



Annual Report

iShares Southeast Asia Trust

- iShares MSCI India Index ETF
 - iShares J.P. Morgan USD Asia Credit Bond Index ETF
 - iShares Barclays USD Asia High Yield Bond Index ETF
- (Constituted under a Trust Deed in the Republic of Singapore)

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Manager's Investment Report

iShares MSCI India Index ETF

(a Sub-Fund of iShares Southeast Asia Trust)

Introduction

iShares MSCI India Index ETF ("MSCI India ETF"), a sub-fund of the iShares Southeast Asia Trust (the "Trust"), was launched and commenced trading on 15 June 2006 on the Singapore Exchange Securities Trading Limited ("SGX-ST") under the trading name of "IS MS INDIA 100US\$" and Exchange ticker of "I98". Effective on 15 June 2012, other than the US dollars, the MSCI India ETF is also traded in Singapore dollars on SGX-ST. The Singapore dollars trading line of MSCI India ETF is under the trading name of "IS MS INDIA 100S\$" and Exchange ticker of "QK9".

The MSCI India ETF was established as an authorised scheme under the Securities and Futures Act, Chapter 289 of Singapore and obtained designation of an exchange traded fund ("ETF") from the SGX-ST. MSCI India ETF is benchmarked against the MSCI India Index. The Manager of MSCI India ETF is BlackRock (Singapore) Limited (the "Manager"). The Manager has appointed the Hong Kong domiciled BlackRock Asset Management North Asia Limited (the "Sub-Manager") as the sub-manager of the MSCI India ETF under a sub-management agreement entered into between the Manager and the Sub-Manager (the "Sub-Management Agreement"). Under the Sub-Management Agreement, the Manager has discretion to delegate its investment management functions of MSCI India ETF to the Sub-Manager.

The MSCI India ETF invests in the Indian market via the Mauritius Subsidiary. The Mauritius Subsidiary is registered as a sub-account of the Manager, which is registered as a Foreign Portfolio Investor ("FPI") with the Securities Exchange Board of India, allowing the Mauritius subsidiary to invest directly in Indian securities.

India Tax Law Changes

Effective 1 April 2018, capital gains (exceeding INR 100,000) realised from the sale of direct investments in India listed securities which were held for a period of more than 12 months are subject to long term Capital Gains Tax ("CGT") under new provisions included in the Income Tax Act. For India listed securities held on or before 31 January 2018, any notional long term capital gains up to that date are grandfathered and sheltered from tax via a cost base step up to fair market value as at 31 January 2018 (where applicable).

Based on the above, gains arising on disposal of shares by the Mauritius Subsidiary acquired prior to 1 April 2017 were not subject to tax. Gains on disposal of shares acquired after 1 April 2017 will be subject to tax according to the relevant local laws. The Manager established a provisioning policy which requires the Mauritius Subsidiary investing directly into Indian securities to provision for the unrealised capital gains tax. The Manager will continue to monitor and review the impact of India tax law changes on the Mauritius Subsidiary.

In preparing these financial statements, the Manager has made certain assumptions and used various estimates concerning the tax exposure which is dependent on what might happen in the future. The resulting accounting estimates may not equal the related actual results.

A. Sub-Fund Performance¹

MSCI India ETF seeks to provide investment results that closely correspond to the performance of the MSCI India Index before fees and expenses. MSCI India ETF invests into the Indian market through its wholly owned Mauritius Subsidiary which invests in Indian securities.

At the close of 31 December 2018, the NAV per unit (based on the last traded prices of the investments) of the MSCI India ETF was US\$8.41 and 19,500,000 units were outstanding. The total size of the MSCI India ETF was approximately US\$164.0 million.

A summary of the performance of MSCI India ETF is given below:

Total Return ² in US\$ as of 31 December 2018	1-Month	3-Month	6-Month	1-Year
Net DIV MSCI India Total Return Index in US\$ ⁴	-0.13%	2.53%	0.23%	-7.30%
Sub-Fund NAV Return in US\$ ⁵	-0.26%	2.30%	-0.62%	-8.60%
Sub-Fund Price Return (MKT) in US\$ ⁶	0.96%	3.43%	-2.20%	-8.76%

Total Return ² in US\$ as of 31 December 2018	3-Year (Annualised)	5-Year (Annualised)	Since Inception ³ (Annualised)
Net DIV MSCI India Total Return Index in US\$ ⁴	8.23%	8.07%	7.89%
Sub-Fund NAV Return in US\$ ⁵	6.98%	6.94%	6.52%
Sub-Fund Price Return (MKT) in US\$ ⁶	8.00%	7.28%	6.57%

Source: BlackRock and MSCI

As of 31 December 2018, MSCI India Index consists of 78 constituents and all of them are large and mid-cap India companies in MSCI universe. The difference in performance between the MSCI India Index and MSCI India ETF can be largely explained by the MSCI India ETF's expenses.

¹ Past performance figures shown are not indicative of the future performance of the Sub-Fund.

² Total returns represent the rate that an investor would have earned (or lost) on an investment, assuming reinvestment of all dividends and distributions.

³ This is annualised return since fund inception and fund inception date is 15 June 2006.

⁴ An investor cannot invest directly in an index and the index performance returns do not reflect management fees, transaction costs or other expenses, which would reduce performance returns.

⁵ Units in the Sub-Fund are issued and redeemed at their NAV in exchange for a basket of securities representing the MSCI India Index. Therefore, the Sub-Fund does not publish a bid price and the Sub-Fund's returns have been calculated from NAVs; and assuming reinvestment of all dividends.

⁶ Market returns are calculated using historical market closing prices (when NAV is normally determined for the Sub-Fund), and do not represent the returns you would receive if you traded shares at other times.

Manager's Investment Report (continued)

iShares MSCI India Index ETF

(a Sub-Fund of iShares Southeast Asia Trust)

Sub-Fund Activities

The average daily trading volume for MSCI India ETF during the year was reported by Bloomberg to be approximately 161,824 units.

Index Activities

MSCI India Index underwent 4 regular reviews during the year from 1 January 2018 to 31 December 2018. As at 31 December 2018, MSCI India ETF had exposure to all index constituents in the MSCI India Index.

Sector Weights

As of 31 December 2018, the index sector weights and portfolio weights, (as represented by holdings of the Mauritius Subsidiary against the net asset attributable to unitholders of MSCI India ETF), are listed below.

Sector	Index Weights %	Portfolio Weights %
Consumer Discretionary	10.12	10.10
Consumer Staples	11.59	11.54
Energy	13.76	13.73
Financial	23.70	23.59
Health Care	5.39	5.38
Industrial	4.44	4.44
Information Technology	16.69	16.62
Materials	8.57	8.56
Communication	2.62	2.64
Utilities	3.10	3.09

B. Distribution of Investments of the MSCI India ETF as at 31 December 2018

1 By Asset Class

	Fair Value US\$	Percentage of Total Net Assets Attributable to Unitholders %
Listed Equities	163,767,469	99.86
Other Net Assets ⁷	235,835	0.14
Net Assets Attributable to Unitholders (At Last Traded Prices)	164,003,304	100.00

2 By Credit Rating of Fixed Income Securities

Not Applicable

3 By Derivative Type

Not Applicable

C. Top 10 Holdings

Largest holding as at 31 December 2018*

	Fair Value as at 31 December 2018 US\$	Percentage of Total Net Assets Attributable to Unitholders as at 31 December 2018 %
iShares MSCI India Mauritius Company	163,767,469	99.86

*There was only 1 holding as at 31 December 2018

Largest holding as at 31 December 2017*

	Fair Value as at 31 December 2017 US\$	Percentage of Total Net Assets Attributable to Unitholders as at 31 December 2017 %
iShares MSCI India Mauritius Company	362,989,415	99.87

*There was only 1 holding as at 31 December 2017

D. Global Exposure

Not applicable.

E. Collateral

Nil.

F. Securities Lending or Repurchase Transactions

Nil.

G. Investment in Other Unit Trusts, Mutual Funds and Collective Investment Schemes

Nil.

H. Borrowings

Nil.

I. Soft Dollar Commission Received by the Managers

During the year ended 31 December 2018, the Manager confirmed that no soft dollar commission arrangements existed in relation to directing transactions of MSCI India ETF through a broker or dealer.

J. Other Material Information

There is no other material information that will adversely impact the valuation of MSCI India ETF.

⁷ Other net assets include the cash and bank balances of US\$360,996

Manager's Investment Report (continued)

iShares MSCI India Index ETF

(a Sub-Fund of iShares Southeast Asia Trust)

K. Supplemental Information on Underlying Sub-Fund

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(i) 10 largest holdings

As at 31 December 2018

	Fair Value as at 31 December 2018 US\$	Percentage of Total Net Assets Attributable to Unitholders as at 31 December 2018 %
Reliance Industries Limited	16,575,324	10.11
Housing Development Finance Corporation Limited	16,393,876	10.00
Infosys Ltd	11,937,788	7.28
Tata Consultancy Services Ltd	8,840,108	5.39
Hindustan Unilever Limited	6,127,306	3.74
Axis Bank Limited	5,778,757	3.52
I.T.C Limited	5,009,529	3.05
ICICI Bank Limited	4,455,579	2.72
Maruti Suzuki India Limited	4,093,166	2.50
Larsen & Toubro Limited	3,566,705	2.17

As at 31 December 2017

	Fair Value as at 31 December 2017 US\$	Percentage of Total Net Assets Attributable to Unitholders as at 31 December 2017 %
Housing Development Finance Corporation Limited	30,851,969	8.49
Reliance Industries Limited	28,555,083	7.86
Infosys Ltd	21,801,232	6.00
Tata Consultancy Services Ltd	14,789,300	4.07
Maruti Suzuki India Limited	12,234,287	3.37
Axis Bank Limited	11,234,920	3.09
I.T.C Limited	10,646,011	2.93
Hindustan Unilever Limited	10,551,502	2.90
ICICI Bank Limited	8,935,822	2.46
Tata Motors Limited	8,172,738	2.25

(ii) Expense Ratio

As at 31 December 2018	0.20%
As at 31 December 2017	0.17%

The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio at 31 December 2018 and 31 December 2017 was based on total operating expenses divided by the average net asset value for the year. The total operating expenses do not include (where applicable) brokerage and other transactions costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Sub-Fund does not pay any performance fee. The average net asset value is based on the daily balances.

(iii) Turnover Ratio

As at 31 December 2018	8.96%
As at 31 December 2017	14.32%

The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower of the total value of purchases or sales of the underlying investment divided by the average daily net asset value.

Manager's Investment Report (continued)

iShares J.P. Morgan USD Asia Credit Bond Index ETF (a Sub-Fund of iShares Southeast Asia Trust)

Introduction

iShares J.P. Morgan USD Asia Credit Bond Index ETF (the "USD Asia Credit Bond ETF"), a sub-fund of the iShares Southeast Asia Trust (the "Trust"), was launched and commenced trading on 2 June 2011 on the Singapore Exchange Securities Trading Limited ("SGX-ST") under the trading name of "IS ASIA BND 100US\$" and Exchange ticker of "N6M". Effective on 15 June 2012, other than the US dollar, the USD Asia Credit Bond ETF is also traded in Singapore dollars on SGX-ST. The Singapore dollar trading line of the USD Asia Credit Bond ETF is under the trading name of "IS ASIA BND 100S\$D" and Exchange ticker of "QL2".

The USD Asia Credit Bond ETF was established as an authorised scheme under the Securities and Futures Act, Chapter 289 of Singapore and obtained designation of an exchange traded fund ("ETF") from the SGX-ST. The USD Asia Credit Bond ETF is benchmarked against the J.P. Morgan Asia Credit Index - Core (the "JACI Core"). The JACI Core consists of liquid US dollar denominated debt instruments issued out of Asia ex-Japan by Asia-domiciled sovereigns, quasi-sovereigns and corporates. The Manager of the USD Asia Credit Bond ETF is BlackRock (Singapore) Limited.

A. Sub-Fund Performance¹

The USD Asia Credit Bond ETF seeks to provide investment results that, before fees and expenses, closely correspond to the performance of the JACI Core in US dollar terms.

At the close of 31 December 2018, the NAV per unit (based on the bid prices of the investments) of the USD Asia Credit Bond ETF was US\$10.15 and 3,353,554 units were outstanding. The total size of the USD Asia Credit Bond ETF was approximately US\$34.04 million.

A summary of the performance of the USD Asia Credit Bond ETF is given below:

Total Return ² in US\$ as of 31 December 2018	1-Month	3-Month	6-Month	1-Year
JACI Core Total Return Index in US\$ ⁴	1.51%	0.48%	2.03%	-1.39%
Sub-Fund NAV Return in US\$ ⁵	1.62%	0.43%	1.85%	-1.60%
Sub-Fund Price Return (MKT) in US\$ ⁶	1.19%	0.60%	1.48%	-1.93%

Total Return ² in US\$ as of 31 December 2018	3-Year (Annualised)	5-Year (Annualised)	Since Inception ³ (Annualised)
JACI Core Total Return Index in US\$ ⁴	3.78%	4.47%	4.70%
Sub-Fund NAV Return in US\$ ⁵	3.74%	4.40%	4.54%
Sub-Fund Price Return (MKT) in US\$ ⁶	3.74%	4.54%	4.45%

Source: BlackRock and J.P.Morgan

As of 31 December 2018, the JACI Core consists of 942 bonds denominated in US dollars which are issued by Asia-domiciled sovereigns, quasi-sovereigns and corporates. The difference in performance between the USD Asia Credit Bond ETF and the JACI Core can be largely explained by the fees and expenses of the USD Asia Credit Bond ETF and security misweights due to the use of representative sampling.

Sub-Fund Activities

The average daily trading volume for the USD Asia Credit Bond ETF during the year was reported by Bloomberg to be approximately 8,343 units.

Index Activities

The JACI Core is rebalanced monthly. As at 31 December 2018, the USD Asia Credit Bond ETF held 163 of the 942 constituents in the JACI Core.

Sector Weights

As of 31 December 2018, the index sector weights are listed below.

Sector	Index Weights %	Portfolio Weights %
Consumer	4.75	5.50
Financial	18.33	16.09
Industrial	14.96	14.71
Media & Telecom	5.22	6.83
Oil & Gas	6.31	6.41
Government Related	45.16	43.20
Utilities	5.00	5.43
Other	0.26	0.54

¹ Past performance figures shown are not indicative of the future performance of the Sub-Fund.

² Total returns represent the rate that an investor would have earned (or lost) on an investment, assuming reinvestment of all dividends and distributions.

³ This is annualised return since fund inception and fund inception date is 27 May 2011.

⁴ An investor cannot invest directly in an index and the index performance returns do not reflect management fees, transaction costs or other expenses, which would reduce performance returns.

⁵ Units in the Sub-Fund are issued and redeemed at their NAV. Therefore, the Sub-Fund does not publish a bid price and the Sub-Fund's returns have been calculated from NAVs.

⁶ Market returns are calculated using historical market closing prices (when NAV is normally determined for the Sub-Fund), and do not represent the returns you would receive if you traded shares at other times. In the event there is no trading in the market on the last day of the period the return is calculated to the last traded price in the period.

Manager's Investment Report (continued)

iShares J.P. Morgan USD Asia Credit Bond Index ETF
(a Sub-Fund of iShares Southeast Asia Trust)

B. Distribution of Investments of the USD Asia Credit Bond ETF as at 31 December 2018

1 By Asset Class

	Fair Value US\$	Percentage of Total Net Assets Attributable to Unitholders %
Debt Securities	34,006,041	99.91
Other Net Assets ⁷	29,908	0.09
Net Assets Attributable to Unitholders (At Bid Market Prices)	34,035,949	100.00

2 By S&P, Moody's or Fitch Credit Rating of Debt Securities

	Fair Value US\$	Percentage of Total Net Assets Attributable to Unitholders as at 31 December 2018 %
AAA	241,832	0.71
AA+	378,916	1.11
AA	2,867,892	8.43
AA-	442,415	1.30
A1	196,383	0.58
A+	1,837,421	5.41
A2	556,556	1.64
A	2,107,179	6.18
A3	390,391	1.15
A-	2,147,866	6.30
BBB+	2,676,216	7.86
Baa1	758,702	2.22
BBB	3,512,998	10.34
Baa2	977,572	2.87
BBB-	6,999,906	20.56
Baa3	359,139	1.05
BB+	198,200	0.58
BB	328,517	0.97
Ba2	182,585	0.54
BB-	589,970	1.73
Ba3	188,000	0.55
B+	867,250	2.55
B	2,731,377	8.03
B-	147,837	0.43
Unrated	1,911,420	5.62
Accrued interest receivable on debt securities	409,501	1.20

3 By Derivative Type

Not applicable

C. Top 10 Holdings

10 largest holdings as at 31 December 2018

	Fair value at 31 December 2018 US\$	Percentage of Total Net Assets Attributable to Unitholders as at 31 December 2018 %
Republic of Philippines 3.7% due 01/03/2041	591,791	1.74
Republic of Philippines 6.375% due 23/10/2034	438,902	1.29
Sands China Limited 4.6% due 08/08/2023	396,666	1.17
Singtel Group Treasury P Series Emtn 3.25% due 30/06/2025	390,278	1.15
Mongolia 5.125% due 05/12/2022	375,197	1.10
1MDB Global Investments Series 4.4% due 09/03/2023	356,222	1.05
Export-Import Bank of Korea 5% due 11/04/2022	315,074	0.93
Vedanta Resources Public Limited Company 6.375% due 30/07/2022	313,250	0.92
Perusahaan Listrik Negara 5.5% due 22/11/2021	309,000	0.91
Republic of Philippines 4.2% due 21/01/2024	308,339	0.91

⁷ Other net assets include the cash and bank balances of US\$374,997

Manager's Investment Report (continued)

iShares J.P. Morgan USD Asia Credit Bond Index ETF
(a Sub-Fund of iShares Southeast Asia Trust)

10 largest holdings as at 31 December 2017

	Fair value at 31 December 2017 US\$	Percentage of Total Net Assets Attributable to Unitholders as at 31 December 2017 %
Republic of Philippines 3.7% due 01/03/2041	770,993	1.85
Republic of Philippines 6.375% due 23/10/2034	601,826	1.45
Export-Import Bank of Korea 4% due 29/01/2021	411,858	0.99
Singtel Group Treasury P Series Emtn 3.25% due 30/06/2025	405,985	0.98
Mongolia 5.125% due 05/12/2022	394,516	0.95
1MDB Global Investments Series 4.4% due 09/03/2023	388,000	0.93
Republic of Indonesia Series 5.95% due 08/01/2046	369,510	0.89
Vedanta Resources Public Limited Company 6.375% due 30/07/2022	364,438	0.88
Republic of Indonesia 5.875% due 15/01/2024	341,559	0.82
Republic of Indonesia 6.75% due 15/01/2044	331,987	0.80

D. Global Exposure

Not applicable.

E. Collateral

Nil.

F. Securities Lending or Repurchase Transactions

Nil.

G. Investment in Other Unit Trusts, Mutual Funds and Collective Investment Schemes

Nil.

H. Borrowings

Nil.

I. Soft Dollar Commission Received by the Managers

During the financial year ended 31 December 2018, the Manager confirmed that no soft dollar commission arrangements existed in relation to directing transactions of the USD Asia Credit Bond ETF through a broker or dealer.

J. Other Material Information

There is no other material information that will adversely impact the valuation of the USD Asia Credit Bond ETF.

K. Supplemental Information on Underlying Sub-Funds

Not applicable.

Manager's Investment Report (continued)

iShares Barclays USD Asia High Yield Bond Index ETF (a Sub-Fund of iShares Southeast Asia Trust)

Introduction

iShares Barclays USD Asia High Yield Bond Index ETF (the "USD Asia High Yield Bond ETF"), a sub-fund of the iShares Southeast Asia Trust (the "Trust"), was launched and commenced trading on 8 December 2011 on the Singapore Exchange Securities Trading Limited ("SGX-ST") under the trading name of "IS ASIA HYG100US\$" and Exchange ticker of "O9P". Effective on 15 June 2012, other than the US dollars, the USD Asia High Yield Bond ETF is also traded in Singapore dollars on SGX-ST. The Singapore dollar trading line of the USD Asia High Yield Bond ETF is under the trading name of "IS ASIA HYG100S\$" and Exchange ticker of "QL3".

The USD Asia High Yield Bond ETF was established as an authorised scheme under the Securities and Futures Act, Chapter 289 of Singapore and obtained designation of an exchange traded fund ("ETF") from the SGX-ST. The USD Asia High Yield Bond ETF is benchmarked against the Bloomberg Barclays Asia USD High Yield Diversified Credit Index (the "BAHY Index"). The BAHY Index consists of fixed-rate US dollar-denominated government-related and corporate high yield debt of the Asia ex-Japan region. Issuer exposures are capped at 4% of the overall index market value for diversification. The Manager of the USD Asia High Yield Bond ETF is BlackRock (Singapore) Limited.

A. Sub-Fund Performance¹

The USD Asia High Yield Bond ETF seeks to provide investment results that, before fees and expenses, closely correspond to the performance of the BAHY Index in US dollar terms.

At the close of 31 December 2018, the NAV per unit (based on the bid prices of the investments) of the USD Asia High Yield Bond ETF was US\$9.78 and 5,931,559 units were outstanding. The total size of the USD Asia High Yield Bond ETF was approximately US\$58.0 million.

A summary of the performance of the USD Asia High Yield Bond ETF is given below:

Total Return ² in US\$ as of 31 December 2018	1-Month	3-Month	6-Month	1-Year
BAHY Total Return Index in US\$ ⁴	1.68%	-1.10%	1.34%	-3.21%
Sub-Fund NAV Return in US\$ ⁵	1.56%	-1.29%	1.03%	-3.66%
Sub-Fund Price Return (MKT) in US\$ ⁶	1.73%	-1.09%	1.20%	-3.92%

Total Return ² in US\$ as of 31 December 2018	3-Year (Annualised)	5-Year (Annualised)	Since Inception ³ (Annualised)
BAHY Total Return Index in US\$ ⁴	4.72%	4.91%	6.82%
Sub-Fund NAV Return in US\$ ⁵	4.43%	4.62%	6.46%
Sub-Fund Price Return (MKT) in US\$ ⁶	4.77%	4.73%	6.42%

Source: BlackRock and Bloomberg

As of 31 December 2018, the BAHY Index consists of 253 bonds denominated in US dollar which are issued by Asia-domiciled sovereigns, quasi-sovereigns and corporates. The difference in performance between the USD Asia High Yield Bond ETF and the BAHY Index can be largely explained by the fees and expenses of the USD Asia High Yield Bond ETF and security misweights due to the use of representative sampling.

Sub-Fund Activities

The average daily trading volume for the USD Asia High Yield Bond ETF during the year was reported by Bloomberg to be approximately 20,756 units.

Index Activities

The BAHY Index is rebalanced monthly. As at 31 December 2018, the USD Asia High Yield Bond ETF held 216 of the 253 constituents in the BAHY Index.

Sector Weights

As of 31 December 2018, the index sector weights are listed below.

Sector	Index Weights %	Portfolio Weights %
Financial	11.52	11.87
Industrial	67.27	65.10
Government Related	18.97	18.19
Utilities	2.24	2.53

B. Distribution of Investments of the USD Asia High Yield Bond ETF as at 31 December 2018

1 By Asset Class

	Fair Value US\$	Percentage of Total Net Assets Attributable to Unitholders %
Debt Securities	57,576,849	99.26
Other Net Assets ⁷	428,695	0.74
Net Assets Attributable to Unitholders (At Bid Market Prices)	58,005,544	100.00

1 Past performance figures shown are not indicative of the future performance of the Sub-Fund.

2 Total returns represent the rate that an investor would have earned (or lost) on an investment, assuming reinvestment of all dividends and distributions.

3 This is annualised return since fund inception and fund inception date is 5 December 2011.

4 An investor cannot invest directly in an index and the index performance returns do not reflect management fees, transaction costs or other expenses, which would reduce performance returns.

5 Units in the Sub-Fund are issued and redeemed at their NAV. Therefore, the Sub-Fund does not publish a bid price and the Sub-Fund's returns have been calculated from NAVs.

6 Market returns are calculated using historical market closing prices (when NAV is normally determined for the Sub-Fund), and do not represent the returns you would receive if you traded shares at other times. In the event there is no trading in the market on the last day of the period the return is calculated to the last traded price in the period.

7 Other net assets include the cash and bank balances of US\$(53,747)

Manager's Investment Report (continued)

iShares Barclays USD Asia High Yield Bond Index ETF
(a Sub-Fund of iShares Southeast Asia Trust)

2 By S&P, Moody's or Fitch Credit Rating of Debt Securities

	Fair Value US\$	Percentage of Total Net Assets Attributable to Unitholders as at 31 December 2018 %
BB+	1,542,129	2.66
BB	5,077,525	8.75
BB-	5,494,716	9.47
Ba1	580,605	1.00
Ba2	3,262,168	5.62
Ba3	1,749,050	3.01
B+	5,190,424	8.95
B	12,028,669	20.74
B-	1,245,934	2.15
B1	757,961	1.31
B2	287,453	0.50
B3	1,281,785	2.21
CCC	329,674	0.57
Caa1	381,042	0.66
Ca	107,613	0.19
Unrated	17,346,763	29.90
Accrued interest receivable on debt securities	913,338	1.57

3 By Derivative Type

Not applicable

C. Top 10 Holdings

10 largest holdings as at 31 December 2018

	Fair value at 31 December 2018 US\$	Percentage of Total Net Assets Attributable to Unitholders as at 31 December 2018 %
China Evergrande Group 8.75% due 28/06/2025	1,236,460	2.13
Kaisa Group Holdings Limited 9.375% due 30/06/2024	789,142	1.36
Fortune Star BVI Limited 5.25% due 23/03/2022	636,087	1.10
Proven Glory Capital Limited Series Emtn 3.25% due 21/02/2022	615,850	1.06
Republic of Islamic Pakistan 6.875% due 05/12/2027	589,890	1.02
China Reinsurance Finance Corporation 3.375% due 09/03/2022	577,411	1.00
Republic of Sri Lanka 6.85% due 03/11/2025	561,136	0.97
Country Garden Holdings Company 7.5% due 09/03/2020	557,134	0.96
Proven Honour Capital 4.125% due 06/05/2026	540,785	0.93
Third Pakistan International Sukuk Series 5.5% due 13/10/2021	531,078	0.92

10 largest holdings as at 31 December 2017

	Fair value at 31 December 2017 US\$	Percentage of Total Net Assets Attributable to Unitholders as at 31 December 2017 %
China Evergrande Group 8.75% due 28/06/2025	1,731,454	2.39
Kaisa Group Holdings Limited 9.375% due 30/06/2024	1,608,800	2.22
Proven Honour Capital 4.125% due 06/05/2026	1,124,992	1.55
Shimao Property Holding Limited 8.375% due 10/02/2022	974,610	1.35
Lenovo Group Limited 4.7% due 08/05/2019	915,759	1.26
Fortune Star BVI Limited 5.25% due 23/03/2022	896,481	1.24
China Reinsurance Finance Corporation 3.375% due 09/03/2022	789,176	1.09
Republic Of Islamic Pakistan 8.25% due 15/04/2024	718,627	0.99
Vedanta Resources Public Limited Company 6.125% due 09/08/2024	714,406	0.99
Republic Of Socialist Vietnam 4.8% due 19/11/2024	694,051	0.96

Manager's Investment Report (continued)

iShares Barclays USD Asia High Yield Bond Index ETF
(a Sub-Fund of iShares Southeast Asia Trust)

D. Global Exposure

Not applicable.

E. Collateral

Nil.

F. Securities Lending or Repurchase Transactions

Nil.

G. Investment in Other Unit Trusts, Mutual Funds and Collective Investment Schemes

Nil.

H. Borrowings

	Fair Value US\$	Percentage of Total Net Assets Attributable to Unitholders %
Bank overdraft	53,747	0.09

I. Soft Dollar Commission Received by the Managers

During the financial year ended 31 December 2018, the Manager confirmed that no soft dollar commission arrangements existed in relation to directing transactions of the USD Asia High Yield Bond ETF through a broker or dealer.

J. Other Material Information

There is no other material information that will adversely impact the valuation of the USD Asia High Yield Bond ETF.

K. Supplemental Information on Underlying Sub-Funds

Not applicable.

iShares Southeast Asia Trust

Report of the Trustee

For the financial year ended 31 December 2018

The Trustee is under a duty to take into custody and to hold the assets of the sub-funds of iShares Southeast Asia Trust, comprising iShares MSCI India Index ETF, iShares J.P. Morgan USD Asia Credit Bond Index ETF and iShares Barclays USD Asia High Yield Bond Index ETF (collectively referred to as the "Sub-Funds") in trust for the unitholders. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting year and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Sub-Funds during the year covered by these financial statements, set out on pages 16 to 43, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee

HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED

22 March 2019

iShares Southeast Asia Trust

Statement by the Manager

For the financial year ended 31 December 2018

In the opinion of BlackRock (Singapore) Limited, the accompanying financial statements set out on pages 16 to 43, comprising the Statements of Total Return, Statements of Financial Position, Statements of Movements of Unitholders' Funds, Statements of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial positions and the portfolio holdings of the sub-funds of iShares Southeast Asia Trust, comprising iShares MSCI India Index ETF, iShares J.P. Morgan USD Asia Credit Bond Index ETF and iShares Barclays USD Asia High Yield Bond Index ETF (collectively referred to as the "Sub-Funds") as at 31 December 2018 and the financial performance and movements in unitholders' funds for the financial year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Sub-Funds will be able to meet their financial obligations as and when they materialise.

For and on behalf of

BlackRock (Singapore) Limited

22 March 2019

iShares Southeast Asia Trust

Independent Auditor's Report to the Unitholders of iShares Southeast Asia Trust (Constituted under a Trust Deed in the Republic of Singapore)

Our Opinion

In our opinion, the accompanying financial statements of the sub-funds of iShares Southeast Asia Trust, comprising iShares MSCI India Index ETF, iShares J.P.Morgan USD Asia Credit Bond Index ETF and iShares Barclays USD Asia High Yield Bond Index ETF (collectively referred to as the "Sub-Funds") are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants, so as to present fairly, in all material respects, the financial positions and portfolio holdings of the Sub-Funds as at 31 December 2018, and of the financial performance and movements of unitholders' funds for the financial year ended on that date.

What we have audited

The financial statements of the Sub-Funds comprise:

- the Statements of Total Return for the financial year ended 31 December 2018;
- the Statements of Financial Position as at 31 December 2018;
- the Statements of Movements of Unitholders' Funds for the financial year ended 31 December 2018;
- the Statements of Portfolio as at 31 December 2018; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of the Sub-Funds in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2018. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in our audit is related to existence and valuation of investments.

Valuation and existence of investments

The value of the Sub-Funds' investments is presented on the Statements of Financial Position.

The valuation and existence of investments were areas of focus because investments represent the principal element of the net asset value as disclosed on the Statements of Financial Position in the financial statements.

How our audit addressed the Key Audit Matter

We tested the valuation of the Sub-Funds' investment portfolio by comparing the prices used in valuation to independent third party sources. The results of our testing were consistent with the pricing used in the Sub-Funds.

We tested the existence of investments by obtaining confirmations directly from independent custodians or the underlying fund's transfer agent regarding the quantity of investment holdings. Based on the procedures we performed, we found the Sub-Funds' holdings of investments to be in agreement with the confirmations received.

iShares Southeast Asia Trust

Independent Auditor's Report to the Unitholders of iShares Southeast Asia Trust (Constituted under a Trust Deed in the Republic of Singapore) (continued)

Other Information

The Sub-Funds' Manager (the "Manager") is responsible for the other information. The other information comprises all the sections of the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Sub-Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Sub-Funds or to cease the Sub-Funds' operations, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Sub-Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

iShares Southeast Asia Trust

Independent Auditor's Report to the Unitholders of iShares Southeast Asia Trust
(Constituted under a Trust Deed in the Republic of Singapore) (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Paul Sammy Pak.

PricewaterhouseCoopers LLP

Public Accountants and Chartered Accountants
Singapore, 22 March 2019

iShares Southeast Asia Trust

(Constituted under a Trust Deed in the Republic of Singapore)

Statements of Total Return

For the financial year ended 31 December 2018

	iShares MSCI India Index ETF		iShares J.P. Morgan USD Asia Credit Bond Index ETF		iShares Barclays USD Asia High Yield Bond Index ETF	
Notes	2018 US\$	2017 US\$	2018 US\$	2017 US\$	2018 US\$	2017 US\$
Income						
Interest Income	4,155	1,527	2,602	378	5,046	760
Other Income	-	-	80	700	1,375	15,225
	4,155	1,527	2,682	1,078	6,421	15,985
Less: Expenses						
Management Fees	(2,622,911)	(3,368,005)	(118,406)	(124,151)	(322,692)	(343,795)
Management Fees Rebate	462,495	886,514	-	-	-	-
Other Expenses	(6,900)	659,682	(7,717)	15,270	(15,738)	27,650
	(2,167,316)	(1,821,809)	(126,123)	(108,881)	(338,430)	(316,145)
Net Losses	(2,163,161)	(1,820,282)	(123,441)	(107,803)	(332,009)	(300,160)
Net Gains or Losses on Investments						
Net (Losses)/Gains on Investments	(23,471,634)	111,542,155	(611,236)	2,749,654	(2,399,827)	4,274,375
Net Foreign Exchange Gains	-	803	-	-	-	-
Total (Deficits)/Returns for the Financial Year Before Taxation	(25,634,795)	109,722,676	(734,677)	2,641,851	(2,731,836)	3,974,215
Taxation	3	-	(3,072)	(5,089)	(7,341)	(8,554)
Total (Deficits)/Returns for the Financial Year After Taxation	(25,634,795)	109,722,676	(737,749)	2,636,762	(2,739,177)	3,965,661

The accompanying notes form an integral part of these financial statements.

iShares Southeast Asia Trust

(Constituted under a Trust Deed in the Republic of Singapore)

Statements of Financial Position

As at 31 December 2018

Notes	iShares MSCI India Index ETF		iShares J.P. Morgan USD Asia Credit Bond Index ETF		iShares Barclays USD Asia High Yield Bond Index ETF	
	2018 US\$	2017 US\$	2018 US\$	2017 US\$	2018 US\$	2017 US\$
Assets						
Portfolio of Investments	163,767,469	362,989,415	34,006,041	41,273,682	57,576,849	71,928,542
Due from Brokers	-	-	1,079,617	1,419,268	1,448,895	730,109
Due from Unitholders	-	-	-	-	736,646	-
Cash and Bank Balances	360,996	715,773	374,997	91,170	-	314,829
Receivables	28,691	45,459	11	52	-	107
Total Assets	164,157,156	363,750,647	35,460,666	42,784,172	59,762,390	72,973,587
Liabilities						
Bank overdraft	-	-	-	-	53,747	-
Due to Unitholders	-	-	1,013,603	-	733,075	-
Payables	153,852	296,698	9,976	10,732	26,209	30,336
Due to Brokers	-	-	401,138	1,165,888	943,815	494,484
Total Liabilities	153,852	296,698	1,424,717	1,176,620	1,756,846	524,820
Equity						
Net Assets Attributable to Unitholders	164,003,304	363,453,949	34,035,949	41,607,552	58,005,544	72,448,767

The accompanying notes form an integral part of these financial statements.

iShares Southeast Asia Trust

(Constituted under a Trust Deed in the Republic of Singapore)

Statements of Movements of Unitholders' Funds

For the financial year ended 31 December 2018

	iShares MSCI India Index ETF		iShares J.P. Morgan USD Asia Credit Bond Index ETF		iShares Barclays USD Asia High Yield Bond Index ETF	
Notes	2018 US\$	2017 US\$	2018 US\$	2017 US\$	2018 US\$	2017 US\$
Net Assets Attributable to Unitholders at the Beginning of Financial Year	363,453,949	364,769,423	41,607,552	45,893,051	72,448,767	55,847,577
Operations						
Change in Net Assets Attributable to Unitholders Resulting from Operations	(25,634,795)	109,722,676	(737,749)	2,636,762	(2,739,177)	3,965,661
Unitholders' Contributions/(Withdrawals)						
Creation of Units	3,922,450	21,755,250	4,358,503	6,463,411	14,564,153	22,319,525
Cancellation of Units	(177,738,300)	(132,793,400)	(9,665,195)	(11,769,016)	(22,716,745)	(5,841,691)
Change in Net Assets Attributable to Unitholders Resulting from Net Creation and Cancellation of Units	(173,815,850)	(111,038,150)	(5,306,692)	(5,305,605)	(8,152,592)	16,477,834
Distributions	-	-	(1,527,162)	(1,616,656)	(3,551,454)	(3,842,305)
Total (Decrease)/Increase in Net Assets Attributable to Unitholders	(199,450,645)	(1,315,474)	(7,571,603)	(4,285,499)	(14,443,223)	16,601,190
Net Assets Attributable to Unitholders at the End of Financial Year	164,003,304	363,453,949	34,035,949	41,607,552	58,005,544	72,448,767

The accompanying notes form an integral part of these financial statements.

iShares Southeast Asia Trust

(Constituted under a Trust Deed in the Republic of Singapore)

Statements of Portfolio

As at 31 December 2018

iShares MSCI India Index ETF

Primary - By Geography

	Holdings at 31 December 2018 Units	Fair Value at 31 December 2018 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2018 %
Equities			
India			
iShares MSCI India Mauritius Company	18,216,822	163,767,469	99.86
Portfolio of Investments Other Net Assets		163,767,469 235,835	99.86 0.14
Net Assets Attributable to Unitholders		164,003,304	100.00

Primary - By Geography (Summary)

	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2018 %	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2017 %
India	99.86	99.87
Portfolio of Investments Other Net Assets	99.86 0.14	99.87 0.13
Net Assets Attributable to Unitholders	100.00	100.00

Secondary - By Industry

	Fair Value at 31 December 2018 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2018 %	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2017 %
Equities			
Miscellaneous [#]	163,767,469	99.86	99.87
Portfolio of Investments Other Net Assets	163,767,469 235,835	99.86 0.14	99.87 0.13
Net Assets Attributable to Unitholders	164,003,304	100.00	100.00

[#] iShares MSCI India Index ETF invests wholly into iShares MSCI India Mauritius Company which is incorporated in Mauritius. The industry segment is disclosed in the schedule of securities for the iShares MSCI India Mauritius Company in page 19 to 20.

Schedule of Securities for the iShares MSCI India Mauritius Company

	Holdings at 31 December 2018 Units	Fair Value at 31 December 2018 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2018 %
Quoted Equities Held by the Subsidiary			
Consumer Discretionary			
Bajaj Auto Limited	30,513	1,188,855	0.72
Bharat Forge Limited	75,756	551,989	0.34
Bosch Limited	2,686	754,504	0.46
Eicher Motors Limited	4,810	1,595,526	0.97
Hero Motorcorp Limited	17,958	798,483	0.49
Mahindra & Mahindra Limited	270,033	3,109,160	1.89
Maruti Suzuki India Limited	38,278	4,093,166	2.50
Motherson Sumi Systems Limited	349,037	834,159	0.51
Page Industries Limited	1,942	702,053	0.43
Tata Motors Limited	575,854	1,424,479	0.87
Titan Company Limited	112,846	1,504,829	0.92
		16,557,203	10.10
Consumer Staples			
Avenue Supermarts Limited	44,456	1,023,064	0.62
Britannia Industries Limited	20,476	913,714	0.56
Dabur India Limited	194,372	1,198,973	0.73
Godrej Consumer Products Limited	130,031	1,509,842	0.92
Hindustan Unilever Limited	235,088	6,127,306	3.74
I.T.C. Limited	1,241,755	5,009,529	3.05
Marico Limited	162,649	869,915	0.53
Nestle India Limited	8,335	1,323,387	0.81
United Spirits Limited	105,222	958,249	0.58
		18,933,979	11.54
Energy			
Bharat Petroleum Corporation Limited	273,599	1,421,586	0.87
Coal India Limited	249,958	861,955	0.52
Hindustan Petroleum Corporation	219,901	797,679	0.49
Indian Oil Corporation Limited	528,352	1,037,179	0.63
Oil & Natural Gas Corporation Limited	513,181	1,101,852	0.67
Petronet LNG Limited	222,862	715,527	0.44
Reliance Industries Limited	1,032,068	16,575,324	10.11
		22,511,102	13.73
Financial			
Axis Bank Limited	650,821	5,778,757	3.52
Bajaj Finance Limited	62,692	2,375,274	1.45
Bajaj Finserv Limited	13,774	1,277,856	0.78
Housing Development Finance Corporation Limited	581,471	16,393,876	10.00
ICICI Bank Limited	863,713	4,455,579	2.72
Indiabulls Housing Finance Limited	100,795	1,232,741	0.75
LIC Housing Finance	105,977	741,831	0.45
Mahindra & Mahindra Financial Services Limited	108,745	737,765	0.45
Rural Electrification Corporation Limited	242,833	424,866	0.26
Shriram Transport Finance	52,949	940,401	0.57
State Bank Of India Limited	641,978	2,720,924	1.66
Yes Bank Limited	618,875	1,611,566	0.98
		38,691,436	23.59

The accompanying notes form an integral part of these financial statements.

iShares Southeast Asia Trust

(Constituted under a Trust Deed in the Republic of Singapore)

Statements of Portfolio (continued)

As at 31 December 2018

	Holdings at 31 December 2018 Units	Fair Value at 31 December 2018 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2018 %
Health Care			
Aurobindo Pharmaceuticals Limited	94,704	994,246	0.61
Cadila Healthcare Limited	75,105	374,853	0.23
Cipla Limited	124,624	927,339	0.57
Divi's Laboratories Limited	28,832	612,301	0.37
Dr Reddy's Laboratory Limited	41,312	1,548,275	0.94
Glenmark Pharmaceuticals Limited	49,681	493,181	0.30
Lupin Limited	80,983	979,359	0.60
Piramal Enterprises Limited	29,394	1,002,781	0.61
Sun Pharmaceutical Industry Limited	305,272	1,882,398	1.15
		8,814,733	5.38
Industrial			
Adani Port & Special Economic Zone Limited	188,217	1,045,216	0.64
Ashok Leyland Limited	433,021	635,747	0.39
Container Corporation of India Limited	60,255	593,531	0.36
Havells India Limited	88,568	877,244	0.53
Interglobe Aviation Limited	34,027	567,832	0.35
Larsen & Toubro Limited	173,218	3,566,705	2.17
		7,286,275	4.44
Information Technology			
HCL Technologies Limited	201,729	2,786,469	1.70
Infosys Ltd	1,264,795	11,937,788	7.28
Tata Consultancy Services Ltd	326,020	8,840,108	5.39
Tech Mahindra Limited	170,004	1,760,917	1.07
Wipro Limited	408,286	1,934,848	1.18
		27,260,130	16.62
Materials			
Ambuja Cements Limited	218,107	703,228	0.43
Asian Paints Limited	104,617	2,057,500	1.25
Grasim Industries Limited	118,943	1,406,565	0.86
Hindalco Industries	416,547	1,349,609	0.82
JSW Steel Limited	307,565	1,351,365	0.82
Pidilite Industries Limited	44,947	713,235	0.43
Shree Cements Limited	3,042	751,016	0.46
Tata Steel Limited	124,546	929,524	0.57
Ultratech Cement Limited	34,939	1,997,276	1.22
UPL Limited	129,371	1,405,079	0.86
Vedanta Limited	472,972	1,369,834	0.84
		14,034,231	8.56
Communication			
Bharti Airtel Limited	508,618	2,276,633	1.39
Bharti Infratel Limited	123,649	458,714	0.28
Idea Cellular Limited	728,422	393,869	0.24
Zee Entertainment Enterprises Limited	174,583	1,191,436	0.73
		4,320,652	2.64
Utilities			
Gail India Limited	286,933	1,480,799	0.90
NTPC Limited	719,409	1,535,886	0.94
Power Grid Corporation of India Limited	573,182	1,630,919	0.99
Tata Power Company Limited	391,138	430,271	0.26
		5,077,875	3.09

	Holdings at 31 December 2018 Units	Fair Value at 31 December 2018 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2018 %
Total Value of Equities Held by the Subsidiary		163,487,616	99.69
Other Net Assets of the Subsidiary		279,853	0.17
Net Assets Attributable to Unitholders of the Subsidiary		163,767,469	99.86

The accompanying notes form an integral part of these financial statements.

iShares Southeast Asia Trust

(Constituted under a Trust Deed in the Republic of Singapore)

Statements of Portfolio (continued)

As at 31 December 2018

iShares J.P. Morgan USD Asia Credit Bond Index ETF

Primary - By Industry

	Holdings at 31 December 2018 Units	Fair Value at 31 December 2018 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2018 %
Bonds - Quoted			
Consumer			
GOHL Capital Limited 4.25% Due 24/01/2027	200,000	188,211	0.55
IOI Investment Series Emtn 4.375% Due 27/06/2022	200,000	200,581	0.59
Li & Fung Limited 5.25% Due 29/12/2049	200,000	129,879	0.38
Melco Resorts Finance 4.875% Due 06/06/2025	200,000	182,642	0.54
Sands China Limited 4.6% Due 08/08/2023	400,000	396,666	1.17
Sands China Limited 5.125% Due 08/08/2025	200,000	197,465	0.58
Sands China Limited 5.4% Due 08/08/2028	200,000	192,207	0.56
Studio City Company Limited Series 7.25% Due 30/11/2021	200,000	203,500	0.60
Wynn Macau Limited Series 4.875% Due 01/10/2024	200,000	181,000	0.53
		1,872,151	5.50
Financial			
AlA Group Limited FRN Due 20/09/2021	200,000	199,352	0.59
Axis Bank/Dubai 2.875% Due 01/06/2021	200,000	194,138	0.57
Bangkok Bank Public Company Limited 3.875% Due 27/09/2022	200,000	201,125	0.59
Bangkok Bank Public Company Limited 5% Due 03/10/2023	200,000	210,054	0.62
Bank of China/Macau Series Emtn 2.875% Due 20/04/2022	200,000	196,383	0.58
Bank of East Asia Limited Series Var Due 20/11/2024	200,000	200,019	0.59
Bank of East Asia Limited Var Perp	150,000	145,875	0.43
China Cinda Finance 2017 3.65% Due 09/03/2022	225,000	222,851	0.65
CITIC Limited 6.625% Due 15/04/2021	100,000	105,725	0.31
DBS Group Holdings Limited Series GMTN Var Perp	200,000	190,829	0.56
DBS Group Holdings Limited Var Due 11/12/2028	200,000	204,516	0.60
Hanwha Life Insurance Var Due 23/04/2048	200,000	189,000	0.56
Huarong Finance 2017 Co Series Emtn FRN Due 07/11/2022	200,000	195,607	0.57
Huarong Finance II Co Limited Series Emtn 5.5% Due 16/01/2025	200,000	199,217	0.59
ICICI Bank Limited / Dubai Series Gmtm 3.25% Due 09/09/2022	200,000	193,963	0.57

	Holdings at 31 December 2018 Units	Fair Value at 31 December 2018 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2018 %
Industrial & Commercial Bank of China Limited Series 4.875% Due 21/09/2025	200,000	205,083	0.60
Kasikornbank Public Company Limited HK Series Emtm 3.256% Due 12/07/2023	200,000	194,776	0.57
Nanyang Commercial Bank Var Perpetual	200,000	182,585	0.54
Oversea-Chinese Banking Corporation Series 4.25% Due 19/06/2024	200,000	201,832	0.59
Rural Electrification Corporation Limited Series Emtm 3.875% Due 07/07/2027	200,000	181,261	0.53
Shinhan Bank 2.875% Due 28/03/2022	200,000	196,075	0.58
Siam Commercial Bank Series Gmtm 3.2% Due 26/07/2022	200,000	196,319	0.58
Skysea International Cap Series Emtn 4.875% Due 07/12/2021	100,000	103,261	0.30
State Bank of India Series Emtm 3.25% Due 24/01/2022	200,000	195,663	0.58
State Elite Global Limited Series Emtn 2.75% Due 13/06/2022	200,000	194,720	0.57
United Overseas Bank Limited Series Emtm Var Due 16/09/2026	200,000	198,055	0.58
United Overseas Bank Limited Series EMTN Var Perp	200,000	184,055	0.54
Woori Bank 5% Perpetual	200,000	198,200	0.58
Woori Bank Series 2.625% Due 20/07/2021	200,000	195,367	0.57
		5,475,906	16.09
Industrial			
China Evergrande Group 7.5% Due 28/06/2023	200,000	175,763	0.52
CK Hutchison International 17 Limited 2.875% Due 05/04/2022	200,000	196,173	0.58
CK Hutchison International 17 Limited 3.5% Due 05/04/2027	200,000	192,989	0.57
Fantasia Holdings Group 7.375% Due 04/10/2021	200,000	145,216	0.43
Formosa Group Cayman Limited 3.375% Due 22/04/2025	200,000	194,535	0.57
Franshion Development Limited 6.75% Due 15/04/2021	100,000	104,525	0.31
Global Logistic Properties Ltd 3.875% Due 04/06/2025	200,000	176,267	0.52
Hong Kong Land Finance 4.5% Due 07/10/2025	150,000	155,933	0.46
Hutchison Whampoa International Limited 12 II 3.25% Due 08/11/2022	200,000	197,776	0.58
Hutchison Whampoa International Limited 7.45% Due 24/11/2033	200,000	270,547	0.79
ICTSI Treasury 4.625% Due 16/01/2023	200,000	196,632	0.58
JGSH Philippines Limited 4.375% Due 23/01/2023	200,000	197,115	0.58
Link Finance Cayman 2009 Series Emtn 3.6% Due 03/09/2024	200,000	198,919	0.58

The accompanying notes form an integral part of these financial statements.

iShares Southeast Asia Trust

(Constituted under a Trust Deed in the Republic of Singapore)

Statements of Portfolio (continued)

As at 31 December 2018

	Holdings at 31 December 2018 Units	Fair Value at 31 December 2018 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2018 %
Nan Fung Treasury Limited Series Emtn 3.875% Due 03/10/2027	200,000	177,240	0.52
New World Development Company 5.25% Due 26/02/2021	200,000	205,149	0.60
Olam International Limited Series Emtn Var Perp	200,000	190,000	0.56
Overseas Chinese Town (Asia) Holdings Limited Var Perp	200,000	191,722	0.56
POSCO 5.25% Due 14/04/2021	50,000	51,850	0.15
Press Metal Labuan Limited 4.8% Due 30/10/2022	200,000	184,787	0.54
Radiant Access Limited 4.6% Due 18/11/2065	200,000	156,273	0.46
San Miguel Corporation 4.875% Due 26/04/2023	200,000	192,287	0.57
Swire Pacific Mtn Financial Series Emtn 3.875% Due 21/09/2025	200,000	198,723	0.58
Swire Property Mtn Financial Series Emtn 3.625% Due 13/01/2026	200,000	195,767	0.58
Theta Capital Pte Limited 7% Due 11/04/2022	200,000	147,837	0.43
Vedanta Resources Public Limited Company 6.375% Due 30/07/2022	350,000	313,250	0.92
VII International Incorporation Series Emtn 7.375% Due 18/06/2022	200,000	205,512	0.60
Yuzhou Properties Company Limited 6.375% Due 06/03/2021	200,000	194,000	0.57
		5,006,787	14.71
Media & Telecom			
Alibaba Group Holding 3.125% Due 28/11/2021	300,000	296,635	0.87
Baidu Inc 4.375% Due 14/05/2024	200,000	201,391	0.59
Bharti Airtel International 5.35% Due 20/05/2024	200,000	196,139	0.58
Bharti Airtel Limited Series 4.375% Due 10/06/2025	200,000	181,236	0.53
Flextronics International Limited 4.75% Due 15/06/2025	200,000	194,180	0.57
Foxconn Far East Limited Series Emtn 2.25% Due 23/09/2021	200,000	192,657	0.57
KT Corporation 2.5% Due 18/07/2026	200,000	181,951	0.53
PCCW HKT Capital No.2 Limited 3.625% Due 02/04/2025	200,000	193,657	0.57
Proven Glory Capital Limited Series Emtn 4% Due 21/02/2027	200,000	176,781	0.52
Singtel Group Treasury P Series Emtn 3.25% Due 30/06/2025	400,000	390,278	1.15
SK Telecom Company Limited 6.625% Due 20/07/2027	100,000	119,276	0.35
		2,324,181	6.83

	Holdings at 31 December 2018 Units	Fair Value at 31 December 2018 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2018 %
Oil & Gas			
Bharat Petroleum Corporation Limited 4.625% Due 25/10/2022	200,000	201,399	0.59
CNOOC Finance 2013 Limited 4.25% Due 09/05/2043	200,000	192,695	0.57
CNPC General Capital 3.95% Due 19/04/2022	200,000	202,142	0.59
Indian Oil Corporation Limited 5.625% Due 02/08/2021	200,000	207,999	0.61
Nexen Energy ULC 7.875% Due 15/03/2032	50,000	67,718	0.20
Oil India International 4% Due 21/04/2027	200,000	183,031	0.54
ONGC Videsh Limited Series 4.625% Due 15/07/2024	200,000	199,833	0.59
PTT Global Chemical PCL 4.25% Due 19/09/2022	200,000	202,104	0.59
PTTEP Canada International Finance 6.35% Due 12/06/2042	200,000	235,589	0.69
PTTEP Canada International Finance 5.692% Due 05/04/2021	200,000	208,602	0.61
Reliance Holdings USA Incorporation 6.25% Due 19/10/2040	250,000	282,438	0.83
		2,183,550	6.41
Government Related			
1MDB Global Investments Series 4.4% Due 09/03/2023	400,000	356,222	1.05
CNAC HK Finbridge Company Limited 5.125% Due 14/03/2028	200,000	202,659	0.60
Export-Import Bank of China 2.625% Due 14/03/2022	200,000	195,390	0.57
Export-Import Bank Of India 3.375% Due 05/08/2026	200,000	183,336	0.54
Export-Import Bank Of India Series Emtn 3.125% Due 20/07/2021	200,000	196,329	0.58
Export-Import Bank of Korea 2.375% Due 21/04/2027	200,000	180,489	0.53
Export-Import Bank of Korea 3% Due 01/11/2022	300,000	296,026	0.87
Export-Import Bank of Korea 3.25% Due 10/11/2025	200,000	194,297	0.57
Export-Import Bank of Korea 5% Due 11/04/2022	300,000	315,074	0.93
Export-Import Bank of Korea FRN Due 01/06/2023	200,000	199,914	0.59
Hong Kong Sukuk 2017 Limited 3.132% Due 28/02/2027	200,000	194,025	0.57
Korea Development Bank 3% Due 14/09/2022	200,000	197,619	0.58
Korea Finance Corporation 4.625% Due 16/11/2021	200,000	207,419	0.61
Korea National Oil Corporation Series 2% Due 24/10/2021	200,000	192,215	0.56
Korea National Oil Corporation Series 3.25% Due 01/10/2025	200,000	193,476	0.57
Malaysia Sovereign Sukuk 4.236% Due 22/04/2045	200,000	201,342	0.59

The accompanying notes form an integral part of these financial statements.

iShares Southeast Asia Trust

(Constituted under a Trust Deed in the Republic of Singapore)

Statements of Portfolio (continued)

As at 31 December 2018

	Holdings at 31 December 2018 Units	Fair Value at 31 December 2018 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2018 %
Malaysia Sukuk Global 3.179% Due 27/04/2026	250,000	241,518	0.71
Mongolia 5.125% Due 05/12/2022	400,000	375,197	1.10
Mongolia International Bond Series 10.875% Due 06/04/2021	200,000	219,750	0.65
Pertamina 5.25% Due 23/05/2021	200,000	204,500	0.60
Pertamina Persero 6.45% Due 30/05/2044	200,000	208,250	0.61
Perusahaan Listrik Negara 4.125% Due 15/05/2027	200,000	184,562	0.54
Perusahaan Listrik Negara 5.5% Due 22/11/2021	300,000	309,000	0.91
Perusahaan Penerbit Sbsn 4.15% Due 29/03/2027	200,000	192,000	0.56
Perusahaan Penerbit Sbsn 4.35% Due 10/09/2024	200,000	198,250	0.58
Perusahaan Penerbit Sbsn 4.55% Due 29/03/2026	200,000	197,780	0.58
Petronas Capital Limited 3.125% Due 18/03/2022	200,000	198,089	0.58
Petronas Capital Limited 3.5% Due 18/03/2025	200,000	195,810	0.58
Petronas Capital Limited 4.5% Due 18/03/2045	200,000	201,114	0.59
Power Sector Asset & Liabilities 7.39% due 02/12/2024	200,000	234,715	0.69
PSA International Private Limited Gmtn 3.875% Due 11/02/2021	200,000	202,737	0.60
PT Pelabuhan Indo II 4.25% Due 05/05/2025	200,000	189,000	0.56
Republic of Indonesia 3.75% Due 25/04/2022	200,000	197,563	0.58
Republic of Indonesia 4.35% Due 11/01/2048	200,000	182,059	0.53
Republic of Indonesia 5.125% Due 15/01/2045	200,000	196,750	0.58
Republic of Indonesia 5.875% Due 15/01/2024	200,000	212,500	0.62
Republic of Indonesia 6.75% Due 15/01/2044	200,000	238,750	0.70
Republic of Indonesia 7.75% Due 17/01/2038	200,000	256,721	0.75
Republic of Indonesia 8.5% Due 12/10/2035	150,000	201,750	0.59
Republic of Indonesia Series 4.35% Due 08/01/2027	200,000	197,000	0.58
Republic of Indonesia Series 5.95% Due 08/01/2046	200,000	219,000	0.64
Republic of Islamic Pakistan 6.875% Due 05/12/2027	250,000	225,625	0.66
Republic of Islamic Pakistan 8.25% Due 15/04/2024	300,000	302,380	0.89
Republic of Korea 2.75% Due 19/01/2027	200,000	191,623	0.56
Republic of Korea 4.125% Due 10/06/2044	100,000	104,823	0.31
Republic of Philippines 3% Due 01/02/2028	200,000	189,500	0.56
Republic of Philippines 3.7% Due 01/03/2041	625,000	591,791	1.74

	Holdings at 31 December 2018 Units	Fair Value at 31 December 2018 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2018 %
Republic of Philippines 3.7% Due 02/02/2042	200,000	189,383	0.56
Republic of Philippines 4.2% Due 21/01/2024	300,000	308,339	0.91
Republic of Philippines 6.375% Due 15/01/2032	200,000	245,813	0.72
Republic of Philippines 6.375% Due 23/10/2034	350,000	438,902	1.29
Republic of Philippines 7.75% Due 14/01/2031	175,000	235,887	0.69
Republic of Philippines 9.5% Due 02/02/2030	200,000	294,583	0.87
Republic of Sri Lanka 5.75% Due 18/01/2022	200,000	188,031	0.55
Republic of Sri Lanka 5.75% Due 18/04/2023	200,000	184,000	0.54
Republic of Sri Lanka 5.875% Due 25/07/2022	200,000	186,665	0.55
Republic of Sri Lanka 6.2% Due 11/05/2027	200,000	177,000	0.52
Republic of Sri Lanka 6.75% Due 18/04/2028	200,000	181,000	0.53
Republic of Sri Lanka 6.825% Due 18/07/2026	200,000	184,750	0.54
Republic of Sri Lanka 6.85% Due 03/11/2025	200,000	186,000	0.55
Republic of Vietnam 4.8% Due 19/11/2024	200,000	201,683	0.59
Sinopec Group Oversea 2012 3.9% Due 17/05/2022	300,000	302,625	0.89
SP Powerassets Limited 3.25% Due 24/11/2025	200,000	195,371	0.57
State Grid Overseas Investment 3.125% Due 22/05/2023	200,000	196,005	0.58
Temasek Financial I Ltd 2.375% Due 23/01/2023	250,000	241,832	0.71
		14,703,808	43.20
Utilities			
Azure Power Energy Limited Series Due 03/11/2022	200,000	188,000	0.55
Greenko Investment Company Series 4.875% Due 16/08/2023	200,000	179,000	0.53
Korea Gas Corporation 3.125% Due 20/07/2027	200,000	189,071	0.56
Korea Gas Corporation 3.875% Due 12/02/2024	250,000	253,344	0.74
Korea Hydro & Nuclear Power 3% Due 19/09/2022	200,000	196,809	0.58
Minejasa Capital BV Series 4.625% Due 10/08/2030	200,000	177,878	0.52
NTPC Limited Series Emtm 4.25% Due 26/02/2026	200,000	191,155	0.56
OVPH Limited 5.875% Perpetual Due 17/01/2023	200,000	185,551	0.55
Power Grid Corp of India 3.875% Due 17/01/2023	100,000	98,793	0.29
TNB Global Ventures Cap 3.244% Due 19/10/2026	200,000	185,665	0.55
		1,845,266	5.43

The accompanying notes form an integral part of these financial statements.

iShares Southeast Asia Trust

(Constituted under a Trust Deed in the Republic of Singapore)

Statements of Portfolio (continued)

As at 31 December 2018

	Holdings at 31 December 2018 Units	Fair Value at 31 December 2018 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2018 %
Others			
MTR Corporation Limited 2.5% Due 02/11/2026	200,000	184,891	0.54
		184,891	0.54
Accrued Interest Receivable on Debt Securities		409,501	1.20
Portfolio of Investments Other Net Assets		34,006,041 29,908	99.91 0.09
Net Assets Attributable to Unitholders		34,035,949	100.00

Primary - By Industry (Summary)

	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2018 %	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2017 %
Consumer	5.50	2.82
Financial	16.09	16.57
Industrial	14.71	15.34
Media & Telecom	6.83	5.74
Oil & Gas	6.41	7.44
Government Related	43.20	44.72
Utilities	5.43	5.36
Others	0.54	-
Accrued Interest Receivable on Debt Securities	1.20	1.21
Portfolio of Investments Other Net Assets	99.91 0.09	99.20 0.80
Net Assets Attributable to Unitholders	100.00	100.00

Secondary - By Geography

	Fair Value at 31 December 2018 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2018 %	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2017 %
BY COUNTRY			
China	4,268,114	12.54	12.46
Hong Kong	3,761,323	11.05	11.14
India	3,566,963	10.49	11.67
Indonesia	3,911,150	11.49	12.76
Macau	1,353,480	3.98	1.48
Malaysia	2,153,339	6.33	7.24
Mongolia	594,947	1.75	1.51
Pakistan	528,005	1.55	1.41
Philippines	3,520,459	10.34	10.67
Singapore	2,569,952	7.55	7.46
South Korea	4,043,918	11.88	11.25
Sri Lanka	1,287,446	3.78	3.60
Taiwan	387,192	1.14	0.95
Thailand	1,448,569	4.25	3.88
Vietnam	201,683	0.59	0.51
Accrued Interest Receivable on Debt Securities	409,501	1.20	1.21
Portfolio of Investments Other Net Assets	34,006,041 29,908	99.91 0.09	99.20 0.80
Net Assets Attributable to Unitholders	34,035,949	100.00	100.00

iShares Southeast Asia Trust

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Statements of Portfolio (continued)

As at 31 December 2018

iShares Barclays USD Asia High Yield Bond Index ETF

Primary - By Industry

	Holdings at 31 December 2018 Units	Fair Value at 31 December 2018 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2018 %
Bonds - Quoted			
Financial			
Champion Mtn Limited Series Emtn 3.75% Due 17/01/2023	200,000	198,091	0.34
China Reinsurance Finance Corporation 3.375% Due 09/03/2022	600,000	577,411	1.00
Easy Tactic Limited 5.75% Due 13/01/2022	300,000	270,355	0.47
Easy Tactic Limited 5.875% Due 13/02/2023	300,000	260,417	0.45
Easy Tactic Limited 7% Due 25/04/2021	300,000	290,525	0.50
FWD Group Limited Series Emtn Var Perp	300,000	207,690	0.36
Jingrui Holdings Limited 7.75% Due 12/04/2020	300,000	283,761	0.49
Jiuding Group Finance Company 6.5% Due 25/07/2020	200,000	140,000	0.24
Joyous Glory Group Gmtn 5.7% Due 07/03/2020	200,000	202,034	0.35
King Talent Management Limited Var Perp	250,000	219,535	0.38
Lai Fung Bonds 2018 Limited 5.65% Due 18/01/2023	200,000	184,836	0.32
New World China Land Limited 4.75% Due 23/01/2027	250,000	244,939	0.42
Oceanwide Holdings International 17.75% Due 27/07/2020	250,000	203,674	0.35
Oxley Mtn Pte Limited Series Emtn 6.375% Due 21/04/2021	250,000	218,684	0.38
PCPD Capital Limited 4.75% Due 09/03/2022	200,000	193,103	0.33
RKI Overseas Finance 2016 B 4.7% Due 06/09/2021	200,000	187,064	0.32
Ronshine China Holdings Limited 6.95% Due 08/12/2019	250,000	248,805	0.43
Sun Hung Kai & Co Bvi 4.65% Due 08/09/2022	200,000	188,778	0.33
Sun Hung Kai & Company Bvi Series Emtn 4.75% Due 31/05/2021	250,000	243,412	0.42
Times China Holdings Limited 6.25% Due 17/01/2021	200,000	192,027	0.33
Times China Holdings Limited 7.85% Due 04/06/2021	200,000	195,688	0.34
Times Property Holdings Limited 6.25% Due 23/01/2020	200,000	197,821	0.34
Unigroup International 6% Due 10/12/2020	200,000	198,592	0.34
Union Life Insurance 3% Due 19/09/2021	200,000	149,992	0.26
VLL International Incorporation Series Emtn 7.375% Due 18/06/2022	300,000	308,595	0.53
Wanda Properties International 7.25% Due 29/01/2024	200,000	190,546	0.33

	Holdings at 31 December 2018 Units	Fair Value at 31 December 2018 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2018 %
Woori Bank 5% Perp	300,000	297,983	0.51
Xinhu Zhongbao 6% Due 01/03/2020	350,000	324,147	0.56
Yes Bank IFSC Banking Series Emtn 3.75% Due 06/02/2023	300,000	260,436	0.45
		6,878,941	11.87
Industrial			
361 Degrees International 7.25% Due 03/06/2021	200,000	190,335	0.33
ABJA Investment Company 4.85% Due 31/01/2020	200,000	199,722	0.34
ABJA Investment Company 5.45% Due 24/01/2028	550,000	470,071	0.81
ABJA Investment Company 5.95% Due 31/07/2024	300,000	293,414	0.51
Agile Group Holdings Limited 9.5% Due 23/11/2020	300,000	312,350	0.54
Agile Group Holdings Limited Var Perp	200,000	166,658	0.29
Agile Property Holdings Limited 8.5% Due 18/07/2021	250,000	254,340	0.44
Baoxin Auto Finance I Limited Var Perp (XS1519630484)	200,000	193,359	0.33
Baoxin Auto Finance I Limited Var Perp (XS1706083489)	200,000	167,630	0.29
Beijing Enterprises Water Group 4.95% Due 02/05/2023	200,000	198,023	0.34
Biostime International Holdings Limited 7.25% Due 21/06/2021	159,000	160,736	0.28
Blue Skyview Company Limited Var Perp	300,000	233,427	0.40
Capitaland Treasury Limited Emtn 4.076% Due 20/09/2022	200,000	201,968	0.35
Car Inc Series 6.125% Due 04/02/2020	200,000	193,721	0.33
CCTI 2017 Limited 3.625% Due 08/08/2022	300,000	286,317	0.49
Central China Real Estate 6.875% Due 23/10/2020	200,000	195,868	0.34
CFLD (Cayman) Investment Limited 6.5% Due 21/12/2020	300,000	266,507	0.46
CFLD (Cayman) Investment Limited 9% Due 31/07/2021	200,000	187,669	0.32
China Aoyuan Property Group 7.5% Due 10/05/2021	200,000	196,120	0.34
China Evergrande Group 6.25% Due 28/06/2021	300,000	285,102	0.49
China Evergrande Group 7.5% Due 28/06/2023	450,000	396,070	0.68
China Evergrande Group 8.25% Due 23/03/2022	300,000	287,453	0.50
China Evergrande Group 8.75% Due 28/06/2025	1,469,000	1,236,460	2.13
China SCE Property Holdings 5.875% Due 10/03/2022	200,000	180,260	0.31
China SCE Property Holdings 7.45% Due 17/04/2021	300,000	293,949	0.51
China Shandong International Economic & Technical Finance 4% Due 21/12/2020	200,000	192,602	0.33
CIFI Holdings Group 5.5% Due 23/01/2022	300,000	272,369	0.47

The accompanying notes form an integral part of these financial statements.

iShares Southeast Asia Trust

(Constituted under a Trust Deed in the Republic of Singapore)

Statements of Portfolio (continued)

As at 31 December 2018

	Holdings at 31 December 2018 Units	Fair Value at 31 December 2018 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2018 %
CIFI Holdings Group Due 7.75% 05/06/2020	300,000	303,798	0.52
Country Garden Holdings 4.75% Due 25/07/2022	300,000	272,063	0.47
Country Garden Holdings 4.75% Due 28/09/2023	400,000	347,477	0.60
Country Garden Holdings Company 7.5% Due 09/03/2020	550,000	557,134	0.96
Country Garden Holdings Company Limited 7.25% Due 04/04/2021	400,000	400,616	0.69
Delhi International Airport Series 6.125% Due 31/10/2026	200,000	193,543	0.33
Dr Peng Holding Hongkong 5.05% Due 01/06/2020	200,000	149,185	0.26
Eagle Intermediate Global Holding BV-Ruyi US Finance 7.5% Due 01/05/2025	350,000	327,633	0.56
Ease Trade Global Limited 5.2% Due 10/04/2021	200,000	198,207	0.34
EHI Car Services Limited 5.875% Due 14/08/2022	200,000	162,695	0.28
Fantasia Holdings Group 7.375% Due 04/10/2021	300,000	218,537	0.38
Fantasia Holdings Group Company Limited 8.375% Due 08/03/2021	200,000	153,036	0.26
Fita International Limited 7% Due 10/02/2020	300,000	310,086	0.53
Fortune Star BVI Limited 5.25% Due 23/03/2022	700,000	636,087	1.10
Fortune Star BVI Limited 5.95% Due 29/01/2023	200,000	179,256	0.31
FPC Treasury Limited Series 4.5% Due 16/04/2023	200,000	198,587	0.34
Future Land Development 5% Due 16/02/2020	200,000	196,208	0.34
Garuda ID Global Sukuk 5.95% Due 03/06/2020	200,000	192,026	0.33
Gemstones International Limited 8.5% Due 15/08/2020	250,000	233,510	0.40
Global A&T Electronics Limited 8.5% Due 12/01/2023	350,000	316,392	0.55
GMR Hyderabad International Series 4.25% Due 27/10/2027	200,000	164,841	0.28
Golden Eagle Retail Group 4.625% Due 21/05/2023	200,000	169,765	0.29
Gome Electrical Appliances 5% Due 10/03/2020	300,000	269,239	0.46
Greenland Global Investment 5.875% Due 03/07/2024	200,000	163,524	0.28
Greenland Global Investment Series Emtn 4.85% Due 17/08/2020	200,000	189,600	0.33
Greenland Global Investment Series Emtn 5.25% Due 12/02/2021	250,000	231,064	0.40
Greentown China Holdings 5.875% Due 11/08/2020	300,000	298,676	0.51
HLP Finance Limited Series Emtn 4.45% Due 16/04/2021	250,000	253,153	0.44
HLP Finance Limited Series Emtn 4.75% Due 25/06/2022	200,000	205,942	0.36

	Holdings at 31 December 2018 Units	Fair Value at 31 December 2018 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2018 %
HPCL-Mittal Energy Limited 5.25% Due 28/04/2027	200,000	179,246	0.31
HT Global IT Solutions Series 7% Due 14/07/2021	250,000	251,920	0.43
ICTSI Treasury 4.625% Due 16/01/2023	300,000	295,053	0.51
Indika Energy III Pte 5.875% Due 09/11/2024	300,000	261,942	0.45
Indo Energy Finance II 6.375% Due 24/01/2023	200,000	187,132	0.32
JGSH Philippines Limited 4.375% Due 23/01/2023	300,000	296,027	0.51
JSW Steel Limited 5.25% Due 13/04/2022	300,000	290,903	0.50
Kaisa Group Holdings Limited 7.875% Due 30/06/2021	300,000	236,871	0.41
Kaisa Group Holdings Limited 8.5% Due 30/06/2022	550,000	404,840	0.70
Kaisa Group Holdings Limited 9.375% Due 30/06/2024	1,150,000	789,142	1.36
Kaisa Group Holdings Limited 7.25% Due 30/06/2020	200,000	171,596	0.30
KWG Property Holding Limited 5.875% Due 10/11/2024	200,000	162,542	0.28
KWG Property Holding Limited 6% Due 15/09/2022	300,000	268,115	0.46
KWG Property Holding Limited 7.875% Due 09/08/2021	200,000	198,055	0.34
Lenovo Group Limited Series Emtn 3.875% Due 16/03/2022	200,000	187,820	0.32
Lenovo Group Limited Series Emtn 4.75% Due 29/03/2023	450,000	424,269	0.73
Lenovo Perpetual Securities Limited Series Emtn Var Perp	200,000	173,054	0.30
Logan Property Holdings 5.25% Due 23/02/2023	200,000	172,157	0.30
Logan Property Holdings 6.875% Due 24/04/2021	200,000	195,346	0.34
LSD Bonds 2017 Limited 4.6% Due 13/09/2022	250,000	236,256	0.41
Marble II Pte Limited Sre 5.3% Due 20/06/2022	300,000	289,590	0.50
Medco Straits Services Private Limited 8.5% Due 17/08/2022	200,000	195,458	0.34
Melco Resorts Finance 4.875% Due 06/06/2025	450,000	411,013	0.71
Modern Land China Company Limited 7.95% Due 05/03/2021	200,000	165,728	0.29
New Metro Global Limited 6.5% Due 23/04/2021	250,000	242,171	0.42
New World Development Company 5.25% Due 26/02/2021	300,000	308,394	0.53
Nuoxi Capital Limited 5.35% Due 24/01/2023	200,000	168,385	0.29
NWD Mtn Limited Series Emtn 4.375% Due 30/11/2022	350,000	354,225	0.61
Olam International Limited Series Emtn Var Due Perp	350,000	332,182	0.57
Overseas Chinese Town (Asia) Holding Limited Var Perp	400,000	383,970	0.66
Parkway Pantai Limited Series Emtn Var Perp	300,000	278,464	0.48
Petron Corporation Var Perp	275,000	254,910	0.44

The accompanying notes form an integral part of these financial statements.

iShares Southeast Asia Trust

(Constituted under a Trust Deed in the Republic of Singapore)

Statements of Portfolio (continued)

As at 31 December 2018

	Holdings at 31 December 2018 Units	Fair Value at 31 December 2018 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2018 %
Powerlong Real Estate Holdings 6.95% Due 17/04/2021	200,000	186,705	0.32
Press Metal Labuan Limited 4.8% Due 30/10/2022	200,000	185,120	0.32
Proven Glory Capital Limited Series Emtn 3.25% Due 21/02/2022	650,000	615,850	1.06
Proven Glory Capital Limited Series Emtn 4% Due 21/02/2027	300,000	265,597	0.46
Proven Honour Capital 4.125% Due 06/05/2026	600,000	540,785	0.93
Proven Honour Capital 4.125% Due 19/05/2025	350,000	320,052	0.55
PT ABM Investama Tbk 7.125% Due 01/08/2022	200,000	175,571	0.30
PTTEP Treasury Center Co Var Perp	200,000	188,967	0.33
Puma International Finance 5% Due 24/01/2026	400,000	314,610	0.54
Puma International Finance 5.125% Due 06/10/2024	200,000	160,604	0.28
RH International Finance Limited 3.875% Due 20/07/2021	200,000	190,996	0.33
Royal Capital Bv Var Due Perp	200,000	184,582	0.32
San Miguel Corporation 4.875% Due 26/04/2023	300,000	289,067	0.50
Scenery Journey Limited 11% Due 06/11/2020	500,000	500,720	0.86
Scenery Journey Limited 13% Due 06/11/2022	300,000	308,379	0.53
Scenery Journey Limited 13.75% Due 06/11/2023	300,000	307,299	0.53
Shandong Iron and Steel Group Company Limited 8.5% Due 05/12/2021	200,000	199,697	0.34
Shimao Property Holdings Limited 4.75% Due 03/07/2022	400,000	378,014	0.65
Shimao Property Holdings Limited 8.375% Due 10/02/2022	450,000	466,074	0.80
Shui On Development Holdings Limited 5.7% Due 06/02/2021	300,000	294,288	0.51
Shui On Development Holdings Limited Var Perp	200,000	184,016	0.32
Star Energy Geothermal 6.75% Due 24/04/2033	300,000	269,718	0.47
Studio City Company Limited Series 7.25% Due 30/11/2021	300,000	306,798	0.53
Studio City Finance Limited 8.5% Due 01/12/2020	172,000	172,389	0.30
Sunac China Holdings Limited 6.875% Due 08/08/2020	250,000	245,617	0.42
Sunac China Holdings Limited 7.35% Due 19/07/2021	200,000	193,192	0.33
Sunac China Holdings Limited 7.95% Due 08/08/2022	300,000	282,123	0.49
Sunac China Holdings Limited 8.35% Due 19/04/2023	200,000	186,047	0.32
Sunac China Holdings Limited 8.625% Due 27/07/2020	300,000	301,491	0.52
Sunshine 100 China Holdings Limited 8.5% Due 27/09/2020	200,000	182,000	0.31

	Holdings at 31 December 2018 Units	Fair Value at 31 December 2018 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2018 %
Tahoe Group Global Company Limited 7.875% Due 17/01/2021	200,000	147,532	0.25
TBG Global Pte Limited Due 5.25% 10/02/2022	200,000	195,894	0.34
Theta Capital Pte Limited 6.75% Due 31/10/2026	200,000	137,221	0.24
Theta Capital Pte Limited 7% Due 11/04/2022	250,000	185,347	0.32
Trafigura Group Pte Limited Var Perp	200,000	177,076	0.31
Tunghsu Venus Holdings 7% Due 12/06/2020	200,000	150,060	0.26
TVB Finance Limited 3.625% Due 11/10/2021	300,000	292,815	0.50
Vedanta Resources Public Limited Company 6.125% Due 09/08/2024	400,000	332,414	0.57
Vedanta Resources Public Limited Company 6.375% Due 30/07/2022	250,000	224,048	0.39
Vedanta Resources Public Limited Company 7.125% Due 31/05/2023	200,000	179,815	0.31
Vedanta Resources Public Limited Company 8.25% Due 07/06/2021	400,000	397,053	0.68
Well Hope Development Var Perp	350,000	321,125	0.55
WTT Investment Limited Series 5.5% Due 21/11/2022	200,000	194,248	0.33
Wynn Macau Limited Series 4.875% Due 01/10/2024	350,000	316,810	0.55
Wynn Macau Limited Series 5.5% Due 01/10/2027	200,000	177,136	0.31
Yancoal International Resources Development Company Limited STP Perp	300,000	296,757	0.51
Yankuang Group Cayman 4.75% Due 30/11/2020	350,000	338,967	0.58
Yanlord Land HK Co Limited 5.875% Due 23/01/2022	350,000	343,081	0.59
Yingde Gases Investment Limited 6.25% Due 19/01/2023	250,000	233,623	0.40
Yuzhou Properties Company Limited 6.375% Due 06/03/2021	200,000	194,175	0.33
Yuzhou Properties Company Limited 7.9% Due 11/05/2021	200,000	198,437	0.34
Zhenro Properties Group 12.5% Due 02/01/2021	200,000	200,354	0.35
Zhongrong International Resources Company Limited 7.25% Due 26/10/2020	250,000	140,606	0.24
Zoomlion HK Spv Company Limited 6.125% Due 20/12/2022	250,000	234,757	0.41
		37,776,875	65.10
Government Related			
BCEG Hongkong Company Limited 5.75% Due 20/08/2021	200,000	198,324	0.34
Chalico Hong Kong Corporation FRN Perp	200,000	199,424	0.34

The accompanying notes form an integral part of these financial statements.

iShares Southeast Asia Trust

(Constituted under a Trust Deed in the Republic of Singapore)

Statements of Portfolio (continued)

As at 31 December 2018

	Holdings at 31 December 2018 Units	Fair Value at 31 December 2018 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2018 %
Chinalco Capital Holdings Limited 4% Due 25/08/2021	350,000	336,970	0.58
Chinalco Capital Holdings Limited 4.25% Due 21/04/2022	200,000	191,226	0.33
Danga Capital 3.035% Due 01/03/2021	400,000	392,320	0.68
Development Bank of Mongolia 7.25% Due 23/10/2023	200,000	196,195	0.34
Franshion Brilliant Limited Var Perp	200,000	180,801	0.31
Greenko Dutch BV Series 4.875% Due 24/07/2022	250,000	234,729	0.40
Greenko Dutch BV Series 5.25% Due 24/07/2024	200,000	179,426	0.31
Greenko Investment Company Series 4.875% Due 16/08/2023	200,000	179,369	0.31
Guangxi Financial Investment Group 5.75% Due 23/01/2021	200,000	170,177	0.29
Hesteel Hong Kong Company Limited 4.25% Due 07/04/2020	300,000	294,698	0.51
IDBI Bank Limited/DIFC Dubai 4.25% Due 30/11/2020	250,000	246,081	0.42
Kunzhi Limited 6.25% Due 17/10/2020	200,000	198,956	0.34
Mongolia 5.125% Due 05/12/2022	450,000	422,162	0.73
Mongolia 8.75% Due 09/03/2024	200,000	214,080	0.37
Mongolia International Bond Series 10.875% Due 06/04/2021	200,000	220,498	0.38
Mongolia International Bond Series 5.625% Due 01/05/2023	250,000	237,125	0.41
PT Saka Energi Indonesia 4.45% Due 05/05/2024	300,000	275,426	0.47
Republic of Islamic Pakistan 6.875% Due 05/12/2027	650,000	589,890	1.02
Republic of Islamic Pakistan 8.25% Due 15/04/2024	300,000	302,652	0.52
Republic of Islamic Pakistan Series 8.25% Due 30/09/2025	300,000	301,218	0.52
Republic of Sri Lanka 5.75% Due 18/01/2022	200,000	188,380	0.32
Republic of Sri Lanka 5.75% Due 18/04/2023	200,000	184,581	0.32
Republic of Sri Lanka 5.875% Due 25/07/2022	300,000	281,384	0.49
Republic of Sri Lanka 6.125% Due 03/06/2025	300,000	270,272	0.47
Republic of Sri Lanka 6.2% Due 11/05/2027	450,000	399,411	0.69
Republic of Sri Lanka 6.25% Due 27/07/2021	450,000	432,314	0.75
Republic of Sri Lanka 6.85% Due 03/11/2025	600,000	561,136	0.97
Republic of Vietnam 4.8% Due 19/11/2024	450,000	453,479	0.78
Republic of Vietnam 6.75% Due 29/01/2020	300,000	309,048	0.53
Sino Ocean Ld Treasure III Limited Var Perp	200,000	149,884	0.26
Third Pakistan International Sukuk Series 5.5% Due 13/10/2021	550,000	531,078	0.92

	Holdings at 31 December 2018 Units	Fair Value at 31 December 2018 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2018 %
Third Pakistan International Sukuk Series 5.625% Due 05/12/2022	200,000	189,110	0.33
Trade & Development Mongolia Due 9.375% 19/05/2020	300,000	311,955	0.54
Tsinghua Unic Limited 4.75% Due 31/01/2021	350,000	335,742	0.58
Tsinghua Unic Limited 5.375% Due 31/01/2023	200,000	184,243	0.32
		10,543,764	18.19
Utilities			
Azure Power Energy Limited Series Due 03/11/2022	200,000	187,597	0.32
China Oil and Gas Group 4.625% Due 20/04/2022	200,000	189,397	0.33
GCL New Energy Holdings Limited 7.1% Due 30/01/2021	200,000	172,041	0.30
Huachen Energy 6.625% Due 18/05/2020	200,000	107,613	0.19
Huaneng HK Capital Limited Var Perp	300,000	270,246	0.47
Listrindo Capital 4.95% Due 14/09/2026	250,000	222,955	0.38
Neerg Energy Limited 6% Due 13/02/2022	200,000	188,082	0.32
United Photovoltaics Group 8.25% Due 25/01/2020	200,000	126,000	0.22
		1,463,931	2.53
Accrued Interest Receivable on Debt Securities		913,338	1.57
Portfolio of Investments		57,576,849	99.26
Other Net Assets		428,695	0.74
Net Assets Attributable to Unitholders		58,005,544	100.00

Primary - By Industry (Summary)

	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2018 %	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2017 %
Financial	11.87	14.16
Industrial	65.10	65.90
Government Related	18.19	14.62
Utilities	2.53	3.04
Accrued Interest Receivable on Debt Securities	1.57	1.56
Portfolio of Investments	99.26	99.28
Other Net Assets	0.74	0.72
Net Assets Attributable to Unitholders	100.00	100.00

The accompanying notes form an integral part of these financial statements.

iShares Southeast Asia Trust

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Statements of Portfolio (continued)

As at 31 December 2018

Secondary - By Geography

	Fair Value at 31 December 2018 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2018 %	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2017 %
BY COUNTRY			
China	32,766,193	56.47	49.15
Hong Kong	4,873,810	8.40	11.39
India	4,942,300	8.49	10.75
Indonesia	2,298,690	3.96	4.05
Macau	493,946	0.86	1.12
Malaysia	855,904	1.48	0.97
Mongolia	1,602,015	2.77	2.79
Pakistan	1,913,948	3.31	3.07
Philippines	1,628,234	2.81	3.48
Singapore	1,721,516	2.98	3.17
South Korea	297,983	0.51	1.07
Sri Lanka	2,317,478	4.01	3.82
Thailand	188,967	0.33	1.48
Vietnam	762,527	1.31	1.41
Accrued Interest Receivable on Debt Securities	913,338	1.57	1.56
Portfolio of Investments	57,576,849	99.26	99.28
Other Net Assets	428,695	0.74	0.72
Net Assets Attributable to Unitholders	58,005,544	100.00	100.00

The accompanying notes form an integral part of these financial statements.

iShares Southeast Asia Trust

(a Sub-Fund of iShares Southeast Asia Trust)

Notes to the Financial Statements

For the financial year ended 31 December 2018

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. The Trust

iShares Southeast Asia Trust (the "Trust") is a Singapore-constituted umbrella unit trust created by a trust deed dated 31 May 2006 made under Singapore law between BlackRock (Singapore) Limited as Manager and HSBC Institutional Trust Services (Singapore) Limited as Trustee (the "Principal Deed"). The Principal Deed has been amended by a supplemental deed dated 15 June 2006, an amending and restating deed dated 24 June 2010, a second amending and restating deed dated 6 May 2011, a third amending and restating deed dated 11 November 2011, a fourth amending and restating deed dated 30 March 2012, a second supplemental deed dated 15 November 2012, a fifth amending and restating deed dated 1 July 2013 and a third supplemental deed dated 27 April 2015, each made between the Manager and the Trustee (as amended, the "Trust Deed"). The Trust is authorised under Section 286 of the Securities and Futures Act, Chapter 289 of Singapore.

As at 31 December 2018, there are three sub-funds (the "Sub-Funds") established under the Trust:

Name of Sub-Fund	Listing Date on the Singapore Exchange Securities Trading Limited ("SGX-ST")
iShares MSCI India Index ETF	15 June 2006
iShares J.P. Morgan USD Asia Credit Bond Index ETF	2 June 2011
iShares Barclays USD Asia High Yield Bond Index ETF	8 December 2011

These financial statements relate to the three Sub-Funds.

iShares MSCI India Index ETF ("MSCI India ETF")

MSCI India ETF is the first sub-fund of the Trust and seeks to provide an investment return that corresponds generally to the performance of a diversified portfolio of Indian stocks as measured by the MSCI India Index.

All investments of MSCI India ETF are held through its investment in its wholly-owned subsidiary, iShares MSCI India Mauritius Company (the "Subsidiary").

iShares J.P. Morgan USD Asia Credit Bond Index ETF ("USD Asia Credit Bond ETF")

The investment objective of USD Asia Credit Bond ETF is to provide investment results that, before fees and expenses, closely correspond to the performance of the J.P. Morgan Asia Credit Index - Core in US Dollar terms.

iShares Barclays USD Asia High Yield Bond Index ETF ("USD Asia High Yield Bond ETF")

The investment objective of USD Asia High Yield Bond ETF is to provide investment results that, before fees and expenses, closely correspond to the performance of the Bloomberg Barclays Asia USD High Yield Diversified Credit Index in US Dollar terms.

2. Significant Accounting Policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" ("RAP 7") issued by the Institute of Singapore Chartered Accountants.

(b) Recognition of income

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on a time proportion basis using the effective interest method.

(c) Financial assets at fair value through profit or loss

(i) Initial recognition

Purchase of investments is recognised on the trade date. Investments are recorded at fair value on initial recognition.

(ii) Subsequent measurement

Investments are subsequently carried at fair value. Net changes in the fair value of investments is included in the Statements of Total Return in the year in which they arise.

(iii) Derecognition

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sales of investments are computed on the basis of the difference between the weighted average cost and selling price gross of transaction costs, and are taken up in the Statements of Total Return.

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(iv) Investment valuation

MSCI India ETF

MSCI India ETF's investment in Subsidiary and the underlying investments held by its Subsidiary have been designated at fair value through profit or loss at inception as they are managed as portfolio and their performance evaluated on a fair value basis in accordance with the MSCI India ETF's offering document.

The investment in the Subsidiary is valued at fair value, which is based on the latest net asset value of the Subsidiary's participating shares. The Investment Manager reviews the details of the net asset value information obtained from the Administrator's Delegate – HSBC Institutional Trust Services (Singapore) Limited.

USD Asia Credit Bond ETF and USD Asia High Yield Bond ETF

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the close of trading on the reporting date. The quoted market price for the investments held by USD Asia Credit Bond ETF and USD Asia High Yield Bond ETF is the current market quoted bid price, consistent with the inputs prescribed in the respective Sub-Fund's prospectus for the calculation of its per share trading value for creations and redemptions.

(d) Due from and due to brokers

Due from and due to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the Statement of Financial Position date respectively. These amounts are recognised initially at fair value and subsequently measured at amortised cost.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Sub-Fund's cash management. Bank overdrafts are shown in current liabilities in the statement of financial position.

(f) Receivables

Receivables, including amount due from unitholders are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These amounts are initially recognised at their fair value and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

(g) Payables

Payables, including amount due to unitholders and accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

(h) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Sub-Funds operate (the "functional currency"). The financial statements are presented in United States dollars ("USD"), which is the Sub-Funds' functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in the Statements of Total Return. Translation differences on non-monetary financial assets and liabilities such as equities are also recognised in the Statements of Total Return within the fair value net gain or loss.

(i) Investment entity and consolidation

MSCI India ETF

The financial statements of MSCI India ETF do not consolidate the financial performance and position of the Subsidiary.

The majority of the MSCI India ETF's investors are not related to the MSCI India ETF. MSCI India ETF holds multiple investments indirectly through its Subsidiary. MSCI India ETF is deemed to meet the definition of an investment entity per Financial Reporting Standard 110 'Consolidated Financial Statements' as the following conditions exist:

- (a) MSCI India ETF has obtained funds for the purpose of providing investors with investment management services;
- (b) MSCI India ETF's business purpose, which was communicated directly to investors, is investing solely for returns from capital appreciation and investment income; and
- (c) The performance of investments made through the Subsidiary are measured and evaluated on a fair value basis.

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Although MSCI India ETF does not meet all of the typical characteristics of an investment entity (namely, MSCI India ETF does not have multiple investments), it is nevertheless an investment entity because it was formed in conjunction with its Subsidiary and effects multiple investments through its Subsidiary.

As such, consolidated financial statements have not been prepared for the MSCI India ETF. In these non-consolidated financial statements, the MSCI India ETF's investment in its Subsidiary is carried at fair value through profit or loss.

(j) Distributions

The Manager has the absolute discretion to determine whether a distribution is to be made. In such an event, an appropriate amount will be transferred to a distribution account, to be paid out on the distribution date. This amount shall not be treated as part of the property of the Sub-Funds. Distributions are accrued for at the reporting date if the necessary approvals have been obtained and a legal or constructive obligation has been created.

(k) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Sub-Funds or the counterparty.

(l) Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes:

- (a) restricted activities;
- (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors;
- (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support; and
- (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

MSCI India ETF considers its investment in the Subsidiary to be an investment in an unconsolidated structured entity. MSCI India ETF invests in the Subsidiary whose objectives range from achieving medium to long-term capital growth. The Subsidiary is managed by a related asset manager and applies various investment strategies to accomplish its respective investment objectives. The Subsidiary finances its operations by issuing redeemable units which are puttable at the holders' option and entitles the holder to a proportional stake in MSCI India ETF's net assets. MSCI India ETF holds redeemable units in the Subsidiary.

The changes in fair value of the Subsidiary are included in the Statements of Total Return in "Net gains/losses on investments".

3. Taxation

MSCI India ETF, USD Asia Credit Bond Index ETF and USD Asia High Yield Bond Index ETF Enhanced-Tier Fund Tax Incentive Scheme

MSCI India ETF, USD Asia Credit Bond Index ETF and USD Asia High Yield Bond Index ETF are awarded tax exemption status by the Monetary Authority of Singapore ("MAS") under the Enhanced-Tier Fund Tax Incentive Scheme (Section 13X of the Income Tax Act and the relevant Regulations). Subject to certain conditions being met on an annual basis, the Sub-Funds may enjoy Singapore corporate tax exemption on "specified income" derived from "designated investments" for the life of the Sub-Funds. Losses from "designated investments" are correspondingly disregarded, with certain exceptions. The terms "specified income" and "designated investments" are defined in the relevant income tax Regulations. The Trustee of the Sub-Funds ensures that the Sub-Funds fulfill their reporting obligations under the Enhanced-Tier Fund Tax Incentive Scheme.

India Capital Gains Tax

The MSCI India ETF invests in India listed securities through the Mauritius Subsidiary. To obtain benefits under the double taxation treaty between Mauritius and India ("the tax treaty"), the Mauritius Subsidiary must meet certain tests and conditions annually, including the establishment of Mauritius tax residency status and related requirements. The Mauritius Subsidiary has obtained a tax residence certification ("TRC") from the Mauritius Revenue Authority and should be eligible for benefits under the tax treaty.

On 10 May 2016, the Indian Tax Board announced a phased removal of the capital gains tax ("CGT") exemption under the tax treaty. The change, effective from 1 April 2017, resulted in India retaining taxation rights on capital gains arising from sales of shares of Indian resident companies acquired by a Mauritius entity on or after 1 April 2017. Shares acquired prior to 1 April 2017 would still be protected from taxing rights in India.

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Further, effective 1 April 2018, capital gains (exceeding INR 100,000) realised from the sale of direct investments in India listed securities which were held for a period of more than 12 months are subject to long term CGT under new provisions included in the Income Tax Act. For India listed securities held on or before 31 January 2018, any notional long term capital gains up to that date are grandfathered and sheltered from tax via a cost base step up to fair market value as at 31 January 2018 (where applicable).

Based on the above, gains arising on disposal of shares by the Mauritius Subsidiary acquired prior to 1 April 2017 were not subject to tax. Gains on disposal of shares acquired after 1 April 2017 will be subject to tax according to the relevant local laws. The Manager established a provisioning policy which requires the Sub-Funds investing directly into Indian securities to provision for the unrealised capital gains tax. The Manager will continue to monitor and review the impact of India tax law changes on the Mauritius Subsidiary.

In preparing these financial statements, the Manager has made certain assumptions and used various estimates concerning the tax exposure which is dependent on what might happen in the future. The resulting accounting estimates may not equal the related actual results.

India Withholding Tax on Dividends

Dividends received from an Indian company on which dividend distribution tax ("DDT") has been paid are exempt from withholding tax in the hands of the shareholder. Indian companies paying the dividends are liable to pay DDT of 15% plus applicable surcharge and education cess.

The foregoing is based on current interpretation and practice and is subject to any future changes in Indian and Mauritian tax laws and the tax treaty between India and Mauritius.

USD Asia Credit Bond ETF	2018 US\$	2017 US\$
Income Tax	3,072	5,089
Charge for the Year	3,072	5,089

USD Asia High Yield Bond ETF	2018 US\$	2017 US\$
Income Tax	7,341	8,554
Charge for the Year	7,341	8,554

The overseas income tax represents tax deducted at source on interest derived from outside Singapore.

4. Investment in Subsidiary

MSCI India ETF

	2018		2017	
	Holdings No. of shares	Fair value US\$	Holdings No. of shares	Fair value US\$
iShares MSCI India Mauritius Company	18,216,822	163,767,469	37,214,688	362,989,415

The Subsidiary is a private company with liability limited by shares incorporated in Mauritius. The Subsidiary is a wholly owned subsidiary of MSCI India ETF. MSCI India ETF and its Subsidiary operate as an integrated structure whereby MSCI India ETF invests into the Subsidiary by subscribing for the Subsidiary's participating shares. The Subsidiary allows redemption of these participating shares on a daily basis.

Total net redemption made by MSCI India ETF during the year ended 31 December 2018 were of US\$175,750,312 (2017: net redemption of US\$112,478,016). As at 31 December 2018 and 2017, there were no capital commitment obligations and no amounts due to the Subsidiary for unsettled purchases.

During the financial year ended 31 December 2018, total net loss on investments in the Subsidiary were US\$23,471,634 (2017: net gains of US\$111,542,155).

5. Cash and bank balances

The amounts in cash and bank balances are placed with a financial institution which is a related company of the Trustee.

The carrying amount of bank balances approximates their fair value.

The Sub-Funds have credit facilities with The Hongkong and Shanghai Banking Corporation Limited ("HSBC"), which is the related company of the Trustee. As at 31 December 2018 and 2017, the banking overdraft facility lines available to the following Sub-Funds were as follows:

Overdraft facility	2018 US\$	2017 US\$
USD Asia Credit Bond ETF	1,500,000	1,500,000
USD Asia High Yield Bond ETF	2,000,000	2,000,000

The Sub-Funds have not utilised any of the above overdraft facility as at 31 December 2018, except for USD Asia High Yield Bond ETF which has bank overdraft of US\$53,747 (2017: US\$Nil).

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6. Payables

MSCI India ETF	2018 US\$	2017 US\$
Accrued Expenses	153,852	296,698

USD Asia Credit Bond ETF	2018 US\$	2017 US\$
Accrued Expenses	9,976	10,732

USD Asia High Yield Bond ETF	2018 US\$	2017 US\$
Accrued Expenses	26,209	30,336

7. Distributions

USD Asia Credit Bond ETF

	2018 US\$	2017 US\$
Quarter 1 (\$0.10 per unit based on 3,839,754 units, recorded as at 5 March 2018)	383,975	-
Quarter 2 (\$0.10 per unit based on 3,789,754 units, recorded as at 6 June 2018)	378,976	-
Quarter 3 (\$0.10 per unit based on 4,038,554 units, recorded as at 6 September 2018)	403,856	-
Quarter 4 (\$0.10 per unit based on 3,603,554 units, recorded as at 5 December 2018)	360,355	-
Quarter 1 (\$0.10 per unit based on 4,174,844 units, recorded as at 3 March 2017)	-	417,485
Quarter 2 (\$0.11 per unit based on 3,624,754 units, recorded as at 5 June 2017)	-	398,723
Quarter 3 (\$0.11 per unit based on 3,699,754 units, recorded as at 6 September 2017)	-	406,973
Quarter 4 (\$0.10 per unit based on 3,934,754 units, recorded as at 5 December 2017)	-	393,475
	1,527,162	1,616,656

USD Asia High Yield Bond ETF

	2018 US\$	2017 US\$
Quarter 1 (\$0.13 per unit based on 7,057,059 units, recorded as at 5 March 2018)	917,418	-
Quarter 2 (\$0.14 per unit based on 6,666,559 units, recorded as at 6 June 2018)	933,318	-
Quarter 3 (\$0.15 per unit based on 5,531,559 units, recorded as at 6 September 2018)	829,734	-
Quarter 4 (\$0.15 per unit based on 5,806,559 units, recorded as at 5 December 2018)	870,984	-
Quarter 1 (\$0.17 per unit based on 5,868,059 units, recorded as at 3 March 2017)	-	997,570
Quarter 2 (\$0.14 per unit based on 6,262,059 units, recorded as at 5 June 2017)	-	876,688
Quarter 3 (\$0.14 per unit based on 6,882,059 units, recorded as at 6 September 2017)	-	963,488
Quarter 4 (\$0.15 per unit based on 6,697,059 units, recorded as at 5 December 2017)	-	1,004,559
	3,551,454	3,842,305

No distribution was made to the unitholders of MSCI India ETF for the year ended 31 December 2018 (2017: Nil).

8. Units in issue

MSCI India ETF

	2018 UNITS	2017 UNITS
Beginning of Financial Year	39,500,000	54,500,000
Created during Financial Year	500,000	2,500,000
Cancelled during Financial Year	(20,500,000)	(17,500,000)
End of Financial Year	19,500,000	39,500,000
Net Assets Attributable to Unitholders (US\$)	164,003,304	363,453,949
Net Asset Value Per Unit (US\$)	8.41	9.20

USD Asia Credit Bond ETF

	2018 UNITS	2017 UNITS
Beginning of Financial Year	3,879,754	4,384,844
Created during Financial Year	425,000	600,000
Cancelled during Financial Year	(951,200)	(1,105,090)
End of Financial Year	3,353,554	3,879,754
Net Assets Attributable to Unitholders (US\$)	34,035,949	41,607,552
Net Asset Value Per Unit (US\$)	10.15	10.72

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USD Asia High Yield Bond ETF

	2018 UNITS	2017 UNITS
Beginning of Financial Year	6,747,059	5,227,810
Created during Financial Year	1,425,000	2,054,249
Cancelled during Financial Year	(2,240,500)	(535,000)
End of Financial Year	5,931,559	6,747,059
Net Assets Attributable to Unitholders (US\$)	58,005,544	72,448,767
Net Asset Value Per Unit (US\$)	9.78	10.74

There is no difference between the net assets attributable to unitholders per unit per the financial statements and the net assets attributable to unitholders per unit for issuing/ redeeming units at the reporting date.

9. Financial Risk Management

The Sub-Funds' activities may expose them to a variety of financial risks including but not limited to market risk (including price, currency and interest rate risk), liquidity risk and credit risk, which are associated with the financial statements and markets in which the Sub-Funds invest.

The following is a summary of the main risks and risk management policies.

(a) Market risk

Market risk is the risk of potential adverse changes to the value of financial investments because of changes in market conditions like interest and currency rate movements and volatility in security prices. The Sub-Funds' objective are to track the performance of their respective indexes, therefore, the exposure to market risk in the Sub-Funds will be substantially the same as that of the indexes. As index-tracking exchange-traded funds, the Manager manages the Sub-Funds' exposure to market risk by ensuring that the key characteristics of the portfolio, such as security weight and industry weight, is closely aligned to their respective index characteristics.

(i) Price risk

The Sub-Funds are exposed to price risk. This arises from investments held by the Sub-Funds for which prices in the future are uncertain. They are classified on the Statements of Financial Position as Portfolio of Investments. All securities investments present a risk of loss of capital. Except for equities sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from equities sold short can be unlimited.

Price risk is managed and monitored by the Manager on a portfolio basis, with risks managed through ensuring that investment activities are undertaken in accordance with the Sub-Funds' investment model which is reviewed and updated regularly. The Manager continuously monitors the Sub-Funds' holdings relative to the recommended portfolio, and the exposure of the Sub-Funds is monitored to ensure that they remain within designated ranges or asset allocation constraints.

The summarised VaR Analysis in Note 9 (a)(ii) explains how the market price risk is measured and summarises the potential exposure of the Sub-Funds' net assets attributable to unitholders.

(ii) Summarised VaR Analysis

Value at Risk (VaR) is a risk model used to estimate the potential losses that could occur on the Sub-Fund's net asset value position due to movements in interest rates, currency and market prices over a given period and for a specified degree of confidence.

The Manager uses VaR analysis and/or tracking error estimates to measure and manage risk as these are commonly used and understood models and are consistent across different types, asset classes and types of sub-funds. For the purpose of these accounts VaR analysis has been presented. The objective in all cases is to estimate potential losses and manage the downside risk.

The following table summarises the outputs of the VaR model in relation to interest rate, currency and price risk exposures. The total VaR figures are not the sum of individual risk components as VaR takes into account the correlations between different risk factors.

The Manager calculates the VaR relative to the Sub-Fund's total value. The analysis implies that the Manager can be 99% confident that the value of the portfolio will not decrease by any more than the figures in the table below over the 20 day period from 31 December.

	2018		2017	
	Amount	%	Amount	%
iShares MSCI India Index ETF	23,419,672	14.28	47,503,431	13.07
iShares J.P. Morgan USD Asia Credit Bond Index ETF	551,382	1.62	490,969	1.18
iShares Barclays USD Asia High Yield Bond Index ETF	1,658,959	2.86	666,529	0.92

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Detailed information about the models

There are a number of different VaR models used within the funds management industry. The Manager uses one or more of ex-ante and ex-post estimates of portfolio risk and the Monte Carlo simulation model depending on the fund type.

Models are calculated using historical data and a covariance matrix where applicable.

The models used by the Manager have the following features:

- VaR is calculated to a 99 per cent confidence level;
- VaR at a confidence level identifies the maximum expected loss under that confidence level;
- VaR is calculated for a 20 day holding period. The time horizon of twenty days is selected to coincide with the period used to analyse the portfolio positions. The risk data is examined in various daily, weekly and monthly forums; and
- The portfolio VaR is not the simple sum of individual asset stand alone VaRs; the correlations among assets in the portfolio are considered.

Although VaR is a valuable risk management tool it should be interpreted, as with all predictive models, with consideration to its assumptions and limitations. The main assumptions and limitations are listed below:

- Some models assume certain financial variables are normally distributed: The normality assumption allows the Manager to scale portfolio risk estimates to the appropriate confidence levels. The normality assumption is derived from statistical analysis for examining sample populations of observations and the implications of not assuming normality would preclude the use of most statistical tools including mainstream commercial models for risk measurement.
- The use of historical returns and correlations between assets would not take into account future potential events: It is a commonly stated and well recognised limitation that past performance is not a reliable indicator of future performance.
- Model risk, in general terms, is a known limitation that includes: the quality or accuracy of the underlying data, where significant events occur within the data, the changing sensitivity of the Sub-Fund's assets to external market factors over time, and appreciating that using only one model may be limiting in itself to obtaining the best understanding of a Sub-Fund's risk position.

- The Manager acknowledges these limitations and thus compares ex-ante and ex-post risk estimates to review expectations versus actual outcomes. Should ex-post values differ significantly from ex-ante returns, an assessment of the reasons for this will be made.

The Sub-Fund's risk is managed with constant review of both performance and risk numbers by the investment professionals within the business. These reviews consist of:

- Weekly meetings between the global members of Risk & Quantitative Analysis (RQA). These meetings include RQA Hong Kong and RQA Singapore;
- Monthly meetings between RQA and the Fund Managers;
- Monthly meetings between RQA and the Chief Investment Officer;
- Regular review of performance figures along with a comparison of ex-ante versus ex-post returns; and
- RQA professionals sitting and working closely with the Fund Managers every day.

(iii) Currency risk

MSCI India ETF

The MSCI India ETF is exposed to currency risk related to the US Dollar against Indian Rupee ("INR") through the investment of its Subsidiary.

The summarised VaR Analysis in Note 9(a)(ii) explains how the currency risk is measured and summarises the potential exposure of the Sub-Funds' net assets attributable to unitholders.

The table below summarises the Subsidiary's net exposure, monetary and non-monetary assets with all other variables held constant, which are denominated in a currency other than the US dollars.

Currency	USD equivalent - 2018		USD equivalent - 2017	
	Monetary	Non-monetary	Monetary	Non-monetary
INR	84,805	163,487,616	8,493	361,192,055

USD Asia Credit Bond ETF and USD Asia High Yield Bond ETF

The majority of the financial assets and liabilities of USD Asia Credit Bond ETF and USD Asia High Yield Bond ETF are held in USD denominated instruments. As a result, they are not subject to significant currency risk.

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(iv) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Interest rate movements affect the value of fixed income securities more directly than equities, and is a major risk to USD Asia Credit Bond ETF and USD Asia High Yield Bond ETF.

The majority of the financial assets and liabilities of MSCI India ETF are non-interest bearing. As a result, they are not subject to significant amount of risk due to fluctuations in the prevailing levels of market interest rates.

USD Asia Credit Bond ETF and USD Asia High Yield Bond ETF invest primarily in debt securities which are subjected to interest rate fluctuations. As interest rates rise, prices of fixed income securities may fall and vice versa. The rationale is that as interest rates increase, the opportunity cost of holding a fixed income security increases since investors are able to realise greater yields by switching to other investments that reflect the higher interest rate. The Manager regularly assess the economic condition, monitor changes in interest rates outlook and take appropriate measures accordingly and discuss with the index provider.

The summarised VaR Analysis in Note 9(a)(ii) explains how the interest rate risk is measured and summarises the potential exposure of the Sub-Funds' net assets attributable to unitholders.

The following tables summarise the Sub-Funds' exposure to interest rate risk. They include the Sub-Funds' assets and liabilities at fair value, categorised by the interest rate types.

USD Asia Credit Bond ETF

As at 31 December 2018

	Variable Rates US\$	Fixed Rates US\$	Non-Interest Bearing US\$	Total US\$
Assets				
Portfolio of Investments	2,471,529	31,125,011	409,501	34,006,041
Due from Brokers	-	-	1,079,617	1,079,617
Cash and Bank Balances	374,997	-	-	374,997
Receivables	-	-	11	11
Total Assets	2,846,526	31,125,011	1,489,129	35,460,666
Liabilities				
Due to Unitholders	-	-	1,013,603	1,013,603
Payables	-	-	9,976	9,976
Due to Brokers	-	-	401,138	401,138
Total Liabilities	-	-	1,424,717	1,424,717

As at 31 December 2017

	Variable Rates US\$	Fixed Rates US\$	Non-Interest Bearing US\$	Total US\$
Assets				
Portfolio of Investments	2,618,417	38,153,630	501,635	41,273,682
Due from Brokers	-	-	1,419,268	1,419,268
Cash and Bank Balances	91,170	-	-	91,170
Receivables	-	-	52	52
Total Assets	2,709,587	38,153,630	1,920,955	42,784,172
Liabilities				
Payables	-	-	10,732	10,732
Due to Brokers	-	-	1,165,888	1,165,888
Total Liabilities	-	-	1,176,620	1,176,620

USD Asia High Yield Bond ETF

As at 31 December 2018

	Variable Rates US\$	Fixed Rates US\$	Non-Interest Bearing US\$	Total US\$
Assets				
Portfolio of investments	4,763,757	51,899,754	913,338	57,576,849
Due from brokers	-	-	1,448,895	1,448,895
Due from Unitholders	-	-	736,646	736,646
Cash and bank balances	-	-	-	-
Total Assets	4,763,757	51,899,754	3,098,879	59,762,390
Liabilities				
Bank overdraft	53,747	-	-	53,747
Due to Unitholders	-	-	733,075	733,075
Payables	-	-	26,209	26,209
Due to brokers	-	-	943,815	943,815
Total liabilities	53,747	-	1,703,099	1,756,846

As at 31 December 2017

	Variable Rates US\$	Fixed Rates US\$	Non-Interest Bearing US\$	Total US\$
Assets				
Portfolio of investments	7,098,911	63,698,596	1,131,035	71,928,542
Due from brokers	-	-	730,109	730,109
Cash and bank balances	314,829	-	-	314,829
Receivables	-	-	107	107
Total assets	7,413,740	63,698,596	1,861,251	72,973,587
Liabilities				
Payables	-	-	30,336	30,336
Due to brokers	-	-	494,484	494,484
Total liabilities	-	-	524,820	524,820

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(b) Liquidity risk

Liquidity risk is the risk that the Sub-Funds may not be able to generate sufficient cash resources to settle their obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Sub-Funds are exposed to daily cash redemptions and disbursements for the settlement of purchases. The liquidity risks associated with the need to satisfy unitholders' requests for redemptions are mitigated by maintaining adequate liquidity to satisfy usual redemption volumes and investing predominantly in securities that the Manager expects to be able to liquidate in a relatively short period of time. The Sub-Funds also maintain continuous monitoring of forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Manager considers and maintains the liquidity of the Sub-Funds, in the context of the investment objectives and liquidity requirements per the issued Prospectuses.

The Sub-Funds' financial liabilities are repayable within 12 months. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

MSCI India ETF

As at 31 December 2018

	Less than 3 Months US\$
Payables	153,852

As at 31 December 2017

	Less than 3 Months US\$
Payables	296,698

USD Asia Credit Bond ETF

As at 31 December 2018

	Less than 3 Months US\$
Due to Unitholders	1,013,603
Payables	9,976
Due to Brokers	401,138

As at 31 December 2017

	Less than 3 Months US\$
Payables	10,732
Due to Brokers	1,165,888

USD Asia High Yield Bond ETF

As at 31 December 2018

	Less than 3 Months US\$
Bank overdraft	53,747
Due to Unitholders	733,075
Payables	26,209
Due to Brokers	943,815

As at 31 December 2017

	Less than 3 Months US\$
Payables	30,336
Due to Brokers	494,484

(c) Credit risk

The Sub-Funds take on exposure to credit risk, which is the risk that the counterparty will be unable to pay amounts in full when due, including transactions with counterparties such as participating dealers, issuers, brokers, custodians and banks.

The Manager has in place procedures for proper credit screening and monitoring of credit risk. The Sub-Funds invest mostly in financial assets, which have credit ratings assigned by Standard and Poor's or Moody's or Fitch's. The credit ratings are reviewed regularly.

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The following table analyses the Sub-Funds' investments by credit ratings.

USD Asia Credit Bond ETF

	Percentage of Total Assets Attributable to Unitholders as at 31 December 2018	Percentage of Total Assets Attributable to Unitholders as at 31 December 2017
AAA	0.71	0.59
AA+	1.11	0.48
AA	8.43	7.78
AA-	1.30	0.68
A1	0.58	0.48
A+	5.41	6.23
A2	1.64	0.96
A	6.18	5.12
A3	1.15	0.96
A-	6.30	9.09
BBB+	7.86	9.54
Baa1	2.22	0.97
BBB	10.34	11.61
Baa2	2.87	1.97
BBB-	20.56	18.53
Baa3	1.05	0.49
BB+	0.58	0.97
BB	0.97	1.63
Ba2	0.54	0.48
BB-	1.73	1.53
Ba3	0.55	0.49
B+	2.55	6.22
B	8.03	2.38
B-	0.43	2.00
CCC+	-	0.46
Unrated	5.62	6.35
Accrued Interest Receivable on Debt Securities	1.20	1.21
Total Debt Securities	99.91	99.20

USD Asia High Yield Bond ETF

	Percentage of Total Assets Attributable to Unitholders as at 31 December 2018	Percentage of Total Assets Attributable to Unitholders as at 31 December 2017
BBB	-	0.65
BBB-	-	0.69
BB+	2.66	3.89
BB	8.75	9.41
BB-	9.47	9.05
Ba1	1.00	-
Ba2	5.62	4.60
Ba3	3.01	2.69
B+	8.95	14.60
B	20.74	6.11
B-	2.15	7.80
B1	1.31	1.32
B2	0.50	1.41
B3	2.21	1.61
CCC+	-	0.89
CCC	0.57	-
CCC-	-	0.58
Caa1	0.66	0.40
Ca	0.19	-
Unrated	29.90	32.02
Accrued Interest Receivable on Debt Securities	1.57	1.56
Total Debt Securities	99.26	99.28

Credit risk also arises from cash and cash equivalents held with financial institutions. The following table summarises the credit ratings of the bank and the custodian in which the Sub-Funds' assets are held as at 31 December 2018 and 2017 in respect of its senior long-term debt obligations.

MSCI India ETF, USD Asia Credit Bond ETF AND USD Asia High Yield Bond ETF

As at 31 December 2018

	Credit Rating*	Source of Credit Rating
Bank		
The Hongkong and Shanghai Banking Corporation Limited	AA-	Standard & Poor's
Custodian		
The Hongkong and Shanghai Banking Corporation Limited	AA-	Standard & Poor's

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As at 31 December 2017

	Credit Rating*	Source of Credit Rating
Bank The Hongkong and Shanghai Banking Corporation Limited	AA-	Standard & Poor's
Custodian The Hongkong and Shanghai Banking Corporation Limited	AA-	Standard & Poor's

* Credit rating refers to the long term default issuer rating of the financial institution.

(d) Capital Management

The Sub-Funds' capital are represented by the net assets attributable to unitholders. The Sub-Funds strive to invest the subscriptions of redeemable participating units in investments that meet the Sub-Funds' investment objectives while maintaining sufficient liquidity for the on-going management of the Sub-Funds.

(e) Fair value estimation

The Sub-Funds classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table analyses within the fair value hierarchy the Sub-Funds' financial assets and liabilities (by class) measured at fair value at 31 December 2018 and 2017:

MSCI India ETF

As at 31 December 2018

	Level 1	Level 2	Level 3	Total
	US\$	US\$	US\$	US\$
Assets Portfolio of Investments Financial assets designated at Fair Value Through Profit or Loss - Equity Securities	-	163,767,469	-	163,767,469

As at 31 December 2017

	Level 1	Level 2	Level 3	Total
	US\$	US\$	US\$	US\$
Assets Portfolio of Investments Financial assets designated at Fair Value Through Profit or Loss - Equity Securities	-	362,989,415	-	362,989,415

The Subsidiary's investment in equity securities amounting to US\$163,487,616 (2017: US\$361,192,055) is classified as Level 1. Their values are based on quoted market prices in active markets.

USD Asia Credit Bond ETF

As at 31 December 2018

	Level 1	Level 2	Level 3	Total
	US\$	US\$	US\$	US\$
Assets Portfolio of Investments Financial Assets Designated at Fair Value Through Profit or Loss - Quoted Debt Securities	-	34,006,041	-	34,006,041

As at 31 December 2017

	Level 1	Level 2	Level 3	Total
	US\$	US\$	US\$	US\$
Assets Portfolio of Investments Financial Assets Designated at Fair Value Through Profit or Loss - Quoted Debt Securities	-	41,273,682	-	41,273,682

USD Asia High Yield Bond ETF

As at 31 December 2018

	Level 1	Level 2	Level 3	Total
	US\$	US\$	US\$	US\$
Assets Portfolio of Investments Financial Assets Designated at Fair Value Through Profit or Loss - Quoted Debt Securities	-	57,576,849	-	57,576,849

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As at 31 December 2017

	Level 1	Level 2	Level 3	Total
	US\$	US\$	US\$	US\$
Assets				
Portfolio of Investments				
Financial Assets Designated at Fair Value Through Profit or Loss				
- Quoted Debt Securities	-	71,928,542	-	71,928,542

Investments whose values are based on quoted market prices in active markets and therefore classified within level 1, comprise active listed equities. The Sub-Funds do not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include investment-grade corporate bonds and over-the-counter derivatives.

Investments classified within level 3 have significant unobservable inputs, as they are infrequently traded. There were no investment classified as level 3 as at 31 December 2018 and 2017.

There were no transfers between the levels of investments held by the Sub-Funds during the year ended 31 December 2018.

Except for cash and cash equivalents which are classified as level 1, the Sub-Funds' assets and liabilities not measured at fair value at 31 December 2018 and 2017 have been classified as level 2. The carrying amounts of these assets and liabilities approximate their fair values as at the end of the reporting date.

10. Related Party Transactions

The Manager and the Trustee of the Sub-Funds are BlackRock (Singapore) Limited and HSBC Institutional Trust Services (Singapore) Limited, respectively.

HSBC Institutional Trust Services (Singapore) Limited is a subsidiary of the HSBC Holdings PLC.

Management fees are paid to the Manager. Trustee fees, registrar fees and custody fees are paid to the Trustee or its related company (as applicable) from the management fees based on terms set out in the Trust Deed.

11. Financial Ratios

MSCI India ETF

	2018	2017
Expense Ratio ¹	1.03%	0.70%
Turnover Ratio ²	1.51%	6.35%

USD Asia Credit Bond ETF

	2018	2017
Expense Ratio ¹	0.31%	0.25%
Turnover Ratio ²	38.10%	57.85%

USD Asia High Yield Bond ETF

	2018	2017
Expense Ratio ¹	0.52%	0.44%
Turnover Ratio ²	54.27%	73.47%

¹ The expense ratios have been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). MSCI India ETF's expense ratio is the sum of the Sub-Fund's expense ratio and the weighted average of the underlying fund's expense ratio.

The calculation of the Sub-Funds' expense ratios at 31 December 2018 was based on total operating expenses divided by the average net asset value for the year. The total operating expenses do not include (where applicable) brokerage and other transaction costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of the other funds and tax deducted at source or arising out of income received. The Sub-Funds do not pay any performance fee. The average net asset value is based on the daily balances.

The following table presents the total operating expenses and average daily net asset values of the Sub-Funds for the year ended 31 December 2018 and 2017:

MSCI India ETF

	2018 US\$	2017 US\$
Total Operating Expenses	2,167,316	1,821,809
Average Daily Net Asset Value	259,003,969	341,220,517
Weighted Average Expense Ratio of the Underlying Fund	0.19%	0.17%

USD Asia Credit Bond ETF

	2018 US\$	2017 US\$
Total Operating Expenses	121,848	103,406
Average Daily Net Asset Value	39,243,865	41,358,054

iShares Southeast Asia Trust

(a Sub-Fund of iShares Southeast Asia Trust)

USD Asia High Yield Bond ETF

	2018 US\$	2017 US\$
Total Operating Expenses	330,605	306,045
Average Daily Net Asset Value	64,159,306	68,860,740

² The portfolio turnover ratios are calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower of the total value of purchases or sales of the underlying investments divided by the average daily net asset value as below:

MSCI India ETF

	2018 US\$	2017 US\$
Total Value of Purchases or Sales	3,923,109	21,669,548
Average Daily Net Asset Value	259,003,969	341,220,517

USD Asia Credit Bond ETF

	2018 US\$	2017 US\$
Total Value of Purchases or Sales	14,953,458	23,927,236
Average Daily Net Asset Value	39,243,865	41,358,054

USD Asia High Yield Bond ETF

	2018 US\$	2017 US\$
Total Value of Purchases or Sales	34,820,495	50,589,200
Average Daily Net Asset Value	64,159,306	68,860,740

12. Comparatives

Where applicable, the 2017 comparative figures have been reclassified to conform with the changes in the current year's presentation.

iShares Southeast Asia Trust

Management and Administration

Directors of the Manager

Ho Nyuk Choo Deborah Joanne (appointed on 23 March 2018)
Sanjeev Malik
Lynda Hall
Toby Cameron Robert Ritch
Alastair John Imlay Gillespie (appointed on 23 March 2018)
Leung Patrick Kar Peck (appointed on 23 March 2018)
Neeraj Seth (appointed on 23 March 2018)

Manager

BlackRock (Singapore) Limited
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20 Anson Road
Singapore 079912
Company Registration No. 200010143N

Sub-Manager

(for iShares MSCI India Index ETF only)
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Hong Kong

Auditor

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Marina One East Tower
Level 12
Singapore 018936

Trustee and Registrar

HSBC Institutional Trust Services
(Singapore) Limited
21 Collyer Quay
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Company Registration No. 194900022R

Custodian

The Hongkong and Shanghai
Banking Corporation Limited
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