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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take you should seek advice from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser. If you have sold or transferred all of your shares please pass this document at once to the purchaser or transferee or the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee as soon as possible.**

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**To: Shareholders of iShares MSCI GCC ex-Saudi Arabia UCITS ETF (ISIN: IE00B3F81623) (the “Sub-fund”)**

**Re: Closure of the Sub-fund**

3 April 2017

Dear Shareholder,

The board of directors of iShares III plc (the “Board of Directors”) hereby informs the shareholders of the Sub-fund (the “Shareholders”) of the following:

The Board of Directors has been informed by the investment manager to the Sub-fund, BlackRock Advisors (UK) Limited (the “Investment Manager”), that the value of the net assets in the Sub-fund has decreased to an amount determined by the Directors to be below the minimum level for that Sub-fund to be operated in an economically efficient manner.

Under the articles of association and prospectus applicable to the Sub-fund, the Directors have discretion to compulsorily redeem all participating shares of the Sub-fund if the net asset value (“NAV”) of the Sub-fund falls below £100,000,000 for any period of time. Currently, the NAV of the Sub-fund is significantly below this threshold and has been for some time.

It is intended to close the Sub-fund in accordance with the procedure set out below. The relevant dates are specified in Appendix to this letter.

1. The “Final Exchange Trading Date” will be the last day of trading of the Sub-fund’s shares on the relevant stock exchanges.
2. The “Final Dealing Date” will be the last day on which applications for subscriptions and redemptions for shares in the Sub-fund may be made.
3. The “Compulsory Redemption Date” is the date on which any remaining shareholdings in the Sub-fund that have not been redeemed on or prior to the Final Dealing Date will be compulsorily redeemed.
4. The “Delisting Date” is the effective date of the cancellation of admission to, and listing of the shares in the Sub-fund on, the relevant stock exchanges.
5. The “Settlement Date” is the expected date on which the net proceeds from the realisation of the Sub-fund’s respective assets as at the Compulsory Redemption Date will be distributed to the shareholders.

6. The withdrawal of the authorisation of the Sub-fund by the Central Bank of Ireland will take place at a point after the Compulsory Redemption Date and Delisting Date.

### **Compulsory redemption**

**If you are still a Shareholder in the Sub-fund on the Compulsory Redemption Date, your shares will be automatically redeemed. The assets of the Sub-fund will be liquidated in order to return the proceeds of your investment to you.** The Sub-fund currently holds two illiquid fixed income securities which were received as part of a corporate action and there is currently no secondary market available for them, at least until they mature in July 2017 and March 2018 respectively. In order to ensure shareholders receive proceeds on the closure of this Sub-fund for these securities, BlackRock will provide funding to the Sub-fund to pay out the market value of the securities at the Compulsory Redemption Date and BlackRock will take the risk of the actual realisation value being different. Settlement times as disclosed in the Appendix will apply instead of the normal settlement times.

If you do not wish to be automatically redeemed on the Compulsory Redemption Date, you can redeem your shares in the Sub-fund at any time up to and including the Final Dealing Date in accordance with the normal Sub-fund redemption procedures as set out in the applicable prospectus.

Please note that as part of the closure process and in the event of significant redemptions in the Sub-fund following this notice of closure and before the Compulsory Redemption Date, the ability to meet the investment objective of the Sub-fund may be compromised and there will accordingly be an increased risk of tracking error in the Sub-fund.

You may also wish to acquire an alternative iShares or other BlackRock fund. If you would like further information, please contact iShares using the details below. Shareholders should seek their own advice as to the suitability of any alternative investment option.

### **Costs of closure**

The additional costs incurred by the Sub-fund for closing the Sub-fund will be paid by BlackRock. The Sub-fund's normal operating costs and transaction costs (including redemption costs on the Sub-fund's investments) will continue to be borne by the Sub-fund and its respective shareholders.

### **Tax consequences**

Please be aware that all of the above options will be deemed to be a disposal for capital gains tax purposes and may give rise to a capital gains tax liability. This will depend on your individual circumstances. If you are in any doubt as to the tax consequences of your actions you should contact your financial or tax adviser.

If you have any queries, please contact iShares on [info@ishares.com](mailto:info@ishares.com) or 0845 357 7000, or your usual iShares representative

Yours faithfully



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**Paul McNaughton – Chairman**

iShares III public limited company  
Registered Office: JPMorgan House, International Financial Services Centre, Dublin 1, Ireland. Registered in Ireland under registration number 452278. Directors: Paul McNaughton (Chairman); Paul McGowan; Teresa O'Flynn; Barry O'Dwyer; Karen Prooth (British). iShares III plc is an umbrella type open ended investment company with variable capital and having segregated liability between its funds.

## APPENDIX

### Important Dates

<b>Final Exchange Trading Date</b>	<b>Final Dealing Date</b>	<b>Compulsory Redemption Date</b>	<b>Expected Delisting Date</b>	<b>Expected Settlement Date<sup>1</sup></b>
3 May 2017	4 May 2017	4 May 2017	London Stock Exchange: 5 May 2017  SIX Swiss Exchange: 4 May 2017  Deutsche Boerse: 4 May 2017	12 May 2017

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<sup>1</sup> Please note that since the compulsory redemption is being effected as part of the closure of the Sub-fund the settlement period will be longer than the normal settlement period published in the prospectus. In addition, the expected settlement date may be earlier or later depending upon when the underlying assets are fully realised (but will not exceed the regulatory requirements for settlement).

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