligations from redemption requests.

9. Passive investment risk

The MSCI China ETF is not actively managed and will not adopt any temporary defensive position against any market downturn. Therefore when there is a decline in the Underlying Index, the MSCI China ETF will also decrease in value. Investors may suffer significant losses accordingly.

10. Underlying Index related risks

There is no guarantee that the MSCI China ETF will achieve a high degree of correlation to the Underlying Index and therefore achieve its investment objective. Market disruptions and regulatory restrictions could have an adverse effect on the MSCI China ETF’s ability to adjust its exposure to the required levels in order to track the Underlying Index. Errors in index data may occur from time to time and may not be identified and corrected for a period of time, and may have an adverse impact on the MSCI China ETF and its Unitholders.

11. Tracking error risk

Changes in the NAV of the MSCI China ETF may deviate from the performance of the Underlying Index due to factors such as fees and expenses, liquidity of the index constituents, as well as, changes to the Underlying Index. There can be no assurance of exact or identical replication at any time of the performance of the Underlying Index.

12. Multi-counter risk

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.

13. Other Currencies distribution risk

All units will receive distributions in the base currency (HKD) only. In the event that a Unitholder has no HKD account, the Unitholder may have to bear the fees and charges associated with the conversion of such distributions from HKD to USD 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. Dividends payable out of capital or effectively out of capital risk

The Manager may at its discretion pay dividends out of the capital of the MSCI China ETF. The Manager may also, at its discretion, pay dividend out of gross income while all or part of the fees and expenses of the MSCI China ETF are charged to/paid out of the capital of the MSCI China ETF, resulting in an increase in distributable income for the payment of dividends by the MSCI China ETF and therefore, the MSCI China ETF may effectively pay dividend out of capital. Payment of dividends 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 distributions involving payment of dividends out of or effectively out of the MSCI China ETF's capital may result in an immediate reduction of the Net Asset Value per Unit.

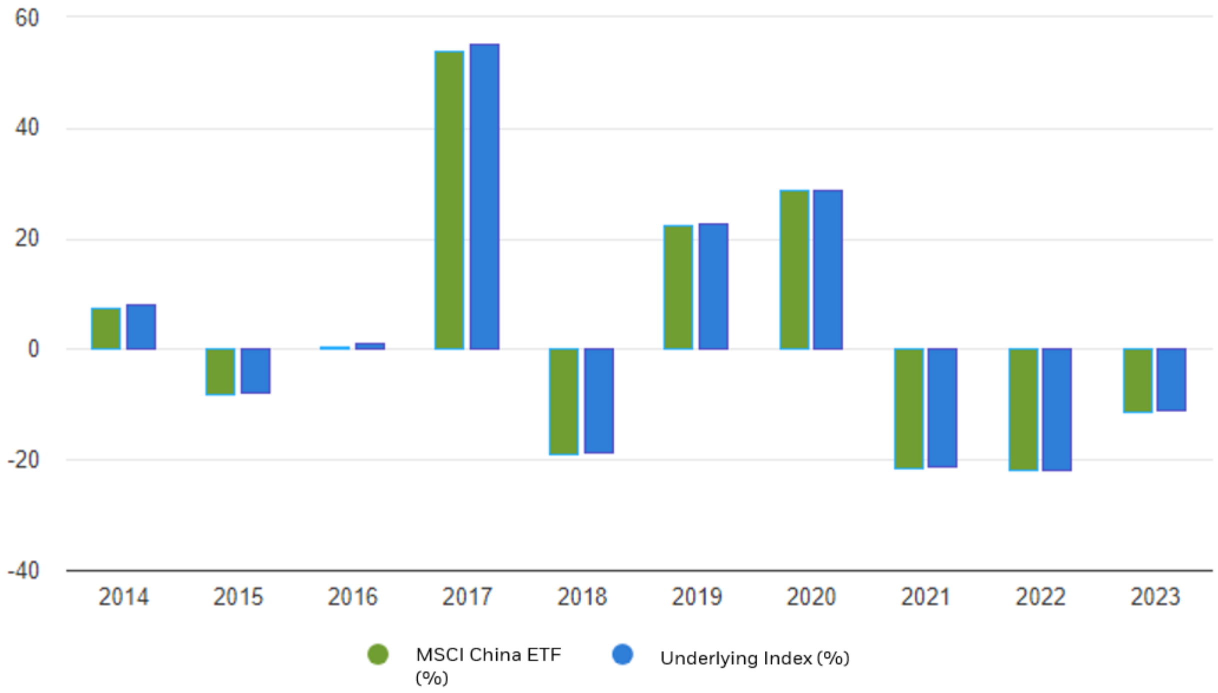
15. Trading risk

Generally, retail investors can only buy or sell units on SEHK. The trading price of the units of the MSCI China ETF on SEHK is subject to market forces and may trade at a substantial premium or discount to the NAV.

16. 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 for each counter gives not less than 3 months' notice prior to terminating market making arrangements, the liquidity in the market for the units may be adversely affected if there is no or only one Market Maker for the units of any counter. There is also no guarantee that any market making activity will be effective.

How has the fund performed?



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
MSCI China ETF Return (%)	7.33	-8.18	0.34	54.10	-19.08	22.34	28.65	-21.42	-21.93	-11.34
Underlying Index Return (%)	7.98	-7.88	0.94	55.34	-18.75	22.87	28.86	-21.29	-21.84	-11.16

Note: The performance of the MSCI China ETF prior to 30 April 2024 was achieved under circumstances that no longer apply as the investment strategy of the MSCI China ETF was amended on 30 April 2024 to enable securities lending.

- 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 MSCI China ETF increased or decreased in value during the calendar year shown. Performance is calculated in the base currency of the MSCI China ETF, including ongoing charges and excluding your trading costs on SEHK.
- Underlying Index: MSCI China Index.
- Launch date of MSCI China ETF: 23 November 2001.

Is there any guarantee?

The MSCI China 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 MSCI China ETF on SEHK

Fee	What you pay
Brokerage fee	Market Rate
Transaction levy	0.0027%[1]
Accounting and Financial Reporting Council transaction levy	0.00015%[2]
Trading fee	0.00565%[3]
Stamp duty	Nil
Inter-counter transfer fee	Nil

Ongoing fees payable by the MSCI China ETF

The following expenses will be paid out of the MSCI China ETF. They affect you because they reduce the NAV of the MSCI China 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
Sub-Managers fee	Included in the management fee
Custodian fee	Included in the management fee
Administration fee	Included in the management fee

Other costs

Please refer to the Prospectus for other fees and expenses payable by the MSCI China ETF.

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

2 Accounting and Financial Reporting Council transaction levy of 0.00015% of the price of the units, payable by the buyer and the seller.

3 Trading fee of 0.00565% of the price of the units, payable by the buyer and the seller.

Additional information

You can find the following information of the MSCI China ETF at the following website at www.blackrock.com/hk.

- The MSCI China ETF's Prospectus and this statement (as revised from time to time);
- Latest annual audited financial reports and interim half yearly unaudited financial reports;
- Last NAV (in HKD) and last NAV per Unit (in HKD and USD);
- Near real time indicative NAV per Unit throughout each dealing day (in HKD and USD);
- The MSCI China ETF's holdings (updated on a daily basis);
- The past performance of the MSCI China ETF;
- Public notices and announcements made by the MSCI China ETF;
- Latest list of participating dealers and market makers;
- The tracking difference and tracking error of the MSCI China ETF; and
- Composition of any dividends 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. HKD and USD) and the last NAV per unit in USD are for reference only. The near real time indicative NAV per unit in USD uses a real time exchange rate between the base currency (i.e. HKD) and the USD trading currency. It is calculated using the indicative NAV per unit in HKD multiplied by the real time exchange rate for USD provided by ICE Data Services. The last NAV per unit in USD is calculated using the last NAV per unit in the base currency (i.e. HKD) multiplied by the WM Reuters 4:00p.m. (London time)* rate for USD for that Dealing Day.

All of the information outlined above can be found on the product webpage of the MSCI China ETF. The product webpage of the MSCI China ETF can be located by using the search function and inserting the ticker number of the MSCI China ETF (i.e. 2801 or 9801) 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.