

BlackRock Asset Management Deutschland AG

Semi-Annual Report
as at 31 October 2011
for the Fund

iShares SMI (DE)



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Notice

The funds named in this report are governed by German law. Fund units are bought on the basis of the currently valid prospectus and management regulations, supplemented by the most recent annual report concerned and also by the semi-annual report if such a report later than the last annual report exists.

The financial statements were drawn up in German and translated into English.

Only the German version is legally binding.

Note on Licences

Legal Information

BlackRock Advisors (UK) Ltd. has been authorised for trading by the British financial market regulator Financial Services Authority ('FSA'), and is under its supervision. The Irish iShares funds mentioned in this document are subfunds of iShares plc, iShares II plc, iShares III plc, iShares IV plc or iShares V plc. These are open-ended investment companies with variable share capital in the form of an umbrella fund, with separate liability for its subfunds.

The German iShares funds mentioned in this document are investment funds subject to the German Investment Act (InvG). These funds are managed by BlackRock Asset Management Deutschland AG and are regulated by the Federal Financial Supervisory Authority (BaFin).

For Investors in Germany

The sales prospectuses of the funds issued in Germany are available free of charge electronically and in hard copy from BlackRock Asset Management Deutschland AG, Max-Joseph-Str. 6, D-80333 Munich, Tel: +49 (0) 89 42729 – 5858,

Fax: +49 (0) 89 42729 – 5958, info@iShares.de. The sales prospectuses of the Irish subfunds as well as the annual and semi-annual reports are available free of charge from Commerzbank AG, Jürgen-Ponto-Platz 1, D-60301 Frankfurt/Main.

Risk Warnings

The value of investments in all the iShares funds may fluctuate and investors may not get back the amount invested. Past performance may not be repeated and is no guarantee of future returns. Investment risks from market and currency losses as well as high volatility and concentration risk cannot be excluded.

Index - Disclaimers of Liability

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Additional Information for Investors in Liechtenstein and Switzerland

The sales prospectuses including contractual terms and conditions, financial statements and semi-annual reports can be obtained, without charge, at the relevant paying agent and distributor.

Paying Agent in Switzerland:

JPMorgan Chase Bank, National
Association, Columbus, Zurich Branch,
Dreikönigstrasse 21,
8002 Zurich, Switzerland

Paying Agent and Distributor in Liechtenstein:

Verwaltungs- und Privatbank Aktiengesellschaft
Im Zentrum
9490 Vaduz, Principality of Liechtenstein

Representative in Switzerland:

BlackRock Asset Management Schweiz AG
Claridenstrasse 25
8002 Zurich, Switzerland

Report of the Management Board

Dear Investors,

BlackRock Asset Management Deutschland AG is able to look back on a very successful fiscal year. Private and institutional investors value the benefits provided by the reasonable pricing, liquidity and transparency of iShares ETFs. BlackRock conducts all its global business in exchange traded index funds (ETFs) under the iShares brand.

As at 31 October 2011 the volume of assets under management for the 64 iShares funds currently managed in Germany was EUR 27.57 billion, making BlackRock Asset Management Deutschland AG the fifth-largest retail fund company in Germany (source: BVI - *Bundesverband Investment und Asset Management e.V.*). This semi-annual report provides detailed information about the performance of our index funds.

Our ETF product range includes 164 iShares funds approved in Germany, providing investors with easy and diversified access to a large number of worldwide markets and asset classes. More than a third of these exchange-traded index funds are both issued and managed in Germany. The code (DE) in the fund name identifies them as such. In November 2010, iShares listed the world's first European high-yield ETF on the Deutsche Börse. Six additional iShares ETFs have been listed on the Deutsche Börse since February 2011. These include currency-hedged products on the Japanese and global equity markets and on the S&P 500 and ETFs on the Indian and Russian equity markets which are based on a new, transparent and fully hedged swap-based model, as well as an additional index fund on the US equity market. In addition, since July 2011, we have offered on the Deutsche Börse two further sustainability ETFs as well as iShares Barclays Capital Emerging Markets Local Govt Bond, which physically invests in government bonds from eight emerging markets in the respective local currencies.

The crowning achievement of the financial year was winning numerous national and international awards. Among other awards, iShares was awarded the Golden Bull from *€uro Finanzen* as "ETF House of the Year 2011" and won readers' choice prizes as "Best ETF Provider" and "Best ETF Bond Provider" at the portfolio ETF Awards. In addition, iShares won first place in the "Product Range" and "Service" categories at the 2011 EXtra ETF Awards.

ETFs have flourished since their launch ten years ago in Germany and Europe. On 11 April 2000, iShares DJ Euro STOXX 50 (now: iShares EURO STOXX 50) and iShares DJ STOXX 50 (now: iShares STOXX Europe 50) were the first exchange-traded index funds to be listed on the Deutsche Börse. This listing of the first ETFs has been instrumental in making a lasting change to the European investment landscape. ETFs have provided investors with new avenues in portfolio management, particularly through their high level of liquidity, efficiency and transparency.

As a provider from the outset, iShares retains its outstanding positioning in the European ETF market. We are continuing to invest in excellent service and products that meet the needs of our customers. We adjusted our STOXX-sector product range on 31 March 2011 by transferring our previous swap-based products to existing fully replicating products. This merger makes iShares the only ETF issuer that offers a competitive UCITS III-compliant and fully replicating STOXX sector product range. We intend to develop our market leadership further through the continuous and innovative extension of our product range. Among the strategic competitive advantages of iShares ETFs are high market liquidity, narrow bid/ask spreads and a high level of precision in index replication.

Please visit our website www.iShares.de or call us on +49 (0) 89 42729 - 5858 for further information.

We would like to thank you for your trust and we are looking forward to continuing to work together in partnership.

Your BlackRock Asset Management Deutschland AG Directors



Dr. Dirk Klee



Michael Krautzberger

iShares SMI (DE)

Composition of the Index

Securities	Index weight in %
Nestlé S.A. Namens-Aktien SF -,10	24.11
Novartis AG Namens-Aktien SF 0.50	18.57
Roche Holding AG Inhaber-Genußscheine o.N.	14.59
Ubs Ag Namens-Aktien SF -,10	5.77
ABB Ltd. Namens-Aktien SF 1.03	5.56
Zurich Financial Services AG Nam.-Aktien SF 0.10	4.31
Credit Suisse Group AG Namens-Aktien SF -,50	4.15
Cie Financière Richemont AG Inhaber-Aktien A SF 1	3.77
Syngenta AG Nam.-Aktien SF 2.30	3.61
Transocean Ltd. Nam.-Aktien SF 15	2.41
Swiss Re AG Namens-Aktien SF -,10	2.33
Holcim Ltd. Namens-Aktien SF 2	1.98
Swatch Group AG, The Inhaber-Aktien SF 2.25	1.65
Synthes Inc. Reg.Shs (Acc. Inv.) SF-,001	1.58
Sgs S.A. Namens-Aktien SF 1	1.19
Swisscom AG Namens-Aktien SF 1	1.14
Julius Baer Gruppe AG Namens-Aktien SF -,02	0.99
Givaudan SA Namens-Aktien SF 10	0.96
Adecco S.A. Namens-Aktien SF 1	0.79
Actelion Ltd. Nam.-Aktien SF 0.50	0.56

Fund Management Activity Report

In the reporting period the following index changes were published by the index provider, which were reflected directly in the Fund:

New inclusions		ISIN
19.09.2011	Givaudan SA Namens-Aktien SF 10	CH0010645932

Removals		ISIN
19.09.2011	Lonza Group AG Namens-Aktien SF 1	CH0013841017

Semi-Annual Report for iShares SMI (DE) as at the reporting date of 31 October 2011

Detailed summary of assets pursuant to Article 7(2) InvRBV

	Market value in CHF	% of fund assets
Equity	103,512,820.60	85.16
-Switzerland (incl. Büsingen)	101,599,073.40	83.59
-USA	1,913,747.20	1.57
Other investment securities	17,686,825.70	14.55
-Switzerland (incl. Büsingen)	17,686,825.70	14.55
Bank accounts	403,115.88	0.33
Other liabilities	-49,538.59	-0.04
Short-term liabilities	-1,214.15	0.00
Fund assets	121,552,009.44	100.00

Statement of Net Assets as at 31 October 2011

Designation of class of security	ISIN	Market	Units or shares or currency in 1,000	Balance 31/10/2011	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in CHF	% of fund assets	
Securities										
Exchange-traded securities										
Equity										
ABB Ltd. Namens-Aktien SF 1.03	CH0012221716		units	402,721	422,798	404,739	CHF	16.720	6,733,495.12	5.54
Actelion Ltd. Nam.-Aktien SF 0.50	CH0010532478		units	20,746	21,936	21,152	CHF	32.670	677,771.82	0.56
Adecco S.A. Namens-Aktien SF 1	CH0012138605		units	22,452	2,153	1,115	CHF	42.410	952,189.32	0.78
Cie Financière Richemont AG Inhaber-Aktien A SF 1	CH0045039655		units	90,818	8,616	4,767	CHF	50.250	4,563,604.50	3.75
Credit Suisse Group AG Namens-Aktien SF -,50	CH0012138530		units	196,421	206,122	195,138	CHF	25.600	5,028,377.60	4.14
Givaudan S.A. Namens-Aktien SF 10	CH0010645932		units	1,455	1,493	38	CHF	802.000	1,166,910.00	0.96
Holcim Ltd. Namens-Aktien SF 2	CH0012214059		units	42,850	45,082	43,250	CHF	56.000	2,399,600.00	1.97
Julius Baer Gruppe AG Namens-Aktien SF -,02	CH0102484968		units	35,948	3,409	1,887	CHF	33.340	1,198,506.32	0.99
Nestlé S.A. Namens-Aktien SF -,10	CH0038863350		units	574,138	56,519	59,679	CHF	50.900	29,223,624.20	24.05
Novartis AG Namens-Aktien SF 0.50	CH0012005267		units	453,706	64,582	21,981	CHF	49.610	22,508,354.66	18.52
SGS S.A. Namens-Aktien SF 1	CH0002497458		units	952	90	50	CHF	1,510.000	1,437,520.00	1.18
Swatch Group AG, The Inhaber-Aktien SF 2.25	CH0012255151		units	5,364	508	282	CHF	371.600	1,993,262.40	1.64
Swiss Re AG Namens-Aktien SF -,10	CH0126881561		units	58,614	62,619	4,005	CHF	48.230	2,826,953.22	2.33
Swisscom AG Namens-Aktien SF 1	CH0008742519		units	3,880	367	203	CHF	354.700	1,376,236.00	1.13
Syngenta AG Nam.-Aktien SF 2.30	CH0011037469		units	16,312	1,556	1,005	CHF	268.500	4,379,772.00	3.60
Synthes Inc. Reg.Shs (Acc. Inv.) SF-,001	US87162M4096		units	13,001	1,691	634	CHF	147.200	1,913,747.20	1.57
Transocean Ltd. Nam.-Aktien SF 15	CH0048265513		units	58,323	117,238	114,768	CHF	50.000	2,916,150.00	2.40
UBS AG Namens-Aktien SF -,10	CH0024899483		units	623,704	59,165	32,558	CHF	11.210	6,991,721.84	5.75
Zurich Financial Services AG Nam.-Aktien SF 0.10	CH0011075394		units	25,638	2,482	1,271	CHF	203.800	5,225,024.40	4.30
Total equities									103,512,820.60	85.16
Other investment securities										
Roche Holding AG Inhaber-Genußscheine o.N.	CH0012032048		units	122,231	11,597	6,418	CHF	144.700	17,686,825.70	14.55
Total other investment securities									17,686,825.70	14.55
Total exchange-traded securities									121,199,646.30	99.71
Total securities									121,199,646.30	99.71

Bank Accounts, Unsecuritised Money Market Instruments, Money Market Funds

Bank accounts

Credit in non-EU/EEA currencies

StateStreet Bank	CHF	403,115.88	%	100.000	403,115.88	0.33
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Total bank accounts					403,115.88	0.33
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Total Bank Accounts, Unsecuritised Money Market Instruments, Money Market Funds					403,115.88	0.33
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Short-term liabilities

EUR loans

StateStreet Bank	EUR	-999.51		100.000	-1,213.95	0.00
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Total EUR loans					-1,213.95	0.00
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Loans in non-EU/EEA currencies

StateStreet Bank	USD	-0.23		100.000	-0.20	0.00
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Total loans in non-EU/EEA currencies					-0.20	0.00
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Total short-term liabilities					-1,214.15	0.00
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Other liabilities

Management fee	CHF	-49,538.59			-49,538.59	-0.04
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Total other liabilities					-49,538.59	-0.04
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Fund assets			CHF		121,552,009.44	100.00⁹⁾
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Unit value			CHF		57.48	
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Units in circulation			units		2,114,801	
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Value of investments as a proportion of fund assets (%)

99.71

Value of derivatives as a proportion of fund assets (%)

0.00

9) Rounding of percentages during the calculation may result in slight rounding differences.

Security Prices and Market Prices

The closing prices on the respective Valuation Dates are used to value European securities. Securities in the Investment Fund as at the reporting date were valued without exception on the basis of prices traded on the stock exchange. No valuation models were used.

Money in bank accounts and existing receivables are valued at their current nominal value. Existing liabilities are reported at the amounts payable.

Exchange rates

as at 31/10/2011

Euro	(CHF)	1.21455	= 1 (EUR)
US dollar	(CHF)	0.87077	= 1 (USD)

**Transactions during the reporting period, insofar as these no longer appear in the assets listed:
 - Securities purchases and sales, investment units and bonds (market allocation on the reporting date):**

Designation of class of security	ISIN	Units or shares or currency in 1,000	Purchases/ Additions	Sales/ Disposals
Exchange-traded securities				
Equity				
Lonza Group AG Namens-Aktien SF 1	CH0013841017	units	604	8,720
Schweizerisch.Rückvers.-Ges.AG Namens-Aktien SF 0.10	CH0012332372	units	-	56,994

Munich, 31 October 2011

BlackRock Asset Management Deutschland AG

Dr. Dirk Klee

Michael Krautzberger

Special Notice for Business Investors

Adjustment of equity gains due to the ECR ruling in the case STEKO Industriemontage GmbH

In the case STEKO Industriemontage GmbH (C-377/07), the European Court of Justice (ECJ) decided that the regulation in the KStG (Capital Gains Tax Act) for the transition from

the corporate tax imputation procedure to the half-income procedure in 2001 was in violation of European law. The prohibition on corporations claiming a reduction in profits connected with shareholdings in foreign companies under Section 8b Para. 3 KStG for tax purposes had been valid under Section 34 KStG since 2001, while the prohibition on the reduction in profits connected with shareholdings in domestic companies did not become valid until 2002. In the opinion of the ECJ this is in violation of the freedom of movement of capital.

The transitional regulations of the KStG applied accordingly to fund investments under the Gesetz über Kapitalanlagegesellschaften (German Capital Investment Companies Act) (Sections 40 and 40a in conjunction with Section 43 Para. 14 KAGG). This decision could be of particular significance for the purposes of taking into account reductions in profits when calculating equity gains in accordance with Section 40a KAGG (Investment Companies Act). In its judgement of 28 October 2009 (Az. I R 27/08), the German federal tax court (Bundesfinanzhof; BFH) ruled that the STEKO case would in principle have an effect on fund investments. The BMF circular of 1 February 2011, "Application of the BFH ruling of 28 October 2009 – I R 27/08 on equity gains ("STEKO case")" states that the tax authorities have established what they view as the permissible conditions under which equity gains can be adjusted on the basis of the STEKO case.

We recommend that investors holding units in operating assets consult a tax advisor regarding possible actions based on the STEKO case.

Management Company and Custodian Bank

Management Company.

BlackRock Asset Management Deutschland AG
Max-Joseph-Strasse 6
80333 Munich, Germany

Share capital as at 30/09/2011
EUR 5 million

Liable equity as at 30/09/2011
EUR 7 million

Shareholders.

BlackRock Holdings Deutschland GmbH

Management.

Dr. Dirk Klee
Chairman of the Management Board, Munich
Martina G. Reichl⁽¹⁾
Member of the Management Board, Munich
Michael Krautzberger⁽²⁾
Member of the Management Board, Munich

Supervisory Board.

John Richard Kushel
BlackRock, Senior Managing Director, Head of Portfolio Management Group
London, UK.
Derek Stein
BlackRock, Managing Director, Head of Business Operations Group
San Francisco, USA.
Prof. Dr. Markus Rudolf
Pro-rector and University Professor, WHU Otto Beisheim School of Management

Custodian Bank.

State Street Bank GmbH
Brienner Str. 59
80333 Munich, Germany

Auditor.

KPMG AG
Wirtschaftsprüfungsgesellschaft
Munich Office
Ganghoferstr. 29
80339 Munich, Germany

(1) until 31/05/2011

(2) from 01/06/2011

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