



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 dollar, the MSCI India ETF is also traded in Singapore dollars on SGX-ST. The Singapore dollar 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

On 10 May 2016, the Indian Tax Board announced a phased removal of the capital gains tax ("CGT") exemption under the India-Mauritius 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 are still protected from taxing rights in India. There is a transition period from 1 April 2017 to 31 March 2019 where the tax rate is limited to 50% of India's domestic tax rate subject to a limitation of benefits clause. Taxation in India at the full domestic tax rate will apply from financial year 2019 - 2020 onwards.

The returns of the MSCI India ETF via its holdings in Indian investments may as a result be adversely impacted by India Tax Law Changes.

In 2017, gains arising on disposal of shares by the Mauritian subsidiary acquired prior to 1 April 2017 were not subject to tax in accordance with the above. Gains on disposal of shares acquired after 1 April 2017 will be subject to tax according to the relevant local laws. The Manager is continuing to monitor the impact of the India Tax Law Changes on the MSCI India ETF and the Mauritius subsidiary.

A. 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 2017, the NAV per unit (based on the last traded prices of the investments) of the MSCI India ETF was US\$9.20 and 39,500,000 units were outstanding. The total size of the MSCI India ETF was approximately US\$363.5 million.

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

Total Return ² in US\$ as of 31 December 2017	1-Month	3-Month	6-Month	1-Year
Net DIV MSCI India Total Return Index in US\$ ⁴	4.88%	11.82%	15.12%	38.76%
Fund NAV Return in US\$ ⁵	4.79%	11.46%	14.55%	37.48%
Fund Price Return (MKT) in US\$ ⁶	4.76%	11.85%	15.34%	38.06%

Total Return ² in US\$ as of 31 December 2017	3-Year (Annualised)	5-Year (Annualised)	Since Inception ³ (Annualised)
Net DIV MSCI India Total Return Index in US\$ ⁴	8.69%	8.87%	9.31%
Fund NAV Return in US\$ ⁵	7.62%	7.79%	7.94%
Fund Price Return (MKT) in US\$ ⁶	8.36%	7.95%	8.01%

Source: BlackRock and MSCI

As of 31 December 2017, MSCI India Index consists of 79 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.

Fund Activities

The average daily trading volume for MSCI India ETF during the year was reported by Bloomberg to be approximately 199,368 units.

¹ Past performance figures shown are not indicative of the future performance of the 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 Fund are issued and redeemed at their NAV in exchange for a basket of securities representing the MSCI India Index. Therefore, the Fund does not publish a bid price and the 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 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)

Index Activities

MSCI India Index underwent 4 regular reviews during the year from 1 January 2017 to 31 December 2017. As at 31 December 2017, MSCI India ETF had exposure to all index constituents in the MSCI India Index.

Sector Weights

As of 31 December 2017, the index sector weights, as represented by holdings of the Mauritius Subsidiary, are listed below.

Sector	Index Weights %	Portfolio Weights %
Consumer Discretionary	12.99	13.02
Consumer Staples	9.49	9.52
Energy	12.55	12.61
Financial	23.01	23.08
Health Care	5.94	5.96
Industrial	5.93	5.95
Information Technology	14.63	14.32
Materials	9.92	9.97
Telecommunication	3.41	3.41
Utilities	2.13	2.16

B. Distribution of Investments of the MSCI India ETF as at 31 December 2017

1 By Asset Class

	Fair Value US\$	Percentage of Total Net Assets Attributable to Unitholders %
Listed Equities	362,989,415	99.87
Other Net Assets ⁷	464,534	0.13
Net Assets Attributable to Unitholders (At Last Traded Prices)	363,453,949	100.00

2 By Credit Rating of Fixed Income Securities

Not Applicable

3 By Derivative Type

Not Applicable

C. Top 10 Holdings

1 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

1 largest holding as at 31 December 2016*

	Fair Value as at 31 December 2016 US\$	Percentage of Total Net Assets Attributable to Unitholders as at 31 December 2016 %
iShares MSCI India Mauritius Company	363,925,276	99.77

*There was only 1 holding as at 31 December 2016

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 2017, 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\$715,773

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

ISHARES MSCI INDIA MAURITIUS COMPANY

(i) 10 largest holdings

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

As at 31 December 2016

	Fair Value as at 31 December 2016 US\$	Percentage of Total Net Assets Attributable to Unitholders as at 31 December 2016 %
Housing Development Finance Corporation Limited	30,874,616	8.48
Infosys Ltd	30,197,493	8.30
Reliance Industries Limited	22,832,851	6.27
Tata Consultancy Services Ltd	18,190,999	5.00
I.T.C Limited	13,312,761	3.66
Axis Bank Limited	12,232,647	3.36
Tata Motors Limited	12,134,587	3.33
Sun Pharmaceutical Industry Limited	9,862,197	2.71
Maruti Suzuki India Limited	9,145,519	2.51
Hindustan Unilever Limited	8,724,683	2.40

(ii) Expense Ratio

As at 31 December 2017	0.17%
As at 31 December 2016	0.16%

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 2017 and 31 December 2016 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 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 2017	14.32%
As at 31 December 2016	16.04%

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\$" 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. 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 2017, the NAV per unit (based on the bid prices of the investments) of the USD Asia Credit Bond ETF was US\$10.72 and 3,879,754 units were outstanding. The total size of the USD Asia Credit Bond ETF was approximately US\$41.6 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 2017	1-Month	3-Month	6-Month	1-Year
JACI Core Total Return Index in US\$ ⁴	0.20%	0.54%	2.13%	6.70%
Fund NAV Return in US\$ ⁵	0.18%	0.47%	2.04%	6.55%
Fund Price Return (MKT) in US\$ ⁶	0.00%	0.19%	2.15%	7.05%

Total Return ² in US\$ as of 31 December 2017	3-Year (Annualised)	5-Year (Annualised)	Since Inception ³ (Annualised)
JACI Core Total Return Index in US\$ ⁴	4.86%	4.24%	5.65%
Fund NAV Return in US\$ ⁵	4.90%	4.15%	5.50%
Fund Price Return (MKT) in US\$ ⁶	4.91%	4.38%	5.46%

Source: BlackRock and J.P.Morgan

As of 31 December 2017, the JACI Core consists of 871 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.

Fund Activities

The average daily trading volume for the USD Asia Credit Bond ETF during the year was reported by Bloomberg to be approximately 13,314 units.

Index Activities

The JACI Core is rebalanced monthly. As at 31 December 2017, the USD Asia Credit Bond ETF held 184 of the 871 constituents in the JACI Core.

Sector Weights

As of 31 December 2017, the index sector weights are listed below.

Sector	Index Weights %	Portfolio Weights %
Consumer	3.21	2.82
Financial	18.29	16.57
Industrial	14.83	15.34
Media & Telecom	5.37	5.74
Oil & Gas	6.66	7.44
Government Related	46.21	44.72
Utilities	5.13	5.36

¹ Past performance figures shown are not indicative of the future performance of the 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 Fund are issued and redeemed at their NAV. Therefore, the Fund does not publish a bid price and the 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 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 2017

1 By Asset Class

	Fair Value US\$	Percentage of Total Net Assets Attributable to Unitholders %
Debt Securities	41,273,682	99.20
Other Net Assets ⁷	333,870	0.80
Net Assets Attributable to Unitholders (At Bid Market Prices)	41,607,552	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 2017 %
AAA	246,971	0.59
AA+	200,576	0.48
AA	3,238,504	7.78
AA-	285,140	0.68
A1	198,497	0.48
A+	2,589,007	6.23
A2	396,781	0.96
A	2,134,599	5.12
A3	401,455	0.96
A-	3,785,798	9.09
BBB+	3,967,704	9.54
Baa1	405,775	0.97
BBB	4,830,122	11.61
Baa2	822,201	1.97
BBB-	7,711,740	18.53
Baa3	202,967	0.49
BB+	402,168	0.97
BB	675,339	1.63
Ba2	199,700	0.48
BB-	635,951	1.53
Ba3	204,000	0.49
B+	2,586,423	6.22
B	987,650	2.38
B-	832,562	2.00
CCC+	193,000	0.46
Unrated	2,637,417	6.35
Accrued interest receivable on debt securities	501,635	1.21

3 By Derivative Type

Not applicable

C. Top 10 Holdings

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

⁷ Other net assets include the cash and bank balances of US\$91,170

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 2016

	Fair value at 31 December 2016 US\$	Percentage of Total Net Assets Attributable to Unitholders as at 31 December 2016 %
Republic of Philippines 7.75% due 14/01/2031	702,465	1.53
Republic of Philippines 3.7% due 01/03/2041	644,625	1.40
Republic of Philippines 6.375% due 23/10/2034	584,105	1.27
Republic of Indonesia 4.75% due 08/01/2026	566,500	1.23
Republic of Indonesia 5.875% due 13/03/2020	545,835	1.19
Republic of Islamic Pakistan 8.25% due 15/04/2024	540,263	1.18
Bangkok Bank Public Company Limited 5% due 03/10/2023	435,332	0.95
Hutchison Whampoa International 11 Limited 4.625% due 13/01/2022	428,398	0.93
Republic of Indonesia 6.75% due 15/01/2044	422,581	0.92
Korea Development Bank 3.75% due 22/01/2024	410,811	0.90

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 2017, 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. 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 2017, the NAV per unit (based on the bid prices of the investments) of the USD Asia High Yield Bond ETF was US\$10.74 and 6,747,059 units were outstanding. The total size of the USD Asia High Yield Bond ETF was approximately US\$72.4 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 2017	1-Month	3-Month	6-Month	1-Year
BAHY Total Return Index in US\$ ⁴	0.29%	0.67%	3.02%	6.53%
Fund NAV Return in US\$ ⁵	0.20%	0.44%	2.75%	6.23%
Fund Price Return (MKT) in US\$ ⁶	0.74%	0.74%	3.28%	6.83%

Total Return ² in US\$ as of 31 December 2017	3-Year (Annualised)	5-Year (Annualised)	Since Inception ³ (Annualised)
BAHY Total Return Index in US\$ ⁴	7.38%	6.00%	8.57%
Fund NAV Return in US\$ ⁵	7.17%	5.74%	8.23%
Fund Price Return (MKT) in US\$ ⁶	7.50%	5.86%	8.23%

Source: BlackRock and Bloomberg

As of 31 December 2017, the BAHY Index consists of 220 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.

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 19,688 units.

Index Activities

The BAHY Index is rebalanced monthly. As at 31 December 2017, the USD Asia High Yield Bond ETF held 199 of the 220 constituents in the BAHY Index.

Sector Weights

As of 31 December 2017, the index sector weights are listed below.

Sector	Index Weights %	Portfolio Weights %
Financial	13.14	14.16
Industrial	65.19	65.90
Government Related	19.06	14.62
Utilities	2.61	3.04

B. Distribution of Investments of the USD Asia High Yield Bond ETF as at 31 December 2017

1 By Asset Class

	Fair Value US\$	Percentage of Total Net Assets Attributable to Unitholders %
Debt Securities	71,928,542	99.28
Other Net Assets ⁷	520,225	0.72
Net Assets Attributable to Unitholders (At Bid Market Prices)	72,448,767	100.00

- Past performance figures shown are not indicative of the future performance of the Fund.
- Total returns represent the rate that an investor would have earned (or lost) on an investment, assuming reinvestment of all dividends and distributions.
- This is annualised return since fund inception and fund inception date is 5 December 2011.
- 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.
- Units in the Fund are issued and redeemed at their NAV. Therefore, the Fund does not publish a bid price and the Fund's returns have been calculated from NAVs.
- Market returns are calculated using historical market closing prices (when NAV is normally determined for the 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.
- Other net assets include the cash and bank balances of US\$314,829

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 2017 %
BBB	471,686	0.65
BBB-	502,348	0.69
BB+	2,828,565	3.89
Ba2	3,338,312	4.60
BB	6,804,947	9.41
BB-	6,544,935	9.05
Ba3	1,951,897	2.69
B+	10,567,409	14.60
B1	960,012	1.32
B	4,421,056	6.11
B2	1,018,112	1.41
B-	5,653,406	7.80
B3	1,164,342	1.61
CCC+	648,192	0.89
Caa1	292,362	0.40
CCC-	418,000	0.58
Unrated	23,211,926	32.02
Accrued Interest Receivable on Debt Securities	1,131,035	1.56

3 By Derivative Type

Not applicable

C. Top 10 Holdings

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

10 largest holdings as at 31 December 2016

	Fair value at 31 December 2016 US\$	Percentage of Total Net Assets Attributable to Unitholders as at 31 December 2016 %
Proven Honour Capital 4.125% due 06/05/2026	1,192,524	2.14
Lenovo Group Limited 4.7% due 08/05/2019	935,649	1.68
Evergrande Real Estate Group 8.75% due 30/10/2018	915,750	1.64
Shimao Property Holding Limited 8.375% due 10/02/2022	888,000	1.59
Republic of Islamic Pakistan 8.25% due 15/04/2024	759,101	1.36
Vedanta Resources Public Limited Company 8.25% due 07/06/2021	726,250	1.30
Vedanta Resources Public Limited Company 6% due 31/01/2019	702,625	1.26
ABJA Investment Company 5.95% due 31/07/2024	685,125	1.23
Country Garden Holdings Company 7.5% due 09/03/2020	637,500	1.14
Republic of Islamic Pakistan Series 7.25% due 15/04/2019	634,566	1.14

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

Nil.

I. Soft Dollar Commission Received by the Managers

During the financial year ended 31 December 2017, 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 2017

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 42, 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 2018

iShares Southeast Asia Trust

Statement by the Manager

For the financial year ended 31 December 2017

In the opinion of BlackRock (Singapore) Limited, the accompanying financial statements set out on pages 16 to 42, 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 2017 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 2018

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 2017, 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 2017;
- the Statements of Financial Position as at 31 December 2017;
- the Statements of Movements of Unitholders' Funds for the financial year ended 31 December 2017;
- the Statements of Portfolio as at 31 December 2017; 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 2017. 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 and will 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 on the other information, 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)

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 2018

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 2017

	iShares MSCI India Index ETF		iShares J.P. Morgan USD Asia Credit Bond Index ETF		iShares Barclays USD Asia High Yield Bond Index ETF	
Note	2017 US\$	2016 US\$	2017 US\$	2016 US\$	2017 US\$	2016 US\$
Income						
Interest Income	1,527	383	378	91	760	156
Other Income	-	-	700	1,950	15,225	22,025
	1,527	383	1,078	2,041	15,985	22,181
Less: Expenses						
Management Fees	(3,368,005)	(4,530,695)	(124,151)	(198,272)	(343,795)	(302,887)
Management Fees Rebate	886,514	633,757	-	-	-	-
Other Expenses	659,682	(317,888)	15,270	(26,819)	27,650	(37,789)
	(1,821,809)	(4,214,826)	(108,881)	(225,091)	(316,145)	(340,676)
Net Losses	(1,820,282)	(4,214,443)	(107,803)	(223,050)	(300,160)	(318,495)
Net Gains or Losses on Investments						
Net Gains/(Losses) on Investments	111,542,155	(13,461,616)	2,749,654	5,115,580	4,274,375	6,729,384
Net Foreign Exchange Gains	803	-	-	-	-	-
Total Returns/(Deficits) for the Financial Year Before Taxation	109,722,676	(17,676,059)	2,641,851	4,892,530	3,974,215	6,410,889
Taxation	-	-	(5,089)	(2,499)	(8,554)	(4,843)
Total Returns/(Deficits) for the Financial Year After Taxation	109,722,676	(17,676,059)	2,636,762	4,890,031	3,965,661	6,406,046

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 2017

	iShares MSCI India Index ETF		iShares J.P. Morgan USD Asia Credit Bond Index ETF		iShares Barclays USD Asia High Yield Bond Index ETF	
Note	2017 US\$	2016 US\$	2017 US\$	2016 US\$	2017 US\$	2016 US\$
Assets						
Portfolio of Investments	362,989,415	363,925,276	41,273,682	45,759,447	71,928,542	55,714,336
Due from Brokers	-	3,290,729	1,419,268	655,345	730,109	199,346
Cash and Bank Balances	5 715,773	1,450,416	91,170	125,598	314,829	693,620
Receivables	45,459	94,980	52	19	107	53
Total Assets	363,750,647	368,761,401	42,784,172	46,540,409	72,973,587	56,607,355
Liabilities						
Due to Unitholder	-	3,296,410	-	-	-	-
Payables	6 296,698	695,568	10,732	23,514	30,336	44,735
Due to Brokers	-	-	1,165,888	623,844	494,484	715,043
Total Liabilities	296,698	3,991,978	1,176,620	647,358	524,820	759,778
Equity						
Net Assets Attributable to Unitholders	8 363,453,949	364,769,423	41,607,552	45,893,051	72,448,767	55,847,577

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 2017

	iShares MSCI India Index ETF		iShares J.P. Morgan USD Asia Credit Bond Index ETF		iShares Barclays USD Asia High Yield Bond Index ETF	
Note	2017 US\$	2016 US\$	2017 US\$	2016 US\$	2017 US\$	2016 US\$
Net Assets Attributable to Unitholders at the Beginning of Financial Year	364,769,423	511,758,132	45,893,051	68,883,991	55,847,577	65,511,545
Operations						
Change in Net Assets Attributable to Unitholders Resulting from Operations	109,722,676	(17,676,059)	2,636,762	4,890,031	3,965,661	6,406,046
Unitholders' Contributions/(Withdrawals)						
Creation of Units	21,755,250	13,371,000	6,463,411	18,073,284	22,319,525	25,737,082
Cancellation of Units	(132,793,400)	(142,683,650)	(11,769,016)	(43,179,901)	(5,841,691)	(37,771,108)
Change in Net Assets Attributable to Unitholders Resulting from Net Creation and Cancellation of Units	(111,038,150)	(129,312,650)	(5,305,605)	(25,106,617)	16,477,834	(12,034,026)
Distributions	-	-	(1,616,656)	(2,774,354)	(3,842,305)	(4,035,988)
Total (Decrease)/Increase in Net Assets Attributable to Unitholders	(1,315,474)	(146,988,709)	(4,285,499)	(22,990,940)	16,601,190	(9,663,968)
Net Assets Attributable to Unitholders at the End of Financial Year	363,453,949	364,769,423	41,607,552	45,893,051	72,448,767	55,847,577

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 2017

iShares MSCI India Index ETF

Primary - By Geography

	Holdings at 31 December 2017 Units	Fair Value at 31 December 2017 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2017 %
Equities			
India			
iShares MSCI India Mauritius Company	37,214,688	362,989,415	99.87
Portfolio of Investments Other Net Assets		362,989,415 464,534	99.87 0.13
Net Assets Attributable to Unitholders		363,453,949	100.00

Primary - By Geography (Summary)

	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2017 %	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2016 %
India	99.87	99.77
Portfolio of Investments Other Net Assets	99.87 0.13	99.77 0.23
Net Assets Attributable to Unitholders	100.00	100.00

Secondary - By Industry

	Fair Value at 31 December 2017 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2017 %	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2016 %
Equities			
Miscellaneous	362,989,415	99.87	99.77
Portfolio of Investments Other Net Assets	362,989,415 464,534	99.87 0.13	99.77 0.23
Net Assets Attributable to Unitholders	363,453,949	100.00	100.00

Schedule of Securities for the iShares MSCI India Mauritius Company

	Holdings at 31 December 2017 Units	Fair Value at 31 December 2017 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2017 %
Quoted Equities Held by the Subsidiary			
Consumer Discretionary			
Bajaj Auto Limited	64,327	3,359,688	0.92
Bharat Forge Limited	162,375	1,860,911	0.51
Bosch Limited	5,446	1,720,600	0.47
Hero Motorcorp Limited	38,253	2,268,510	0.62
Mahindra & Mahindra Limited	561,872	6,611,916	1.82
Maruti Suzuki India Limited	80,259	12,234,287	3.37
Motherson Sumi Systems Limited	471,335	2,800,576	0.77
Tata Motors Limited	1,207,932	8,172,738	2.25
Tata Motors Limited Class A	294,672	1,126,935	0.31
Titan Company Limited	235,943	3,172,214	0.87
Zee Entertainment Enterprises Limited	404,926	3,690,979	1.02
		47,019,354	12.93
Consumer Staples			
Britannia Industries Limited	21,917	1,617,056	0.45
Dabur India Limited	400,656	2,195,126	0.60
Godrej Consumer Products Limited	182,758	2,861,736	0.79
Hindustan Unilever Limited	492,361	10,551,502	2.90
I.T.C. Limited	2,581,228	10,646,011	2.93
Marico Limited	351,811	1,777,589	0.49
Nestle India Limited	17,602	2,170,594	0.60
United Spirits Limited	44,561	2,561,398	0.70
		34,381,012	9.46
Energy			
Bharat Petroleum Corporation Limited	581,996	4,720,525	1.30
Coal India Limited	513,841	2,116,870	0.58
Hindustan Petroleum Corporation	467,232	3,064,248	0.84
Indian Oil Corporation Limited	446,675	2,719,135	0.75
Oil & Natural Gas Corporation Limited	983,732	3,008,491	0.83
Petronet LNG Limited	342,289	1,366,153	0.38
Reliance Industries Limited	1,978,828	28,555,083	7.86
		45,550,505	12.54
Financial			
Axis Bank Limited	1,271,561	11,234,920	3.09
Bajaj Finance Limited	124,493	3,426,373	0.94
Bajaj Finserv Limited	29,026	2,378,561	0.66
Housing Development Finance Corporation Limited	1,151,312	30,851,969	8.49
ICICI Bank Limited	1,816,405	8,935,822	2.46
IDFC Bank Limited	1,086,261	923,264	0.25
Indiabulls Housing Finance Limited	242,982	4,555,282	1.25
LIC Housing Finance	228,241	2,015,022	0.56
Mahindra & Mahindra Financial Services Limited	205,464	1,522,933	0.42
Power Finance Corporation	491,028	936,629	0.26
Rural Electrification Corporation Limited	529,855	1,292,937	0.36
Shriram Transport Finance	111,695	2,592,377	0.71
State Bank of India Limited	1,303,958	6,331,073	1.74
Yes Bank Limited	1,288,258	6,360,809	1.75
		83,357,971	22.94

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 2017

	Holdings at 31 December 2017 Units	Fair Value at 31 December 2017 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2017 %
Health Care			
Aurobindo Pharmaceuticals Limited	199,508	2,150,351	0.59
Cadila Healthcare Limited	152,145	1,033,330	0.28
Cipla Limited	265,086	2,527,200	0.69
Dr Reddy's Laboratory Limited	87,089	3,294,039	0.91
Glenmark Pharmaceuticals Limited	108,114	1,007,415	0.28
Lupin Limited	164,060	2,275,030	0.63
Piramal Enterprises Limited	59,529	2,674,153	0.74
Sun Pharmaceutical Industry Limited	735,645	6,582,800	1.81
		21,544,318	5.93
Industrial			
Adani Port & Special Economic Zone Limited	555,621	3,531,200	0.97
Ashok Leyland Limited	877,141	1,636,716	0.45
Bharat Heavy Electricals Limited	671,775	973,549	0.27
Container Corporation Of India Limited	33,134	716,045	0.20
Eicher Motors Limited	10,206	4,851,494	1.33
Havells India Limited	186,537	1,643,770	0.45
Larsen & Toubro Limited	359,140	7,079,831	1.95
Siemens India Limited	54,459	1,056,331	0.29
		21,488,936	5.91
Information Technology			
HCL Technologies Limited	423,522	5,908,838	1.62
Infosys Ltd	1,335,366	21,801,232	6.00
Tata Consultancy Services Ltd	349,461	14,789,300	4.07
Tech Mahindra Limited	354,464	2,799,226	0.77
Vakrangee Limited	322,148	2,121,072	0.58
Wipro Limited	876,330	4,314,546	1.19
		51,734,214	14.23
Materials			
ACC Limited	35,435	976,208	0.27
Ambuja Cements Limited	441,815	1,883,135	0.52
Asian Paints Limited	218,346	3,963,085	1.09
Grasim Industries Limited	250,842	4,581,396	1.26
Hindalco Industries	894,164	3,832,181	1.06
JSW Steel Limited	645,553	2,728,764	0.75
Shree Cements Limited	6,162	1,744,939	0.48
Tata Steel Limited	227,693	2,612,704	0.72
Ultratech Cement Limited	67,298	4,555,524	1.25
UPL Limited	272,023	3,250,510	0.89
Vedanta Limited	1,139,973	5,892,086	1.62
		36,020,532	9.91
Telecommunication			
Bharti Airtel Limited	905,486	7,513,856	2.07
Bharti Infratel Limited	492,412	2,921,954	0.80
Idea Cellular Limited	1,102,457	1,868,015	0.52
		12,303,825	3.39
Utilities			
Gail India Limited	388,941	3,044,681	0.84
NTPC Limited	1,264,112	3,505,508	0.96
Tata Power Company Limited	847,301	1,241,199	0.34
		7,791,388	2.14

	Holdings at 31 December 2017 Units	Fair Value at 31 December 2017 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2017 %
Total Value of Equities Held by the Subsidiary		361,192,055	99.38
Other Net Assets of the Subsidiary		1,797,360	0.49
Net Assets Attributable to Unitholders of the Subsidiary		362,989,415	99.87

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 2017

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

Primary - By Industry

	Holdings at 31 December 2017 Units	Fair Value at 31 December 2017 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2017 %
Bonds - Quoted			
Consumer			
Car Incorporation Series 6.125% due 04/02/2020	100,000	102,498	0.25
GOHL Capital Limited 4.25% due 24/01/2027	200,000	205,675	0.49
Li & Fung Limited 5.25% due 13/05/2020	250,000	261,022	0.63
Melco Resorts Finance 4.875% due 06/06/2025	200,000	201,903	0.49
Parkway Pantai Limited Series Emtm Var Perpetual	200,000	200,541	0.48
Wynn Macau Limited Series 4.875% due 01/10/2024	200,000	201,000	0.48
		1,172,639	2.82
Financial			
ALA Group Limited 3.125% due 13/03/2023	200,000	200,401	0.48
ALA Group Limited 3.2% due 11/03/2025	200,000	198,703	0.48
Axis Bank/Dubai 3.25% due 21/05/2020	200,000	200,808	0.48
Bangkok Bank Public Company Limited 3.875% due 27/09/2022	200,000	207,551	0.50
Bangkok Bank Public Company Limited 4.8% due 18/10/2020	100,000	105,105	0.25
Bangkok Bank Public Company Limited 5% due 03/10/2023	200,000	218,955	0.53
Bank of China Hong Kong 5.55% due 11/02/2020	250,000	262,582	0.63
Bank of China/Macau Series EMTN 2.875% due 20/04/2022	200,000	198,497	0.48
Bank of Communications/HK Series EMTN FRN due 21/02/2020	200,000	199,891	0.48
Bank of East Asia Limited Series Var due 20/11/2024	200,000	202,402	0.49
Bank of India Jersey 3.125% due 06/05/2020	200,000	198,668	0.48
China Cinda Finance 2017 3.65% due 09/03/2022	225,000	227,148	0.55
CIMB Bank Berhad Series EMTN 3.263% due 15/03/2022	200,000	201,564	0.48
DBS Group Holdings Limited Series GMTN Var Perp	200,000	200,100	0.48
Huarong Finance II Co Limited Series EMTN 5.5% due 16/01/2025	200,000	216,133	0.52
Hyundai Capital Services Incorporation 2.625% due 29/09/2020	200,000	197,457	0.47
ICBC Asia Limited Series EMTN 5.125% due 30/11/2020	100,000	105,356	0.25
ICBCIL Finance Company Limited 3.2% due 10/11/2020	200,000	199,984	0.48

	Holdings at 31 December 2017 Units	Fair Value at 31 December 2017 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2017 %
ICICI Bank Limited / Dubai Series 3.5% due 18/03/2020	200,000	201,509	0.48
ICICI Bank Limited 5.75% due 16/11/2020	200,000	214,027	0.51
IDBI Bank Limited Series EMTN 4.125% due 23/04/2020	200,000	202,500	0.49
Industrial & Commercial Bank of China Limited Series 4.875% due 21/09/2025	200,000	211,846	0.51
Krung Thai Bank Public Company Limited Series Emtm Var due 26/12/2024	200,000	205,901	0.50
Nanyang Commercial Bank Var Perpetual	200,000	199,700	0.48
Oversea-Chinese Banking Corporation Limited Series Var due 15/10/2024	200,000	202,668	0.49
Oversea-Chinese Banking Corporation Series 4.25% due 19/06/2024	200,000	207,955	0.50
Shinhan Bank 2.875% due 28/03/2022	200,000	198,046	0.48
Siam Commercial Bank Series Gmtm 3.2% due 26/07/2022	200,000	201,246	0.48
Skysea International Cap Series Emtm 4.875% due 07/12/2021	100,000	106,887	0.26
State Bank India/London Series Emtm Frn due 06/04/2020	200,000	200,441	0.48
State Elite Global Limited Series Emtm 2.75% due 13/06/2022	200,000	197,229	0.47
United Overseas Bank Limited Emtm Var due 19/09/2024	200,000	202,404	0.49
United Overseas Bank Limited Series Emtm Var due 16/09/2026	200,000	201,430	0.48
Woori Bank 5% Perpetual	200,000	203,500	0.49
Woori Bank Series 2.625% due 20/07/2021	200,000	197,278	0.47
		6,895,872	16.57
Industrial			
ABJA Investment Company 5.95% due 31/07/2024	200,000	211,500	0.51
Adani Ports And Special Series 3.5% due 29/07/2020	200,000	202,000	0.48
Capitaland Treasury Limited Emtm 4.076% due 20/09/2022	200,000	206,695	0.50
China Evergrande Group 7.5% due 28/06/2023	200,000	203,500	0.49
China Overseas Finance Cayman II 5.5% due 10/11/2020	100,000	106,664	0.26
CIFI Holdings Group 7.75% due 05/06/2020	100,000	104,875	0.25
CITIC Limited 6.625% due 15/04/2021	100,000	110,318	0.26
CK Hutchison International 17 Limited 3.5% due 05/04/2027	200,000	199,596	0.48
Formosa Group Cayman Limited 3.375% due 22/04/2025	200,000	199,348	0.48
Franshion Development Limited 6.75% due 15/04/2021	100,000	109,723	0.26
Global Logistic Properties Ltd 3.875% due 04/06/2025	200,000	192,241	0.46
HLP Finance Limited Series Emtm 4.45% due 16/04/2021	200,000	207,399	0.50

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 2017

	Holdings at 31 December 2017 Units	Fair Value at 31 December 2017 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2017 %
Hong Kong Land Finance 4.5% due 07/10/2025	150,000	162,815	0.39
Hutchison Whampoa International 11 Limited 4.625% due 13/01/2022	200,000	212,615	0.51
Hutchison Whampoa International Limited 7.45% due 24/11/2033	200,000	286,100	0.69
Hyundai Capital America 3% due 30/10/2020	200,000	199,800	0.48
ICTSI Treasury 4.625% due 16/01/2023	200,000	207,500	0.50
JGSH Philippines Limited 4.375% due 23/01/2023	200,000	207,000	0.50
Link Finance Cayman 2009 Series Emtn 3.6% due 03/09/2024	200,000	204,932	0.49
New World Development Company 5.25% due 26/02/2021	200,000	210,321	0.51
NWD Finance (BVI) Limited 5.75% due Perp	200,000	199,700	0.48
Oceanwide Holdings International 17.75% due 27/07/2020	200,000	193,000	0.46
Olam International Limited Series Emtn Var Perp	200,000	199,750	0.48
POSCO 4.25% due 28/10/2020	200,000	206,145	0.49
POSCO 5.25% due 14/04/2021	50,000	53,306	0.13
Radiant Access Limited 4.6% due 18/11/2065	200,000	194,000	0.47
Studio City Company Limited Series 7.25% due 30/11/2021	200,000	211,500	0.51
Sun Hung Kai Properties Limited 3.375% due 25/02/2024	200,000	201,075	0.48
Sunac China Holdings Limited 6.875% due 08/08/2020	200,000	197,750	0.47
Swire Pacific Mtn Financial Series Emtn 3.875% due 21/09/2025	200,000	206,320	0.50
Swire Propert Mtn Financial Series Emtn 3.625% due 13/01/2026	200,000	202,781	0.49
Theta Capital Pte Limited 7% due 11/04/2022	200,000	206,500	0.50
Vedanta Resources Public Limited Company 6.375% due 30/07/2022	350,000	364,438	0.88
		6,381,207	15.34
Media & Telecom			
Alibaba Group Holding 3.125% due 28/11/2021	200,000	202,488	0.49
Axiata Spv2 Series 4.357% due 24/03/2026	200,000	210,755	0.50
Bharti Airtel International 5.35% due 20/05/2024	200,000	215,468	0.52
Bharti Airtel Limited Series 4.375% due 10/06/2025	200,000	203,550	0.49
Flextronics International Limited 4.75% due 15/06/2025	200,000	213,321	0.51
Foxconn Far East Limited Series EMTN 2.25% due 23/09/2021	200,000	195,286	0.47
PCCW HKT Capital No.2 Limited 3.625% due 02/04/2025	200,000	201,641	0.48

	Holdings at 31 December 2017 Units	Fair Value at 31 December 2017 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2017 %
Proven Glory Capital Limited Series EMTN 4% due 21/02/2027	200,000	202,511	0.49
Singtel Group Treasury P Series EMTN 3.25% due 30/06/2025	400,000	405,985	0.98
SK Telecom Company Limited 6.625% due 20/07/2027	100,000	125,034	0.30
StatsChippac Limited Series 8.5% due 24/11/2020	200,000	213,662	0.51
		2,389,701	5.74
Oil & Gas			
Bharat Petroleum Corporation Limited 4.625% due 25/10/2022	200,000	211,944	0.51
CNOOC Finance 2013 Limited 3% due 09/05/2023	200,000	197,923	0.48
CNOOC Finance 2013 Limited 4.25% due 09/05/2043	200,000	205,726	0.49
CNPC General Capital 3.95% due 19/04/2022	200,000	207,494	0.50
Indian Oil Corporation Limited 5.625% due 02/08/2021	200,000	217,180	0.52
Nexen Energy ULC 7.875% due 15/03/2032	50,000	71,337	0.17
Oil India International 4% due 21/04/2027	200,000	200,836	0.48
ONGC Videsh Limited Series 4.625% due 15/07/2024	300,000	319,100	0.77
Petron Corporation Var Perpetual PTT Global Chemical PCL 4.25% due 19/09/2022	200,000	209,533	0.50
PTTEP Canada International Finance 6.35% due 12/06/2042	200,000	260,750	0.63
Reliance Holdings USA Incorporation 4.5% due 19/10/2020	250,000	261,050	0.63
Reliance Holdings USA Incorporation 6.25% due 19/10/2040	250,000	323,053	0.78
Thai Oil PCL 3.625% due 23/01/2023	200,000	204,477	0.49
		3,094,403	7.44
Government Related			
1MDB Global Investments Series 4.4% due 09/03/2023	400,000	388,000	0.93
China Development Bank Series Emtn 2.5% due 09/10/2020	200,000	198,188	0.48
CNAC HK Finbridge Company Limited 3% due 19/07/2020	200,000	198,439	0.48
Export-Import Bank of China 2.625% due 14/03/2022	200,000	197,740	0.48
Export-Import Bank Of India 3.375% due 05/08/2026	200,000	196,475	0.47
Export-Import Bank Of India Series Emtn 3.125% due 20/07/2021	200,000	200,751	0.48
Export-Import Bank of Korea 2.375% due 21/04/2027	200,000	185,051	0.44
Export-Import Bank of Korea 3.25% due 10/11/2025	200,000	199,372	0.48

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 2017

	Holdings at 31 December 2017 Units	Fair Value at 31 December 2017 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2017 %
Export-Import Bank of Korea 4% due 29/01/2021	400,000	411,858	0.99
Export-Import Bank of Korea 5% due 11/04/2022	300,000	322,725	0.78
Hong Kong Sukuk 2017 Limited 3.132% due 28/02/2027	200,000	200,576	0.48
Korea Development Bank 1.502330% due 27/02/2020	200,000	199,189	0.48
Korea Development Bank 2.5% due 13/01/2021	200,000	197,397	0.47
Korea Development Bank 3% due 14/09/2022	200,000	199,476	0.48
Korea Finance Corporation 4.625% due 16/11/2021	200,000	211,541	0.51
Korea National Oil Corporation Series 2% due 24/10/2021	200,000	192,344	0.46
Korea National Oil Corporation Series 3.25% due 01/10/2025	200,000	198,838	0.48
Korea Resources Corporation 2.25% due 29/04/2020	200,000	196,294	0.47
Majapahit Holding 7.875% due 29/06/2037	125,000	168,438	0.40
Malaysia Sovereign Sukuk 4.236% due 22/04/2045	200,000	218,400	0.52
Malaysia Sukuk Global 3.179% due 27/04/2026	250,000	251,700	0.60
Mongolia 5.125% due 05/12/2022	400,000	394,516	0.95
Mongolia International Bond Series 10.875% due 06/04/2021	200,000	234,546	0.56
Pertamina 5.25% due 23/05/2021	200,000	214,454	0.52
Pertamina 6.5% due 27/05/2041	200,000	239,884	0.58
Pertamina Persero 6.45% due 30/05/2044	200,000	239,486	0.58
Perusahaan Penerbit Sbsn 4.15% due 29/03/2027	200,000	205,356	0.49
Perusahaan Penerbit Sbsn 4.35% due 10/09/2024	300,000	314,874	0.76
Perusahaan Penerbit Sbsn 4.55% due 29/03/2026	200,000	211,356	0.51
Petrolia Nasional Berhad Series 7.625% due 15/10/2026	100,000	132,125	0.32
Petronas Capital Limited 3.125% due 18/03/2022	200,000	202,222	0.49
Petronas Capital Limited 3.5% due 18/03/2025	200,000	205,057	0.49
Petronas Capital Limited 4.5% due 18/03/2045	200,000	225,520	0.54
Petronas Capital Limited 7.875% due 22/05/2022	150,000	180,779	0.43
Power Sector Asset & Liabilities 7.39% due 02/12/2024	200,000	255,376	0.61
PSA International Private Limited Gmtn 3.875% due 11/02/2021	200,000	207,542	0.50
PT Pelabuhan Indo II 4.25% due 05/05/2025	200,000	204,600	0.49
Republic of Indonesia Series 4.35% due 08/01/2027	200,000	211,644	0.51
Republic of Indonesia 3.7% due 08/01/2022	200,000	205,738	0.49
Republic of Indonesia 3.75% due 25/04/2022	300,000	308,910	0.74

	Holdings at 31 December 2017 Units	Fair Value at 31 December 2017 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2017 %
Republic of Indonesia 4.75% due 08/01/2026	200,000	217,020	0.52
Republic of Indonesia 5.125% due 15/01/2045	200,000	220,628	0.53
Republic of Indonesia 5.875% due 13/03/2020	150,000	161,054	0.39
Republic of Indonesia 5.875% due 15/01/2024	300,000	341,559	0.82
Republic of Indonesia 6.75% due 15/01/2044	250,000	331,987	0.80
Republic of Indonesia 7.75% due 17/01/2038	200,000	285,626	0.69
Republic of Indonesia 8.5% due 12/10/2035	150,000	224,132	0.54
Republic of Indonesia Series 5.95% due 08/01/2046	300,000	369,510	0.89
Republic of Islamic Pakistan 8.25% due 15/04/2024	300,000	331,500	0.80
Republic of Korea 2.75% due 19/01/2027	200,000	195,670	0.47
Republic of Korea 4.125% due 10/06/2044	100,000	114,420	0.27
Republic of Philippines 10.625% due 16/03/2025	200,000	302,114	0.73
Republic of Philippines 3.7% due 01/03/2041	775,000	770,993	1.85
Republic of Philippines 3.7% due 02/02/2042	200,000	198,810	0.48
Republic of Philippines 4% due 15/01/2021	250,000	262,065	0.63
Republic of Philippines 4.2% due 21/01/2024	300,000	325,899	0.78
Republic of Philippines 6.375% due 15/01/2032	200,000	260,252	0.63
Republic of Philippines 6.375% due 23/10/2034	450,000	601,826	1.45
Republic of Philippines 7.75% due 14/01/2031	225,000	320,837	0.77
Republic of Philippines 9.5% due 02/02/2030	200,000	315,918	0.76
Republic of Sri Lanka 5.75% due 18/01/2022	200,000	208,912	0.50
Republic of Sri Lanka 5.875% due 25/07/2022	200,000	210,686	0.51
Republic of Sri Lanka 6.2% due 11/05/2027	300,000	316,461	0.76
Republic of Sri Lanka 6.25% due 04/10/2020	200,000	210,760	0.51
Republic of Sri Lanka 6.825% due 18/07/2026	200,000	219,728	0.53
Republic of Sri Lanka 6.85% due 03/11/2025	300,000	330,000	0.79
Republic of Vietnam 4.8% due 19/11/2024	200,000	212,951	0.51
Sinopec Group Oversea 2012 3.9% due 17/05/2022	300,000	309,457	0.74
SP Powerassets Limited 3.25% due 24/11/2025	200,000	203,977	0.49
SSG Resources Limited 4.25% due 04/10/2022	200,000	207,551	0.50
State Grid Overseas Investment 3.125% due 22/05/2023	200,000	200,022	0.48
State Grid Overseas Investment Series 3.5% due 04/05/2027	200,000	201,020	0.48

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 2017

	Holdings at 31 December 2017 Units	Fair Value at 31 December 2017 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2017 %
Temasek Financial I Ltd 2.375% due 23/01/2023	250,000	246,971	0.59
Third Pakistan International Sukuk Series 5.5% due 13/10/2021	250,000	251,900	0.61
		18,608,993	44.72
Utilities			
Azure Power Energy Limited Series due 03/11/2022	200,000	204,000	0.49
HK Electric Finance Series Emtm 4.25% due 14/12/2020	200,000	207,732	0.50
Korea Gas Corporation 6.25% due 20/01/2042	200,000	285,140	0.68
Korea Hydro & Nuclear Power 3% due 19/09/2022	200,000	199,104	0.48
Minejasa Capital BV Series 4.625% due 10/08/2030	200,000	202,967	0.49
NTPC Limited Series Emtm 4.25% due 26/02/2026	200,000	206,173	0.49
OVPH Limited 5.875% Perpetual Perusahaan Gas Negara 5.125% due 16/05/2024	200,000	215,350	0.52
Power Grid Corp of India 3.875% due 17/01/2023	100,000	102,824	0.25
San Miguel Corporation 4.875% due 26/04/2023	200,000	204,000	0.49
TNB Global Ventures Cap 3.244% due 19/10/2026	200,000	194,442	0.47
		2,229,232	5.36
Accrued Interest Receivable on Debt Securities		501,635	1.21
Portfolio of Investments Other Net Assets		41,273,682 333,870	99.20 0.80
Net Assets Attributable to Unitholders		41,607,552	100.00

Secondary - By Geography

	Fair Value at 31 December 2017 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2017 %	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2016 %
BY COUNTRY			
Bermuda	261,022	0.63	0.79
British Virgin Islands	624,862	1.50	0.91
Canada	332,087	0.80	0.52
Cayman Islands	398,786	0.96	0.91
China	3,964,502	9.53	12.18
Great Britain	199,700	0.48	1.58
Hong Kong	4,902,037	11.80	10.38
India	4,274,192	10.26	10.32
Indonesia	4,929,668	11.87	11.05
Macau	201,000	0.48	0.44
Malaysia	3,024,331	7.24	6.40
Mongolia	629,062	1.51	0.37
Netherlands	371,405	0.89	0.52
Pakistan	583,400	1.41	1.73
Philippines	4,436,590	10.67	10.81
Singapore	2,891,380	6.95	9.21
South Korea	4,688,985	11.25	10.81
Sri Lanka	1,496,547	3.60	3.04
Taiwan	199,348	0.48	0.41
Thailand	1,352,768	3.25	4.11
USA	797,424	1.92	1.31
Vietnam	212,951	0.51	0.64
Accrued Interest Receivable on Debt Securities	501,635	1.21	1.27
Portfolio of Investments Other Net Assets	41,273,682 333,870	99.20 0.80	99.71 0.29
Net Assets Attributable to Unitholders	41,607,552	100.00	100.00

Primary - By Industry (Summary)

	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2017 %	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2016 %
Consumer	2.82	2.26
Financial	16.57	19.45
Industrial	15.34	17.72
Media & Telecom	5.74	5.54
Oil & Gas	7.44	7.95
Government Related	44.72	42.07
Utilities	5.36	3.45
Accrued Interest Receivable on Debt Securities	1.21	1.27
Portfolio of Investments Other Net Assets	99.20 0.80	99.71 0.29
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 2017

iShares Barclays USD Asia High Yield Bond Index ETF

Primary - By Industry

	Holdings at 31 December 2017 Units	Fair Value at 31 December 2017 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2017 %
Bonds - Quoted			
Financial			
Bank of East Asia Limited Series Var 20/11/2024	200,000	202,390	0.28
Bank of East Asia Limited Var due 03/11/2026	300,000	299,958	0.41
Boom Up Investments Limited Series EMTN 3.8% due 02/08/2019	300,000	289,440	0.40
Champion Mtn Limited Series EMTN 3.75% due 17/01/2023	250,000	250,852	0.35
China Reinsurance Finance Corporation 3.375% due 09/03/2022	800,000	789,176	1.09
Easy Tactic Limited 5.75% due 13/01/2022	500,000	497,445	0.69
FWD Group Limited Series Emtn Var Perp	500,000	371,780	0.51
IDBI Bank Limited Series Emtn 3.75% due 25/01/2019	300,000	301,554	0.42
IDBI Bank Limited Series Emtn 4.125% due 23/04/2020	200,000	202,386	0.28
IDBI Bank Limited/Difc Dubai 4.25% due 30/11/2020	250,000	253,933	0.35
Jingrui Holdings Limited 7.75% due 12/04/2020	300,000	292,362	0.40
Joyous Glory Group Gmtm 5.7% due 07/03/2020	300,000	311,244	0.43
New World China Land Limited 4.75% due 23/01/2027	250,000	259,225	0.36
New World China Land Limited Series Emtm 5.375% due 06/11/2019	300,000	312,069	0.43
Oceanwide Holdings International 15 9.625% due 11/08/2020	400,000	406,940	0.56
Oceanwide Holdings International 17 7.75% due 27/07/2020	250,000	241,252	0.33
Oxley MTN Pte Limited Series EMTN 6.375% due 21/04/2021	250,000	250,342	0.34
PCPD Capital Limited 4.75% due 09/03/2022	350,000	356,598	0.49
RKI Overseas Finance 2016 A 5% due 09/08/2019	300,000	301,272	0.42
RKI Overseas Finance 2016 B 4.7% due 06/09/2021	300,000	295,575	0.41
Ronshine China Holdings Limited 6.95% due 08/12/2019	250,000	244,077	0.34
Sun Hung Kai & Co Bvi 4.65% due 08/09/2022	250,000	250,025	0.34
Sun Hung Kai & Company Bvi Series Emtm 4.75% due 31/05/2021	250,000	252,538	0.35
Syndicate Bank/London Series Emtn 3.875% due 04/12/2019	250,000	252,438	0.35
Times Property Holdings Limited 6.25% due 23/01/2020	200,000	201,528	0.28

	Holdings at 31 December 2017 Units	Fair Value at 31 December 2017 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2017 %
Unigroup International 6% due 10/12/2020	400,000	416,952	0.58
Union Bank of India Series Emtm 4.5% due 28/10/2019	200,000	204,128	0.28
VII International Incorporation Series Emtm 7.375% due 18/06/2022	300,000	331,581	0.46
Wanda Properties International 7.25% due 29/01/2024	400,000	401,360	0.55
Woori Bank 5% Perpetual	300,000	305,412	0.42
Woori Bank Series 4.75% due 30/04/2024	450,000	471,686	0.65
Xinhu Zhongbao 6% due 01/03/2020	450,000	442,071	0.61
		10,259,589	14.16
Industrial			
361 Degrees International 7.25% due 03/06/2021	300,000	312,063	0.43
ABJA Investment Company 4.85% due 31/01/2020	300,000	306,216	0.42
ABJA Investment Company 5.95% due 31/07/2024	500,000	528,805	0.73
Agile Property Holdings Limited 9% due 21/05/2020	300,000	318,825	0.44
Baoxin Auto Finance I Limited Var 29/12/2049	300,000	317,826	0.44
Biostime International Holdings Limited 7.25% due 21/06/2021	400,000	416,488	0.58
Blue Skyview Company Limited Var Perp	400,000	356,112	0.49
Bukit Makmur Mandiri Utama 7.75% due 13/02/2022	300,000	321,771	0.44
Capitaland Treasury Limited Emtn 4.076% due 20/09/2022	300,000	310,059	0.43
Car Incorporation Series 6.125% due 04/02/2020	350,000	359,020	0.50
CCTI 2017 Limited 3.625% due 08/08/2022	300,000	295,782	0.41
Central Plaza Development Limited Var Perp	300,000	312,321	0.43
Chalieco Hong Kong Corporation Frn Perp	200,000	204,104	0.28
China Evergrande Group 7% due 23/03/2020	200,000	205,316	0.28
China Evergrande Group 7.5% due 28/06/2023	450,000	457,956	0.63
China Evergrande Group 8.25% due 23/03/2022	400,000	424,004	0.59
China Evergrande Group 8.75% due 28/06/2025	1,669,000	1,731,454	2.39
China Oil and Gas Group 4.625% due 20/04/2022	200,000	201,046	0.28
China SCE Property Holding 10% due 02/07/2020	250,000	268,812	0.37
China SCE Property Holdings 5.875% due 10/03/2022	300,000	291,429	0.40
China South City Holding 6.75% due 13/09/2021	200,000	194,566	0.27
CIFI Holdings Group due 7.75% 05/06/2020	300,000	315,144	0.44
CN Energy Reserve Chemicals 6.125% due 15/01/2019	300,000	300,849	0.42
Country Garden Holdings 4.75% due 25/07/2022	300,000	299,583	0.41

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 2017

	Holdings at 31 December 2017 Units	Fair Value at 31 December 2017 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2017 %
Country Garden Holdings 4.75% due 28/09/2023	600,000	597,024	0.82
Country Garden Holdings 5.625% due 15/12/2026	200,000	207,740	0.29
Country Garden Holdings Company 7.5% due 09/03/2020	250,000	260,670	0.36
Country Garden Holdings Company 7.5% due 10/01/2023	600,000	623,256	0.86
Country Garden Holdings Company Limited 7.25% due 04/04/2021	200,000	207,168	0.29
Delhi International Airport Series 6.125% due 31/10/2026	350,000	372,365	0.51
Dr Peng Holding Hongkong 5.05% due 01/06/2020	400,000	401,288	0.55
EHI Car Services Limited 5.875% due 14/08/2022	200,000	203,582	0.28
Fantasia Holdings Group 7.375% due 04/10/2021	300,000	297,441	0.41
Fita International Limited 7% due 10/02/2020	300,000	322,128	0.44
Fortune Star BVI Limited 5.25% due 23/03/2022	900,000	896,481	1.24
FPC Treasury Limited Series 4.5% due 16/04/2023	400,000	409,388	0.57
Franshion Brilliant Limited Var Perp	300,000	308,250	0.43
Future Land Development 5% due 16/02/2020	200,000	198,646	0.27
Garuda ID Global Sukuk 5.95% due 03/06/2020	300,000	303,825	0.42
GCX Limited Series 7% due 01/08/2019	200,000	174,270	0.24
GMR Hyderabad International Series 4.25% due 27/10/2027	200,000	197,000	0.27
Golden Eagle Retail Group 4.625% due 21/05/2023	300,000	281,220	0.39
Golden Legacy Private Limited Series 8.25% due 07/06/2021	250,000	270,612	0.37
Gome Electrical Appliances 5% due 10/03/2020	300,000	301,464	0.42
Grand China Air (Hong Kong) Limited Series Emtn 6.375% due 07/03/2019	300,000	273,840	0.38
Greenland Global Investment 4.375% due 03/07/2019	300,000	298,671	0.41
Greenland Global Investment 5.875% due 03/07/2024	400,000	401,868	0.55
Greenland Hong Kong Holding Limited Series Emtn 3.875% due 28/07/2019	350,000	342,944	0.47
Greentown China Holdings 5.875% due 11/08/2020	300,000	309,063	0.43
Henson Finance Limited 5.5% due 17/09/2019	300,000	312,993	0.43
Hesteel Hong Kong Company Limited 4.25% due 07/04/2020	300,000	300,831	0.42
HLP Finance Limited Series Emtn 4.45% due 16/04/2021	250,000	259,620	0.36
HLP Finance Limited Series Emtn 4.75% due 25/06/2022	400,000	421,532	0.58

	Holdings at 31 December 2017 Units	Fair Value at 31 December 2017 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2017 %
HPCL-Mittal Energy Limited 5.25% due 28/04/2027	250,000	260,107	0.36
HT Global IT Solutions Series 7% due 14/07/2021	250,000	263,820	0.36
Huayi Finance I Limited Series 4% due 02/12/2019	250,000	249,205	0.34
ICTSI Treasury 4.625% due 16/01/2023	300,000	311,394	0.43
ICTSI Treasury Series Emtn 5.875% due 17/09/2025	250,000	276,350	0.38
Indo Energy Finance II 6.375% due 24/01/2023	300,000	308,625	0.43
JGSH Philippines Limited 4.375% due 23/01/2023	500,000	517,685	0.71
JSW Steel Limited 4.75% due 12/11/2019	200,000	202,848	0.28
JSW Steel Limited 5.25% due 13/04/2022	300,000	306,951	0.42
Kaissa Group Holdings Limited 8.5% due 30/06/2022	550,000	531,839	0.73
Kaissa Group Holdings Limited 9.375% due 30/06/2024	1,650,000	1,608,800	2.22
KWG Property Holding Limited 5.875% due 10/11/2024	200,000	195,028	0.27
KWG Property Holding Limited 6% due 15/09/2022	300,000	301,089	0.42
KWG Property Holding Limited 8.975% due 14/01/2019	200,000	205,014	0.28
Lenovo Group Limited 4.7% due 08/05/2019	900,000	915,759	1.26
Lenovo Group Limited Series Emtn 3.875% due 16/03/2022	400,000	398,872	0.55
Lenovo Perpetual Securities Limited Series Emtn Var Perp	400,000	402,404	0.56
Logan Property Holdings 5.25% due 23/02/2023	300,000	285,072	0.39
LSD Bonds 2017 Limited 4.6% due 13/09/2022	250,000	249,182	0.34
Marble II Pte Limited Sre 5.3% due 20/06/2022	300,000	304,701	0.42
Medco Straits Services Private Limited 8.5% due 17/08/2022	200,000	212,396	0.29
Melco Resorts Finance 4.875% due 06/06/2025	450,000	454,919	0.63
Moon Wise Global Var Perp	200,000	208,388	0.29
New World Development Company 5.25% due 26/02/2021	500,000	526,905	0.73
Noble Group Limited 6.75% due 29/01/2020	800,000	304,000	0.42
Noble Group Limited 8.75% due 09/03/2022	300,000	114,000	0.16
Noble Group Limited Var due 24/06/2049	300,000	24,750	0.03
NWD Mtn Limited Series Emtn 4.375% due 30/11/2022	550,000	566,715	0.78
Olam International Limited Series Emtn 4.5% due 12/04/2021	300,000	302,436	0.42
Olam International Limited Series Emtn Var due Perp	350,000	349,996	0.48
Overseas Chinese Town (Asia) Holding Limited Var Perp	450,000	448,362	0.62
Parkway Pantai Limited Series Emtn Var Perp	300,000	301,047	0.42

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 2017

	Holdings at 31 December 2017 Units	Fair Value at 31 December 2017 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2017 %
Proven Glory Capital Limited Series Emtn 3.25% due 21/02/2022	650,000	647,972	0.89
Proven Glory Capital Limited Series Emtn 4% due 21/02/2027	300,000	303,453	0.42
Proven Honour Capital 4.125% due 06/05/2026	1,100,000	1,124,992	1.55
Proven Honour Capital 4.125% due 19/05/2025	350,000	360,357	0.50
PT Saka Energi Indonesia 4.45% due 05/05/2024	400,000	406,488	0.56
PTTEP Treasury Center Co Var Perp (USY7150MAA54)	350,000	354,813	0.49
PTTEP Treasury Center Co Var Perp (USY7150MAB38)	200,000	202,750	0.28
Puma International Finance 5.125% due 06/10/2024	350,000	357,875	0.49
RH International Finance Limited 3.875% due 20/07/2021	200,000	199,044	0.27
Royal Capital Bv Var due Perp	200,000	202,198	0.28
San Miguel Corporation 4.875% due 26/04/2023	300,000	306,435	0.42
Shanxi Road & Bridge Construction 4.85% due 04/11/2019	250,000	250,807	0.35
Shimao Property Holdings Limited 8.375% due 10/02/2022	900,000	974,610	1.35
Shimao Property Holdings Limited 4.75% due 03/07/2022	400,000	398,472	0.55
Shui On Development Holdings Limited 5.7% due 06/02/2021	300,000	306,000	0.42
Shui On Development Holdings Limited 9.625% due 10/06/2019	200,000	209,638	0.29
Shui On Development Holdings Limited Var Perp	400,000	408,024	0.56
SM Investments Corporation 4.25% due 17/10/2019	300,000	308,253	0.43
SM Investments Corporation 4.875% due 10/06/2024	250,000	265,447	0.37
Stats Chippac Limited Series 8.5% due 24/11/2020	300,000	320,049	0.44
Studio City Company Limited Series 5.875% due 30/11/2019	200,000	207,084	0.29
Studio City Company Limited Series 7.25% due 30/11/2021	300,000	317,301	0.44
Studio City Finance Limited 8.5% due 01/12/2020	575,000	587,984	0.81
Sunac China Holdings Limited 6.875% due 08/08/2020	250,000	247,637	0.34
Sunac China Holdings Limited 7.95% due 08/08/2022	300,000	302,253	0.42
Sunac China Holdings Limited 8.75% due 05/12/2019	300,000	312,063	0.43
Tata Motors Limited 4.625% due 30/04/2020	300,000	307,770	0.42
TBG Global Pte Limited due 5.25% 10/02/2022	200,000	204,400	0.28
Theta Capital Pte Limited 6.75% due 31/10/2026	300,000	298,971	0.41
Theta Capital Pte Limited 7% due 11/04/2022	250,000	258,125	0.36

	Holdings at 31 December 2017 Units	Fair Value at 31 December 2017 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2017 %
Trafigura Group Pte Limited Var Perp	400,000	414,828	0.57
Tunghsu Venus Holdings 7% due 12/06/2020	200,000	190,340	0.26
TVB Finance Limited 3.625% due 11/10/2021	300,000	298,410	0.41
Vedanta Resources Public Limited Company 6.125% due 09/08/2024	700,000	714,406	0.99
Vedanta Resources Public Limited Company 6.375% due 30/07/2022	500,000	522,100	0.72
Vedanta Resources Public Limited Company 7.125% due 31/05/2023	200,000	214,606	0.30
Vedanta Resources Public Limited Company 8.25% due 07/06/2021	400,000	443,500	0.61
Well Hope Development Var Perp	250,000	246,055	0.34
West China Cement Limited 6.5% due 11/09/2019	250,000	256,907	0.35
Wisdom Glory Group Limited 5.25% Var Perp	300,000	301,209	0.42
WTT Investment Limited Series 5.5% due 21/11/2022	200,000	201,946	0.28
Wynn Macau Limited Series 4.875% due 01/10/2024	350,000	351,750	0.49
Wynn Macau Limited Series 5.5% due 01/10/2027	450,000	454,752	0.63
Yancoal International Resources Development Company Limited STP Perpetual	300,000	303,708	0.42
Yanlord Land HK Co Limited 5.875% due 23/01/2022	350,000	358,834	0.50
Yuzhou Properties Company Limited 6% due 25/02/2022	200,000	202,382	0.28
Zhongrong International Resources Company Limited 7.25% due 26/10/2020	250,000	245,020	0.34
Zoomlion HK Spv Company Limited 6.125% due 20/12/2022	350,000	358,810	0.50
		47,744,218	65.90
Government Related			
Chinalco Capital Holdings Limited 4% due 25/08/2021	350,000	348,278	0.48
Chinalco Capital Holdings Limited 4.25% due 21/04/2022	300,000	300,744	0.41
Danga Capital 3.035% due 01/03/2021	400,000	399,812	0.55
Greenko Dutch BV Series 4.875% due 24/07/2022	250,000	253,605	0.35
Greenko Dutch BV Series 5.25% due 24/07/2024	400,000	405,580	0.56
Krung Thai Bank Public Comapny Limited Series Emtn Var 26/12/2024	500,000	515,000	0.71
Mongolia 5.125% due 05/12/2022	550,000	544,539	0.75
Mongolia 8.75% due 09/03/2024	400,000	460,572	0.64
Mongolia International Bond Series 10.875% due 06/04/2021	200,000	234,774	0.32

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 2017

	Holdings at 31 December 2017 Units	Fair Value at 31 December 2017 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2017 %
Mongolia International Bond Series 5.625% due 01/05/2023	450,000	454,203	0.63
Republic of Islamic Pakistan 8.25% due 15/04/2024	650,000	718,627	0.99
Republic of Islamic Pakistan Series 7.25% due 15/04/2019	300,000	310,869	0.43
Republic of Islamic Pakistan Series 8.25% due 30/09/2025	300,000	333,396	0.46
Republic of Sri Lanka 5.125% due 11/04/2019	250,000	254,042	0.35
Republic of Sri Lanka 5.875% due 25/07/2022	300,000	316,158	0.44
Republic of Sri Lanka 6% due 14/01/2019	200,000	204,778	0.28
Republic of Sri Lanka 6.125% due 03/06/2025	300,000	317,127	0.44
Republic of Sri Lanka 6.2% due 11/05/2027	450,000	476,253	0.66
Republic of Sri Lanka 6.25% due 27/07/2021	450,000	478,629	0.66
Republic of Sri Lanka 6.825% due 18/07/2026	250,000	275,097	0.38
Republic of Sri Lanka 6.85% due 03/11/2025	400,000	440,764	0.61
Republic of Vietnam 4.8% due 19/11/2024	650,000	694,051	0.96
Republic of Vietnam 6.75% due 29/01/2020	300,000	323,634	0.45
Sino Ocean Ld Treasure III Limited Var Perp	350,000	343,847	0.47
Third Pakistan International Sukuk Series 5.5% due 13/10/2021	650,000	656,676	0.91
Third Pakistan International Sukuk Series 5.625% due 05/12/2022	200,000	200,355	0.28
Trade & Development Mongolia due 9.375% 19/05/2020	300,000	328,953	0.45
		10,590,363	14.62
Utilities			
Azure Power Energy Limited Series due 03/11/2022	200,000	203,974	0.28
Fujian Zhanglong Group 4.5% due 16/12/2019	350,000	348,561	0.48
Greenko Investment Company Series 4.875% due 16/08/2023	300,000	297,321	0.41
Huachen Energy 6.625% due 18/05/2020	400,000	388,792	0.54
Listrindo Capital 4.95% due 14/09/2026	350,000	355,191	0.49
Neerg Energy Limited 6% due 13/02/2022	300,000	306,519	0.42
United Photovoltaics Group 8.25% due 25/01/2020	300,000	302,979	0.42
		2,203,337	3.04
Accrued Interest Receivable on Debt Securities		1,131,035	1.56
Portfolio of Investments		71,928,542	99.28
Other Net Assets		520,225	0.72
Net Assets Attributable to Unitholders		72,448,767	100.00

Primary - By Industry (Summary)

	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2017 %	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2016 %
Financial	14.16	12.30
Industrial	65.90	67.24
Government Related	14.62	16.76
Utilities	3.04	1.80
Accrued Interest Receivable on Debt Securities	1.56	1.66
Portfolio of Investments	99.28	99.76
Other Net Assets	0.72	0.24
Net Assets Attributable to Unitholders	100.00	100.00

Secondary - By Geography

	Fair Value at 31 December 2017 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2017 %	Percentage of Total Net Assets Attributable to Unitholders at 31 December 2016 %
BY COUNTRY			
Bermuda	174,270	0.24	0.35
British Virgin Islands	2,347,879	3.24	4.99
Cayman Islands	2,262,587	3.11	3.97
China	29,231,888	40.37	34.61
Great Britain	443,500	0.61	1.87
Hong Kong	10,008,399	13.82	15.81
India	6,885,812	9.49	8.30
Indonesia	2,585,213	3.56	3.30
Macau	806,502	1.12	-
Malaysia	700,859	0.97	0.71
Mauritius	297,321	0.41	0.34
Mongolia	2,023,041	2.79	2.46
Netherlands	355,191	0.49	0.61
Pakistan	2,219,923	3.07	3.98
Philippines	2,519,343	3.48	4.46
Singapore	2,305,585	3.17	2.54
South Korea	777,098	1.07	1.72
Sri Lanka	2,762,848	3.82	5.40
Thailand	1,072,563	1.48	0.74
Vietnam	1,017,685	1.41	1.94
Accrued Interest Receivable on Debt Securities	1,131,035	1.56	1.66
Portfolio of Investments	71,928,542	99.28	99.76
Other Net Assets	520,225	0.72	0.24
Net Assets Attributable to Unitholders	72,448,767	100.00	100.00

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

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Notes to the Financial Statements

For the financial year ended 31 December 2017

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 2017, 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. The Sub-Funds have adopted the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" ("RAP 7") issued by the Institute of Singapore Chartered Accountants in March 2017 for the financial year beginning on or after 1 July 2016.

On 1 January 2017, The Sub-Funds have adopted the following Financial Reporting Standards ("FRS") and related amendments in accordance with the recommendations of the RAP7:

Offsetting financial assets and liabilities disclosures

- Amendments to FRS 32 "Financial instruments: Presentation - Offsetting financial assets and financial liabilities"; and
- Amendments to FRS 107 "Disclosures - Offsetting financial assets and financial liabilities"

The amendments to FRS 32 provide clarification on the offsetting criteria in FRS 32 and address inconsistencies in their application.

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The amendments to FRS 107 require additional disclosures to enable users of financial statements to evaluate the effect or the potential effects of netting arrangements, including rights of set-off associated with an entity's recognized financial assets and recognised financial liabilities, on the entity's financial position.

The adoption of these new or amended FRS impacted the Sub-Funds' level of disclosures in certain of the above noted areas, but did not result in substantial changes to the accounting policies of the Sub-Funds and had no material effect on the amounts reported for the current or prior financial years.

(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.

(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) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

(e) Payables

Payables are initially recognised at their fair values, and subsequently carried at amortised cost, using the effective interest method.

(f) 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.

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(g) 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 FRS 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.

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.

(h) 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.

(i) 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.

(j) 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; and
- (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.

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Mauritius Income Tax

MSCI India ETF established a wholly-owned subsidiary incorporated in Mauritius to invest in Indian securities and/or India Access Products ("IAPs").

The Mauritius Subsidiary holds a Global Business License (Category 1) ("GBLC1") from the Mauritius Financial Services Commission (the "FSC") and will apply annually for a certificate of tax residence from the Mauritius Revenue Authority (the "MRA") through the FSC. Currently, the MRA will generally issue a tax residence certificate ("TRC") if the Mauritius Subsidiary:

- has at all times at least two directors ordinarily resident in Mauritius. The resident directors must be of appropriate caliber and able to exercise independence of mind and judgement;
- maintains, at all times, its principal bank accounts in Mauritius;
- keeps and maintains, at all times, its accounting records in Mauritius;
- prepares its statutory financial statements and causes its financial statements to be audited in Mauritius;
- provides for meetings of directors to include at least two directors from Mauritius.

The TRC is currently renewed on an annual basis subject to an undertaking provided by two resident directors and the corporate secretary that the Mauritius subsidiary complies with the provisions of the prevailing legislation governing global business (including regulations and rules made thereunder), in particular the statutory provisions as laid down in section 71(4) (b) of the Financial Services Act 2007 and adheres to the conditions attached to its Global Business License (Category 1).

In light of increasing scrutiny of offshore financial centres, and in order to reinforce the management and control of businesses in Mauritius, the FSC announced the need for a company holding a GBLC1 and seeking a TRC to meet not only the current requirements set out above, but also to meet at least one of the following additional requirements, with effect 1 January 2015:

- have an office premise in Mauritius;
- employs or shall employ at least one full time employee resident in Mauritius on the administrative or technical level;
- its constitution shall provide for all disputes arising out of the constitution to be resolved by way of arbitration in Mauritius;

- must hold (or is expected to hold within the next 12 months) assets (excluding cash in bank accounts or shares/ interests in another corporation holding a global business license) worth at least US\$100,000 in Mauritius;
- its shares are listed on a Mauritius stock exchange; or
- expected to incur yearly expenditure in Mauritius that can reasonably be expected from a similar corporation controlled and managed from Mauritius.

Satisfaction of such additional criteria will be required, inter alia, for the renewal of the Mauritius subsidiary's TRC.

Necessary actions have since been taken and the Mauritius subsidiary is currently in compliance with the 2013 communique by meeting at least one of the FSC designated criteria for annual TRC residency renewal.

There is no capital gains tax in Mauritius on disposal of assets situated in Mauritius. Accordingly, capital gains arising on sale of securities would not be taxable in Mauritius. Further, dividend distributions made by the Mauritius Subsidiary would not be subject to any withholding tax.

The Mauritius Subsidiary is centrally managed and controlled from Mauritius and is therefore tax resident in Mauritius. The Mauritius Subsidiary invests in securities traded in the Indian market and the Mauritius Subsidiary expects to obtain benefits under the double taxation treaty between Mauritius and India. Capital gains from the sales of units and securities are exempted from Mauritius tax and any dividend paid by the Mauritius Subsidiary to its shareholder are exempt in Mauritius from any withholding tax.

The Mauritius Subsidiary, under current laws and regulations, is liable to pay income tax on its net income at the rate of 15% for the financial year ended 31 December 2017 (2016: 15%). However, the Mauritius Subsidiary is entitled to a tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritius tax on its foreign source income, thus reducing its maximum effective tax rate to 3%. A company holding at least 5% of share capital of an Indian company and receiving dividends may claim a credit for tax paid by the Indian company on its profit out of which the dividends were distributed included the Dividend Distribution Tax. Capital gains from the sales of securities by the Mauritius Subsidiary are exempted from income tax in Mauritius.

India Capital Gains Tax

The Mauritius Subsidiary invests in securities traded in the Indian market and the Mauritius Subsidiary expects to obtain benefits under the double taxation treaty between Mauritius and India. To obtain benefits under the treaty, the Mauritius Subsidiary must meet annually certain tests and conditions, including the establishment of Mauritius tax residence and related requirements. The Mauritius Subsidiary has obtained a tax residence certification from the Mauritius Revenue

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Authority, and as it has no branch or permanent establishment in India, it will not be subject to capital gains tax in India on the sale of securities.

On 10 May 2016, the Indian Tax Board announced a phased removal of the capital gains tax ("CGT") exemption currently existing under the India-Mauritius Tax Treaty. The change, effective from 1 April 2017, means that India gets taxation rights on capital gains arising from sales of shares of Indian resident companies acquired by a Mauritian entity on or after 1 April 2017. Shares acquired prior to 1 April 2017 are protected from taxing rights in India. However, the phased approach means that during the transition period from 1 April 2017 to 31 March 2019, the tax rate is limited to 50% of India's domestic tax rate subject to a limitation of benefits clause. Taxation in India at the full domestic tax rate will apply from financial year 2019 – 2020 onwards.

In 2017, gains arising on disposal of shares by the Mauritian Subsidiary acquired prior to 1 April 2017 were not subject to tax in accordance with the above. Gains on disposal of shares acquired after 1 April 2017 will be subject to tax according to the relevant local laws. The Manager is continuing to review the impact of the treaty change and the India Tax Law Changes on the Mauritius Subsidiary.

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

USD Asia Credit Bond ETF	2017 US\$	2016 US\$
Income Tax	5,089	2,499
Charge for the Year	5,089	2,499

USD Asia High Yield Bond ETF	2017 US\$	2016 US\$
Income Tax	8,554	4,843
Charge for the Year	8,554	4,843

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

4. Investment in Subsidiary

MSCI India ETF

	2017		2016	
	Holdings No. of shares	Fair value US\$	Holdings No. of shares	Fair value US\$
iShares MSCI India Mauritius Company	37,214,688	362,989,415	51,614,443	363,925,276

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 2017 were of US\$112,478,016 (2016: net redemption of US\$133,653,183). As at 31 December 2017 and 2016, there were no capital commitment obligations and no amounts due to the Subsidiary for unsettled purchases.

During the financial year ended 31 December 2017, total net gains on investments in the Subsidiary were US\$111,542,155 (2016: net losses of US\$13,461,616).

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.

6. Payables

MSCI India ETF	2017 US\$	2016 US\$
Accrued Expenses	296,698	695,568

USD Asia Credit Bond ETF	2017 US\$	2016 US\$
Accrued Expenses	10,732	23,514

USD Asia High Yield Bond ETF	2017 US\$	2016 US\$
Accrued Expenses	30,336	44,735

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7. Distributions

USD Asia Credit Bond ETF

	2017 US\$	2016 US\$
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	-
Quarter 1 (\$0.11 per unit based on 6,854,075 units, recorded as at 3 March 2016)	-	753,948
Quarter 2 (\$0.11 per unit based on 6,575,138 units, recorded as at 3 June 2016)	-	723,265
Quarter 3 (\$0.11 per unit based on 6,314,645 units, recorded as at 5 September 2016)	-	694,611
Quarter 4 (\$0.13 per unit based on 4,634,844 units, recorded as at 5 December 2016)	-	602,530
	1,616,656	2,774,354

USD Asia High Yield Bond ETF

	2017 US\$	2016 US\$
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	-
Quarter 1 (\$0.18 per unit based on 6,137,405 units, recorded as at 3 March 2016)	-	1,104,733
Quarter 2 (\$0.21 per unit based on 4,871,085 units, recorded as at 3 June 2016)	-	1,022,928
Quarter 3 (\$0.18 per unit based on 5,816,650 units, recorded as at 5 September 2016)	-	1,046,997
Quarter 4 (\$0.17 per unit based on 5,066,650 units, recorded as at 5 December 2016)	-	861,330
	3,842,305	4,035,988

No distribution was made to the unitholders of MSCI India ETF for the year ended 31 December 2017 (2016: Nil).

8. Units in issue

MSCI India ETF

	2017 UNITS	2016 UNITS
Beginning of Financial Year	54,500,000	74,500,000
Created during Financial Year	2,500,000	2,000,000
Cancelled during Financial Year	(17,500,000)	(22,000,000)
End of Financial Year	39,500,000	54,500,000
Net Assets Attributable to Unitholders (US\$)	363,453,949	364,769,423
Net Asset Value Per Unit (US\$)	9.20	6.69

USD Asia Credit Bond ETF

	2017 UNITS	2016 UNITS
Beginning of Financial Year	4,384,844	6,710,755
Created during Financial Year	600,000	1,681,975
Cancelled during Financial Year	(1,105,090)	(4,007,906)
End of Financial Year	3,879,754	4,384,844
Net Assets Attributable to Unitholders (US\$)	41,607,552	45,893,051
Net Asset Value Per Unit (US\$)	10.72	10.47

USD Asia High Yield Bond ETF

	2017 UNITS	2016 UNITS
Beginning of Financial Year	5,227,810	6,363,100
Created during Financial Year	2,054,249	2,432,330
Cancelled during Financial Year	(535,000)	(3,567,620)
End of Financial Year	6,747,059	5,227,810
Net Assets Attributable to Unitholders (US\$)	72,448,767	55,847,577
Net Asset Value Per Unit (US\$)	10.74	10.68

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.

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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 following table presents the sensitivity analysis in the event of a possible change in the underlying index, with all other variables held constant as at 31 December 2017 and 2016:

	Reasonable possible change		Impact on net assets attributable to unitholders	
	2017	2016	2017 US\$	2016 US\$
MSCI India ETF	+/- 3%	+/- 3%	10,889,682	10,917,758
USD Asia Credit Bond ETF	+/- 3%	+/- 3%	1,238,210	1,372,783
USD Asia High Yield Bond ETF	+/- 3%	+/- 3%	2,157,856	1,671,430

(ii) 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 table below summarises the Subsidiary's net exposure, monetary and non-monetary, which are denominated in a currency other than the US dollars.

	INR USD Equivalent	
	2017	2016
- Monetary	8,493	3,298,291
- Non-Monetary	361,192,055	363,079,949

The table below summarises the sensitivity of the MSCI India ETF's net exposure, both monetary and non-monetary, to changes in foreign exchange movements at 31 December. The analysis is based on the assumptions that the relevant foreign exchange rates increased/decreased by 2% with respect to the US dollars (2016: 2%), with all other variables held constant. This represents the Management's best estimate of a reasonable possible shift in the foreign exchange rates.

	INR USD Equivalent	
	2017	2016
- Monetary	170	65,966
- Non-Monetary	7,223,841	7,261,599

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.

(iii) 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.

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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 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 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 Broker	-	-	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 Broker	-	-	1,165,888	1,165,888
Total Liabilities	-	-	1,176,620	1,176,620

As at 31 December 2016

	Variable Rates US\$	Fixed Rates US\$	Non-Interest Bearing US\$	Total US\$
Assets				
Portfolio of Investments	2,719,584	42,457,605	582,258	45,759,447
Due from Broker	-	-	655,345	655,345
Cash and Bank Balances	125,598	-	-	125,598
Receivables	-	-	19	19
Total Assets	2,845,182	42,457,605	1,237,622	46,540,409
Liabilities				
Payables	-	-	23,514	23,514
Due to Broker	-	-	623,844	623,844
Total Liabilities	-	-	647,358	647,358

USD Asia High Yield Bond ETF

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 broker	-	-	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 broker	-	-	494,484	494,484
Total liabilities	-	-	524,820	524,820

As at 31 December 2016

	Variable Rates US\$	Fixed Rates US\$	Non-Interest Bearing US\$	Total US\$
Assets				
Portfolio of investments	4,028,847	50,756,236	929,253	55,714,336
Due from broker	-	-	199,346	199,346
Cash and bank balances	693,620	-	-	693,620
Receivables	-	-	53	53
Total assets	4,722,467	50,756,236	1,128,652	56,607,355
Liabilities				
Payables	-	-	44,735	44,735
Due to broker	-	-	715,043	715,043
Total liabilities	-	-	759,778	759,778

The duration, a measure of the sensitivity of the price of a fixed income security to a change in interest rate for the 12 months period is constant. As of 31 December 2017 and 2016, should interest rates lower or rise by 1% (2016: 1%) with all other variables remaining constant, the increase or decrease in the net assets attributable to unitholders would be as follows:

	Impact of 1% (2016: 1%) Movement in Interest Rates on Net Assets Attributable to Unitholders	
	31 December 2017 US\$	31 December 2016 US\$
USD Asia Credit Bond ETF	2,182,388	2,364,889
USD Asia High Yield Bond ETF	2,165,752	1,603,897

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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 2017

	Less than 3 Months US\$
Payables	296,698

As At 31 December 2016

	Less than 3 Months US\$
Due to Unitholder	3,296,410
Payables	695,568

USD Asia Credit Bond ETF

As at 31 December 2017

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

As At 31 December 2016

	Less than 3 Months US\$
Payables	23,514
Due to Broker	623,844

USD Asia High Yield Bond ETF

As at 31 December 2017

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

As At 31 December 2016

	Less than 3 Months US\$
Payables	44,735
Due to Broker	715,043

(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 2017	Percentage of Total Assets Attributable to Unitholders as at 31 December 2016
AAA	0.59	1.56
AA+	0.48	-
AA	7.78	6.64
AA-	0.68	2.74
A1	0.48	-
A+	6.23	5.48
A2	0.96	-
A	5.12	4.23
A3	0.96	0.44
A-	9.09	11.95
BBB+	9.54	12.31
Baa1	0.97	0.42
BBB	11.61	12.11
Baa2	1.97	0.87
BBB-	18.53	7.32
Baa3	0.49	2.28
BB+	0.97	11.61
BB	1.63	2.04
Ba2	0.48	-
BB-	1.53	1.51
Ba3	0.49	0.21
B+	6.22	4.41
B	2.38	4.01
B2	-	0.21
B-	2.00	0.37
CCC+	0.46	-
Caa1	-	0.16
Unrated	6.35	5.56
Accrued Interest Receivable on Debt Securities	1.21	1.27
Total Debt Securities	99.20	99.71

USD Asia High Yield Bond ETF

	Percentage of Total Assets Attributable to Unitholders as at 31 December 2017	Percentage of Total Assets Attributable to Unitholders as at 31 December 2016
BBB	0.65	0.81
BBB-	0.69	1.07
Ba1	-	0.70
BB+	3.89	5.04
Ba2	4.60	-
BB	9.41	9.72
BB-	9.05	7.61
Ba3	2.69	0.53
B+	14.60	14.27
B1	1.32	0.46
B	6.11	13.01
B2	1.41	1.07
B-	7.80	5.19
B3	1.61	1.49
CCC+	0.89	3.57
Caa1	0.40	0.32
CCC-	0.58	-
Unrated	32.02	33.24
Accrued Interest Receivable on Debt Securities	1.56	1.66
Total Debt Securities	99.28	99.76

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 2017 and 2016 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 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

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As at 31 December 2016

	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 2017 and 2016:

MSCI India ETF

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

As at 31 December 2016

	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	-	363,925,276	-	363,925,276

The Subsidiary's investment in equity securities amounting to US\$361,192,055 (2016: US\$363,079,949) 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 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

As at 31 December 2016

	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	-	45,759,447	-	45,759,447

USD Asia High Yield Bond ETF

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

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As at 31 December 2016

	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	-	55,714,336	-	55,714,336

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 2017 and 2016.

There were no transfers between the levels of investments held by the Sub-Funds during the year ended 31 December 2017.

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 2017 and 2016 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

	2017	2016
Expense Ratio ¹	0.70%	1.08%
Turnover Ratio ²	6.35%	2.91%

USD Asia Credit Bond ETF

	2017	2016
Expense Ratio ¹	0.25%	0.30%
Turnover Ratio ²	57.85%	64.21%

USD Asia High Yield Bond ETF

	2017	2016
Expense Ratio ¹	0.44%	0.50%
Turnover Ratio ²	73.47%	111.45%

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 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 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 2017:

MSCI India ETF

	2017 US\$	2016 US\$
Total Operating Expenses	1,821,809	4,214,826
Average Daily Net Asset Value	341,220,517	458,898,618
Weighted Average Expense Ratio of the Underlying Fund	0.17%	0.16%

USD Asia Credit Bond ETF

	2017 US\$	2016 US\$
Total Operating Expenses	103,406	198,272
Average Daily Net Asset Value	41,358,054	66,098,326

iShares Southeast Asia Trust

(a Sub-Fund of iShares Southeast Asia Trust)

USD Asia High Yield Bond ETF

	2017 US\$	2016 US\$
Total Operating Expenses	306,045	302,887
Average Daily Net Asset Value	68,860,740	60,656,430

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

	2017 US\$	2016 US\$
Total Value of Purchases or Sales	21,669,548	13,338,928
Average Daily Net Asset Value	341,220,517	458,898,618

USD Asia Credit Bond ETF

	2017 US\$	2016 US\$
Total Value of Purchases or Sales	23,927,236	42,439,447
Average Daily Net Asset Value	41,358,054	66,098,326

USD Asia High Yield Bond ETF

	2017 US\$	2016 US\$
Total Value of Purchases or Sales	50,589,200	67,600,084
Average Daily Net Asset Value	68,860,740	60,656,430

12. Comparatives

Where applicable, the 2016 comparative figures have been reclassified to conform with the changes in the current year's presentation.

iShares Southeast Asia Trust

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