

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-2224

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
iShares Mortgage Real Estate Capped ETF		76-0844483	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
BlackRock Fund Advisors	1-800-474-2737	isharesetfs@blackrock.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
c/o BlackRock Inc., 1 University Square DR		Princeton, NJ 08540	
8 Date of action		9 Classification and description	
03/31/2016		Common Stock - Regulated Investment Company	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
464288539		REM	

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On March 30, 2016 the issuer paid a distribution to common shareholders of record of March 28, 2016. All or a portion of each distribution constitutes a non-taxable return of capital.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The portion of the distribution that constitutes a non-taxable return of capital will decrease a U.S. taxpayer's basis in the shares of Issuer. The non-taxable return of capital is as follows:

Distribution Payable On:	Per Share Reduction of Basis in Common Stock
March 30, 2016	\$0.259970

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ Issuer's current and accumulated earnings were compared to distributions paid during the year ended March 31, 2016. The non-taxable return of capital represents the amount of distributions paid during the taxable year ended March 31, 2016 in excess of Issuer's current and accumulated earnings and profits under IRC Section 316.

