

# 2023 Semi-Annual Report (Unaudited)

## iShares Trust

- iShares Preferred and Income Securities ETF | PFF | NASDAQ

# The Markets in Review

Dear Shareholder,

The combination of continued economic growth and moderating inflation provided a supportive backdrop for investors during the 12-month reporting period ended September 30, 2023. Significantly tighter monetary policy helped to rein in inflation while the economy proved more resilient than many investors anticipated. A moderating labor market also helped ease inflationary pressure, although wages continued to grow and unemployment rates touched the lowest levels in decades. This robust labor market powered further growth in consumer spending, backstopping the economy. On October 7, 2023, Hamas launched a horrific attack on Israel. The ensuing war will have a significant humanitarian impact and could lead to heightened economic and market volatility. We see geopolitics as a structural market risk going forward. See our geopolitical risk dashboard at [blackrock.com](https://www.blackrock.com) for more details.

Equity returns were substantial, as the durability of consumer sentiment and spending mitigated investors' concerns about the economy's trajectory. The U.S. economy resumed growth in the third quarter of 2022 and continued to expand thereafter. All major classes of equities rose, although large-capitalization U.S. stocks posted significantly higher returns than small-capitalization U.S. stocks due primarily to the performance of large technology companies. International developed market equities also advanced strongly, and emerging market equities posted solid gains.

The 10-year U.S. Treasury yield rose during the reporting period, driving its price down, as investors reacted to elevated inflation and attempted to anticipate future interest rate changes. The corporate bond market benefited from improving economic sentiment, although high-yield corporate bond prices fared significantly better than investment-grade bonds as demand from yield-seeking investors remained strong.

The U.S. Federal Reserve (the "Fed"), attempting to manage persistent inflation, raised interest rates six times during the 12-month period. Furthermore, the Fed wound down its bond-buying programs and incrementally reduced its balance sheet by not replacing securities that reach maturity. However, the Fed declined to raise interest rates at two of its meetings late in the period.

Supply constraints appear to have become an embedded feature of the new macroeconomic environment, making it difficult for developed economies to increase production without sparking higher inflation. Geopolitical fragmentation and an aging population risk further exacerbating these constraints, keeping the labor market tight and wage growth high. Although the Fed has decelerated the pace of interest rate hikes and recently opted for two pauses, we believe that the new economic regime means that the Fed will need to maintain high rates for an extended period to keep inflation under control. Furthermore, ongoing structural changes may mean that the Fed will be hesitant to cut interest rates in the event of faltering economic activity lest inflation accelerate again. We believe investors should expect a period of higher volatility as markets adjust to the new economic reality and policymakers attempt to adapt.

While we favor an overweight position in developed market equities in the long term, we prefer an underweight stance in the near term. Expectations for corporate earnings remain elevated, which seems inconsistent with macroeconomic constraints. Nevertheless, we are overweight on Japanese stocks in the near term as shareholder-friendly policies generate increased investor interest. We also believe that stocks with an AI tilt should benefit from an investment cycle that is set to support revenues and margins. In credit, there are selective opportunities in the near term despite tightening credit and financial conditions. For fixed income investing with a six- to twelve-month horizon, we see the most attractive investments in short-term U.S. Treasuries, U.S. inflation-linked bonds, euro area government bonds and gilts, U.S. mortgage-backed securities, and hard-currency emerging market bonds.

Overall, our view is that investors need to think globally, position themselves to be prepared for a decarbonizing economy, and be nimble as market conditions change. We encourage you to talk with your financial advisor and visit [iShares.com](https://www.ishares.com) for further insight about investing in today's markets.

Sincerely,



Rob Kapito  
President, BlackRock, Inc.



Rob Kapito  
President, BlackRock, Inc.

## Total Returns as of September 30, 2023

	6-Month	12-Month
U.S. large cap equities (S&P 500® Index)	5.18%	21.62%
U.S. small cap equities (Russell 2000® Index)	(0.19)	8.93
International equities (MSCI Europe, Australasia, Far East Index)	(1.28)	25.65
Emerging market equities (MSCI Emerging Markets Index)	(2.05)	11.70
3-month Treasury bills (ICE BofA 3-Month U.S. Treasury Bill Index)	2.50	4.47
U.S. Treasury securities (ICE BofA 10-Year U.S. Treasury Index)	(6.98)	(2.90)
U.S. investment grade bonds (Bloomberg U.S. Aggregate Bond Index)	(4.05)	0.64
Tax-exempt municipal bonds (Bloomberg Municipal Bond Index)	(4.05)	2.66
U.S. high yield bonds (Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index)	2.22	10.28

Past performance is not an indication of future results. Index performance is shown for illustrative purposes only. You cannot invest directly in an index.

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## Investment Objective

The iShares Preferred and Income Securities ETF (the “Fund”) seeks to track the investment results of an index composed of U.S. dollar-denominated preferred and hybrid securities, as represented by the ICE Exchange-Listed Preferred & Hybrid Securities Index (the “Index”). The Fund invests in a representative sample of securities included in the Index that collectively has an investment portfolio similar to the index. Due to the use of representative sampling, the Fund may or may not hold all of the securities that are included in the Index.

## Performance

	6-Month Total Returns	Average Annual Total Returns			Cumulative Total Returns		
		1 Year	5 Years	10 Years	1 Year	5 Years	10 Years
Fund NAV .....	(0.13)%	1.60%	1.26%	3.48%	1.60%	6.48%	40.78%
Fund Market .....	(0.29)	1.82	1.26	3.46	1.82	6.45	40.54
Index <sup>(a)</sup> .....	0.09	2.03	1.89	4.13	2.03	9.79	49.88

<sup>(a)</sup> Index returns through January 31, 2019 reflect the performance of the S&P U.S. Preferred Stock Index, which, effective as of February 1 2019, was replaced by the ICE Exchange-Listed Preferred & Hybrid Securities Transition Index as the Underlying Index of the Fund. Index returns from February 1, 2019 through October 31, 2019 reflect the ICE Exchange-Listed Preferred & Hybrid Securities Transition Index. Index returns beginning on November 1, 2019 reflect the performance of the ICE Exchange-Listed Preferred & Hybrid Securities Index, which, effective as of November 1, 2019, replaced the ICE Exchange-Listed Preferred & Hybrid Securities Transition Index as the Underlying Index of the Fund.

Past performance is not an indication of future results. Performance results do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares. See “About Fund Performance” for more information.

## Expense Example

Actual			Hypothetical 5% Return			
Beginning Account Value (04/01/23)	Ending Account Value (09/30/23)	Expenses Paid During the Period <sup>(a)</sup>	Beginning Account Value (04/01/23)	Ending Account Value (09/30/23)	Expenses Paid During the Period <sup>(a)</sup>	Annualized Expense Ratio
\$ 1,000.00	\$ 998.70	\$ 2.30	\$ 1,000.00	\$ 1,022.69	\$ 2.33	0.46%

<sup>(a)</sup> Expenses are equal to the annualized expense ratio, multiplied by the average account value over the period, multiplied by 183/366 (to reflect the one-half year period shown). Other fees, such as brokerage commissions and other fees to financial intermediaries, may be paid which are not reflected in the tables and examples above. See “Disclosure of Expenses” for more information.

## Portfolio Information

### SECTOR ALLOCATION

Sector	Percent of Total Investments <sup>(a)</sup>
Financials .....	65.9%
Utilities .....	10.7
Real Estate .....	8.2
Communication Services .....	4.9
Industrials .....	3.3
Energy .....	2.6
Consumer Discretionary .....	2.4
Consumer Staples .....	1.7
Other (each representing less than 1%) .....	0.3

### TEN LARGEST HOLDINGS

Security	Percent of Total Investments <sup>(a)</sup>
Wells Fargo & Co., Series L, NVS .....	2.1%
Citigroup Capital XIII, (3-mo. CME Term SOFR + 6.632%), NVS.....	1.8
Bank of America Corp., Series L, NVS .....	1.3
Apollo Global Management, Inc. ....	1.1
JPMorgan Chase & Co., Series EE, NVS.....	1.1
NextEra Energy, Inc. ....	1.0
Citigroup, Inc., Series K, (3-mo. CME Term SOFR + 4.392%), NVS....	1.0
JPMorgan Chase & Co., Series DD, NVS .....	0.9
AT&T Inc., Series C, NVS .....	0.9
JPMorgan Chase & Co., Series MM, NVS.....	0.8

<sup>(a)</sup> Excludes money market funds.

## About Fund Performance

Past performance is not an indication of future results. Financial markets have experienced extreme volatility and trading in many instruments has been disrupted. These circumstances may continue for an extended period of time and may continue to affect adversely the value and liquidity of the Fund's investments. As a result, current performance may be lower or higher than the performance data quoted. Performance data current to the most recent month-end is available at [iShares.com](https://www.ishares.com). Performance results assume reinvestment of all dividends and capital gain distributions and do not reflect the deduction of taxes that a shareholder would pay on fund distributions or on the redemption or sale of fund shares. The investment return and principal value of shares will vary with changes in market conditions. Shares may be worth more or less than their original cost when they are redeemed or sold in the market. Performance for certain funds may reflect a waiver of a portion of investment advisory fees. Without such a waiver, performance would have been lower.

Net asset value or "NAV" is the value of one share of a fund as calculated in accordance with the standard formula for valuing mutual fund shares. Beginning August 10, 2020, the price used to calculate market return ("Market Price") is the closing price. Prior to August 10, 2020, Market Price was determined using the midpoint between the highest bid and the lowest ask on the primary stock exchange on which shares of a fund are listed for trading, as of the time that such fund's NAV is calculated. Market and NAV returns assume that dividends and capital gain distributions have been reinvested at Market Price and NAV, respectively.

An index is a statistical composite that tracks a specified financial market or sector. Unlike a fund, an index does not actually hold a portfolio of securities and therefore does not incur the expenses incurred by a fund. These expenses negatively impact fund performance. Also, market returns do not include brokerage commissions that may be payable on secondary market transactions. If brokerage commissions were included, market returns would be lower.

## Disclosure of Expenses

Shareholders of the Fund may incur the following charges: (1) transactional expenses, including brokerage commissions on purchases and sales of fund shares and (2) ongoing expenses, including management fees and other fund expenses. The expense example shown (which is based on a hypothetical investment of \$1,000 invested at the beginning of the period and held through the end of the period) is intended to assist shareholders both in calculating expenses based on an investment in the Fund and in comparing these expenses with similar costs of investing in other funds.

The expense example provides information about actual account values and actual expenses. Annualized expense ratios reflect contractual and voluntary fee waivers, if any. In order to estimate the expenses a shareholder paid during the period covered by this report, shareholders can divide their account value by \$1,000 and then multiply the result by the number under the heading entitled "Expenses Paid During the Period."

The expense example also provides information about hypothetical account values and hypothetical expenses based on a fund's actual expense ratio and an assumed rate of return of 5% per year before expenses. In order to assist shareholders in comparing the ongoing expenses of investing in the Fund and other funds, compare the 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

The expenses shown in the expense example are intended to highlight shareholders' ongoing costs only and do not reflect any transactional expenses, such as brokerage commissions and other fees paid on purchases and sales of fund shares. Therefore, the hypothetical example is useful in comparing ongoing expenses only and will not help shareholders determine the relative total expenses of owning different funds. If these transactional expenses were included, shareholder expenses would have been higher.

Schedule of Investments (unaudited)

September 30, 2023

iShares® Preferred and Income Securities ETF

(Percentages shown are based on Net Assets)

Security	Shares	Value
<b>Preferred Securities</b>		
<b>Preferred Stocks — 98.6%</b>		
<b>Automobiles — 1.3%</b>		
Ford Motor Co.		
6.00%.....	2,751,539	\$ 61,304,289
6.50%, NVS.....	2,063,570	47,193,846
6.20%.....	2,579,592	58,530,942
		167,029,077
<b>Banks — 26.1%</b>		
Associated Banc-Corp		
(5 year CMT + 2.812%), 6.63% <sup>(a)</sup> .....	1,036,351	20,986,108
Series E, 5.88%, NVS <sup>(b)(c)</sup> .....	356,804	6,162,005
Series F, 5.63%, NVS <sup>(b)</sup> .....	346,760	5,790,892
Atlantic Union Bankshares Corp., Series A,		
6.88%, NVS <sup>(b)</sup> .....	515,337	10,605,635
Bank of America Corp.		
Series 02, (3-mo. CME Term SOFR + 0.912%),		
6.32%, NVS <sup>(a)(b)</sup> .....	532,905	11,244,296
Series 4, (3-mo. CME Term SOFR + 1.012%),		
6.42%, NVS <sup>(a)(b)</sup> .....	366,260	7,728,086
Series 5, (3-mo. CME Term SOFR + 0.762%),		
6.14%, NVS <sup>(a)(b)</sup> .....	755,986	15,694,269
Series E, (3-mo. CME Term SOFR + 0.612%),		
5.98%, NVS <sup>(a)(b)</sup> .....	549,009	11,024,101
Series GG, 6.00% <sup>(b)</sup> .....	2,517,149	60,587,776
Series HH, 5.88%, NVS <sup>(b)</sup> .....	1,576,138	36,534,879
Series K*, (3-mo. USD LIBOR + 1.327%),		
6.45% <sup>(a)</sup> .....	1,976,978	49,681,457
Series KK, 5.38%, NVS <sup>(b)</sup> .....	2,573,665	55,050,694
Series L, 7.25%, NVS <sup>(b)(d)</sup> .....	144,486	160,698,774
Series LL, 5.00%, NVS <sup>(b)</sup> .....	2,418,558	49,169,284
Series NN, 4.38%, NVS <sup>(b)</sup> .....	1,988,531	35,018,031
Series PP, 4.13%, NVS <sup>(b)</sup> .....	1,718,092	28,795,222
Series QQ, 4.25%, NVS <sup>(b)</sup> .....	2,405,134	41,007,535
Series SS, 4.75%, NVS <sup>(b)</sup> .....	1,292,733	24,794,619
Bank of Hawaii Corp., Series A, 4.38%, NVS <sup>(b)</sup> .....	579,330	8,168,553
Bank OZK, Series A, 4.63%, NVS <sup>(b)</sup> .....	1,203,666	18,199,430
Cadence Bank, Series A, 5.50%, NVS <sup>(b)</sup> .....	552,484	9,685,045
Citigroup, Inc.		
Series J, (3-mo. CME Term SOFR + 4.302%),		
7.13% <sup>(a)(b)</sup> .....	3,267,456	83,842,921
Series K, (3-mo. CME Term SOFR + 4.392%),		
6.88%, NVS <sup>(a)(b)</sup> .....	5,141,952	129,680,029
Citizens Financial Group, Inc.		
Series D, (3-mo. CME Term SOFR + 3.904%),		
6.35%, NVS <sup>(a)(b)</sup> .....	1,031,826	24,227,274
Series E, 5.00%, NVS <sup>(b)</sup> .....	1,547,760	29,577,694
ConnectOne Bancorp, Inc., Series A, (5 year CMT		
+ 4.420%), 5.25%, NVS <sup>(a)(b)</sup> .....	445,248	7,578,121
Cullen/Frost Bankers, Inc., Series B, 4.45%,		
NVS <sup>(b)</sup> .....	515,917	8,590,018
Dime Community Bancshares, Inc., 5.50%,		
NVS <sup>(b)(c)</sup> .....	455,631	7,062,281
Fifth Third Bancorp		
Series A, 6.00%, NVS <sup>(b)</sup> .....	693,912	16,119,576
Series I, (3-mo. CME Term SOFR + 3.972%),		
6.63%, NVS <sup>(a)(b)</sup> .....	1,547,776	39,623,066
Series K, 4.95%, NVS <sup>(b)</sup> .....	866,603	18,068,673
First Citizens BancShares, Inc.		
Series A, 5.38%, NVS <sup>(b)</sup> .....	1,186,616	23,637,391
Series C, 5.63%, NVS <sup>(b)</sup> .....	691,339	13,847,520

Security	Shares	Value
<b>Banks (continued)</b>		
First Horizon Corp.		
6.50%, NVS <sup>(b)</sup> .....	515,917	\$ 10,782,665
Series D, (3-mo. USD LIBOR + 3.859%),		
6.10% <sup>(a)(b)(c)</sup> .....	343,971	8,103,957
Series F, 4.70% <sup>(b)</sup> .....	524,310	7,450,445
FNB Corp., (3-mo. USD LIBOR + 4.600%),		
7.25%, NVS <sup>(a)(b)</sup> .....	381,320	9,540,626
Fulton Financial Corp., Series A, 5.13%, NVS <sup>(b)</sup> .....		
6.43%.....	643,038	9,870,633
Hancock Whitney Corp., 6.25%.....		
5.93%.....	593,277	14,143,724
Heartland Financial U.S.A., Inc., Series E, (5 year		
CMT + 6.675%), 7.00%, NVS <sup>(a)(b)</sup> .....	395,571	9,624,242
Huntington Bancshares, Inc.		
Series C, 5.70%, NVS <sup>(b)</sup> .....	601,899	12,453,290
Series H, 4.50%, NVS <sup>(b)</sup> .....	1,719,672	28,959,277
Series J, (5 year CMT + 2.704%), 6.88%,		
NVS <sup>(a)(b)</sup> .....	1,119,521	26,297,548
JPMorgan Chase & Co.		
Series DD, 5.75%, NVS <sup>(b)</sup> .....	4,902,588	116,730,620
Series EE, 6.00%, NVS <sup>(b)(c)</sup> .....	5,375,705	133,263,727
Series GG, 4.75%, NVS <sup>(b)</sup> .....	2,565,662	52,570,414
Series JJ, 4.55%, NVS <sup>(b)</sup> .....	4,312,435	82,108,762
Series LL, 4.63%, NVS <sup>(b)</sup> .....	5,330,051	104,309,098
Series MM, 4.20%, NVS <sup>(b)</sup> .....	5,763,356	104,316,744
KeyCorp		
(5 year CMT + 3.132%), 6.20%, NVS <sup>(a)(b)</sup> .....	2,063,675	40,736,945
Series E, (3-mo. CME Term SOFR + 4.154%),		
6.13%, NVS <sup>(a)(b)</sup> .....	1,719,703	38,177,407
Series F, 5.65%, NVS <sup>(b)</sup> .....	1,461,786	28,037,056
Series G, 5.63%, NVS <sup>(b)</sup> .....	1,547,760	28,679,993
M&T Bank Corp., Series H, (3-mo. USD LIBOR +		
4.020%), 5.63%, NVS <sup>(a)(b)(c)</sup> .....	859,881	19,579,490
Midland States Bancorp, Inc., (5 year CMT +		
4.713%), 7.75%, NVS <sup>(a)(b)</sup> .....	395,538	9,512,689
New York Community Bancorp, Inc., Series A.,		
(3-mo. USD LIBOR + 3.821%), 6.38%,		
NVS <sup>(a)(b)</sup> .....	1,771,288	39,836,267
New York Community Capital Trust V, 6.00%,		
NVS <sup>(d)</sup> .....	250,256	9,126,836
Old National Bancorp		
Series A, 7.00%, NVS <sup>(b)</sup> .....	374,889	8,903,614
Series C, 7.00%, NVS <sup>(b)</sup> .....	422,243	10,112,720
PacWest Bancorp, Series A, (5 year CMT +		
4.820%), 7.75%, NVS <sup>(a)(b)</sup> .....	1,765,286	36,170,710
Pinnacle Financial Partners, Inc., Series B,		
6.75%, NVS <sup>(b)</sup> .....	773,834	17,566,032
Popular Capital Trust II, 6.13%.....	347,436	8,744,964
Regions Financial Corp.		
Series B, (3-mo. CME Term SOFR + 3.798%),		
6.38%, NVS <sup>(a)(b)(c)</sup> .....	1,719,704	40,258,271
Series C, (3-mo. USD LIBOR + 3.148%),		
5.70%, NVS <sup>(a)(b)</sup> .....	1,719,704	33,706,198
Series E, 4.45%, NVS <sup>(b)</sup> .....	1,375,814	22,370,736
Synovus Financial Corp.		
Series D, (3-mo. CME Term SOFR + 3.614%),		
9.01%, NVS <sup>(a)(b)(c)</sup> .....	687,861	17,093,346
Series E, (5 year CMT + 4.127%), 5.88%,		
NVS <sup>(a)(b)</sup> .....	1,203,778	25,917,340
Texas Capital Bancshares, Inc., Series B, 5.75%,		
NVS <sup>(b)</sup> .....	1,065,901	19,164,900
Truist Financial Corp.		
Series I, (3-mo. CME Term SOFR + 0.792%),		
6.20%, NVS <sup>(a)(b)</sup> .....	593,358	12,881,802

Security	Shares	Value
<b>Banks (continued)</b>		
Truist Financial Corp.		
Series O, 5.25%, NVS <sup>(b)</sup>	1,977,704	\$ 42,026,210
Series R, 4.75%, NVS <sup>(b)</sup>	3,181,483	59,398,288
U.S. Bancorp		
Series A, (3-mo. CME Term SOFR + 1.282%), 6.59%, NVS <sup>(a)(b)</sup>	49,424	37,957,632
Series B*, (3-mo. CME Term SOFR + 0.862%), 6.17%, NVS <sup>(a)(b)</sup>	3,439,480	64,937,382
Series K, 5.50%, NVS <sup>(b)</sup>	1,977,704	42,678,852
Series L, 3.75%, NVS <sup>(b)</sup>	1,722,592	26,200,624
Series M, 4.00%, NVS <sup>(b)</sup>	2,579,560	41,298,756
Series O, 4.50%, NVS <sup>(b)</sup>	1,547,728	28,307,945
Valley National Bancorp		
Series A, (3-mo. USD LIBOR + 3.850%), 6.25%, NVS <sup>(a)(b)(c)</sup>	440,399	8,438,045
Series B, (3-mo. USD LIBOR + 3.578%), 9.23%, NVS <sup>(a)(b)(c)</sup>	349,558	7,945,453
Washington Federal, Inc., Series A, 4.88%, NVS <sup>(b)</sup>	896,223	11,758,446
Webster Financial Corp.		
Series F, 5.25%, NVS <sup>(b)</sup>	515,917	9,394,849
Series G, 6.50% <sup>(b)</sup>	464,317	9,797,089
Wells Fargo & Co.		
Series AA, 4.70%, NVS <sup>(b)</sup>	2,810,053	52,070,282
Series CC, 4.38%, NVS <sup>(b)</sup>	2,517,073	43,721,558
Series DD, 4.25%, NVS <sup>(b)</sup>	3,001,068	50,087,825
Series L, 7.50%, NVS <sup>(b)(d)</sup>	240,114	267,727,110
Series R, 6.63%, NVS <sup>(a)(b)</sup>	2,017,230	51,197,297
Series Y, 5.63%, NVS <sup>(b)</sup>	1,651,207	37,779,616
Series Z, 4.75%, NVS <sup>(b)</sup>	4,853,780	90,183,232
WesBanco, Inc., Series A, (5 year CMT + 6.557%), 6.75%, NVS <sup>(a)(b)</sup>	515,934	11,969,669
Western Alliance Bancorp, Series A, (5 year CMT + 3.452%), 4.25%, NVS <sup>(a)(b)</sup>	1,075,593	17,618,213
Wintrust Financial Corp.		
Series D, (3-mo. CME Term SOFR + 4.322%), 6.50%, NVS <sup>(a)(b)</sup>	431,710	9,579,645
Series E, (5 year CMT + 6.507%), 6.88%, NVS <sup>(a)(b)</sup>	988,848	22,891,831
Zions Bancorp N.A., Series G, (3-mo. USD LIBOR + 4.240%), 9.91%, NVS <sup>(a)(b)</sup>	475,994	11,909,370
		3,322,459,562
<b>Broadline Retail — 0.6%</b>		
Dillard's Capital Trust I, 7.50%	687,861	17,953,172
Qurate Retail, Inc., 8.00% <sup>(c)</sup>	1,092,048	31,287,175
QVC, Inc.		
6.25%	1,720,590	15,106,780
6.38%	773,834	6,685,926
		71,033,053
<b>Capital Markets — 11.5%</b>		
Affiliated Managers Group, Inc.		
4.20%	687,861	10,551,788
4.75% <sup>(c)</sup>	945,862	15,568,889
5.88%	1,031,835	21,864,584
B Riley Financial, Inc.		
6.50%	620,968	13,630,248
6.00%	913,967	18,690,625
5.50%	747,833	16,826,242
5.25%	1,394,645	25,410,432
5.00%	1,116,849	22,839,562
6.75%	483,236	11,960,091
6.38%	503,685	12,128,735

Security	Shares	Value
<b>Capital Markets (continued)</b>		
Brookfield Finance I UK PLC, 4.50% <sup>(b)</sup>	791,053	\$ 11,699,674
Brookfield Finance, Inc., Series 50, 4.63%, NVS	1,375,806	21,311,235
Carlyle Finance LLC, 4.63%, NVS	1,719,704	28,237,540
Charles Schwab Corp. (The)		
Series D, 5.95%, NVS <sup>(b)(c)</sup>	2,579,592	62,813,065
Series J, 4.45%, NVS <sup>(b)</sup>	2,063,675	38,404,992
Crescent Capital BDC, Inc., 5.00%	383,883	8,982,862
Gladstone Investment Corp.		
5.00%, NVS	432,348	10,052,091
4.88%	462,786	10,445,080
Goldman Sachs Group, Inc. (The)		
Series A, (3-mo. CME Term SOFR + 1.012%), 6.38%, NVS <sup>(a)(b)</sup>	2,579,511	57,007,193
Series C, (3-mo. CME Term SOFR + 1.012%), 6.38%, NVS <sup>(a)(b)(c)</sup>	687,841	14,884,879
Series D, (3-mo. CME Term SOFR + 0.932%), 6.30%, NVS <sup>(a)(b)</sup>	4,643,189	102,289,454
Series K, (3-mo. CME Term SOFR + 3.812%), 6.38% <sup>(a)(b)</sup>	2,407,700	60,553,655
KKR Group Finance Co. IX LLC, 4.63%, NVS	1,719,704	29,596,106
Morgan Stanley		
Series A, (3-mo. CME Term SOFR + 0.962%), 6.27% <sup>(a)(b)</sup>	3,714,131	80,373,795
Series E, 7.13%, NVS <sup>(a)(b)</sup>	2,908,898	74,642,323
Series F, 6.88%, NVS <sup>(a)(b)</sup>	2,865,875	71,646,875
Series I, 6.38%, NVS <sup>(a)(b)</sup>	3,377,647	83,765,646
Series K, 5.85%, NVS <sup>(a)(b)</sup>	3,375,714	78,417,836
Series L, 4.88%, NVS <sup>(b)</sup>	1,659,656	33,226,313
Series O, 4.25%, NVS <sup>(b)</sup>	4,388,823	74,829,432
Series P, 6.50%, NVS <sup>(b)</sup>	3,378,622	84,938,557
Northern Trust Corp., Series E, 4.70%, NVS <sup>(b)</sup>	1,375,814	28,933,368
Oaktree Capital Group LLC		
Series A, 6.63%, NVS <sup>(b)</sup>	619,119	13,181,043
Series B, 6.55%, NVS <sup>(b)</sup>	808,288	17,038,711
Prospect Capital Corp., Series A, 5.35% <sup>(b)</sup>	509,371	7,941,094
Saratoga Investment Corp., Series 2027, 6.00%	364,100	8,417,992
State Street Corp.		
Series D, 5.90%, NVS <sup>(a)(b)(c)</sup>	2,579,592	64,644,575
Series G, 5.35%, NVS <sup>(a)(b)</sup>	1,719,703	39,897,110
Stifel Financial Corp.		
5.20%	773,834	16,637,431
Series B, 6.25%, NVS <sup>(b)</sup>	550,290	13,003,353
Series C, 6.13%, NVS <sup>(b)</sup>	773,834	18,765,474
Series D, 4.50%, NVS <sup>(b)</sup>	1,031,835	16,994,322
Trinity Capital, Inc., 7.00%	627,705	15,786,781
		1,468,831,053
<b>Chemicals — 0.1%</b>		
EIDP, Inc., Series B, 4.50%, NVS <sup>(b)</sup>	143,849	10,893,685
<b>Commercial Services &amp; Supplies — 0.2%</b>		
Pitney Bowes, Inc., 6.70%	1,361,182	23,235,377
<b>Consumer Finance — 2.5%</b>		
Atlanticus Holdings Corp., 6.13%	515,917	11,546,222
Capital One Financial Corp.		
Series I, 5.00%, NVS <sup>(b)</sup>	5,159,184	96,579,925
Series J, 4.80%, NVS <sup>(b)(c)</sup>	4,299,296	76,054,546
Series K, 4.63%, NVS <sup>(b)</sup>	433,615	7,466,850
Series L, 4.38%, NVS <sup>(b)</sup>	2,321,595	37,168,736
Series N, 4.25%, NVS <sup>(b)</sup>	1,461,803	22,979,543
Navient Corp., 6.00% <sup>(c)</sup>	1,031,829	17,272,818

Security	Shares	Value
<b>Consumer Finance (continued)</b>		
SLM Corp., Series B, (3-mo. CME Term SOFR + 1.962%), 7.37%(a)(b)	215,488	\$ 13,302,074
Synchrony Financial, Series A, 5.63%, NVS <sup>(b)</sup>	2,579,592	41,428,248
		<u>323,798,962</u>
<b>Diversified REITs — 0.5%</b>		
Armada Hoffer Properties, Inc., Series A, 6.75%, NVS <sup>(b)</sup>	588,441	12,416,105
EPR Properties		
Series C, 5.75%, NVS <sup>(b)(d)</sup>	466,130	8,707,308
Series E, 9.00%, NVS <sup>(b)(d)</sup>	300,443	7,697,350
Global Net Lease, Inc.		
Series A, 7.25%, NVS <sup>(b)</sup>	584,670	10,980,103
Series B, 6.88%(b)	408,417	7,130,961
Series D, 7.50%, NVS <sup>(b)</sup>	682,222	12,389,151
LXP Industrial Trust, Series C, 6.50%, NVS <sup>(b)(d)</sup>	167,661	7,556,481
		<u>66,877,459</u>
<b>Diversified Telecommunication Services — 3.5%</b>		
AT&T Inc.		
5.35%	4,548,683	100,025,539
5.63%	2,837,512	65,489,777
Series A, 5.00%, NVS <sup>(b)</sup>	4,127,352	83,455,057
Series C, 4.75%, NVS <sup>(b)</sup>	6,019,072	115,445,801
Qwest Corp.		
6.75%	2,270,075	31,395,137
6.50%, NVS	3,362,040	45,690,124
		<u>441,501,435</u>
<b>Electric Utilities — 5.8%</b>		
BIP Bermuda Holdings I Ltd., 5.13%(b)	1,031,796	16,488,100
Brookfield BRP Holdings Canada, Inc.		
4.63%, NVS <sup>(b)</sup>	1,203,669	17,645,788
4.88%(b)	894,253	13,360,140
Brookfield Infrastructure Finance ULC, 5.00%	859,880	14,351,397
Duke Energy Corp.		
5.63%	1,719,704	41,324,487
Series A, 5.75%, NVS <sup>(b)</sup>	3,439,480	82,237,967
Entergy Arkansas LLC, 4.88%	1,410,187	30,883,095
Entergy Louisiana LLC, 4.88%	928,635	20,727,133
Entergy Mississippi LLC, 4.90%	894,260	20,058,252
Georgia Power Co., Series 2017, 5.00%	928,635	21,720,773
NextEra Energy Capital Holdings, Inc., Series N,		
5.65%	2,364,662	57,768,693
NextEra Energy, Inc., 6.93%(d)	3,439,480	130,115,528
Pacific Gas & Electric Co., Series A, 6.00%(b)	368,157	7,547,219
SCE Trust II, 5.10%, NVS <sup>(b)(c)</sup>	756,688	13,537,148
SCE Trust III, Series H, (3-mo. USD LIBOR + 2.990%), 5.75%, NVS <sup>(a)(b)</sup>	945,862	22,710,147
SCE Trust IV, Series J, (3-mo. USD LIBOR + 3.132%), 5.38%, NVS <sup>(a)(b)</sup>	1,117,805	23,160,920
SCE Trust V, Series K, (3-mo. USD LIBOR + 3.790%), 5.45%, NVS <sup>(a)(b)</sup>	1,031,839	22,597,274
SCE Trust VI, 5.00%, NVS <sup>(b)</sup>	1,633,731	29,423,495
Southern Co. (The)		
5.25%	1,547,760	34,886,510
Series 2020, 4.95%	3,439,480	72,401,054
Series C, 4.20%	2,579,592	50,224,656
		<u>743,169,776</u>
<b>Electrical Equipment — 0.3%</b>		
Babcock & Wilcox Enterprises, Inc.		
6.50%	520,912	10,861,015

Security	Shares	Value
<b>Electrical Equipment (continued)</b>		
Babcock & Wilcox Enterprises, Inc.		
8.13%	663,969	\$ 15,769,264
Series A, 7.75%, NVS <sup>(b)</sup>	659,452	11,626,139
		<u>38,256,418</u>
<b>Entertainment — 0.0%</b>		
Chicken Soup For The Soul Entertainment, Inc., Series A, NVS, 9.75%(b)	469,760	4,490,906
<b>Financial Services — 5.3%</b>		
Apollo Global Management, Inc.		
6.75%(d)	2,472,131	136,214,418
(5 year CMT + 3.226%), 7.63%(a)	2,053,596	53,783,679
Citigroup Capital XIII, (3-mo. CME Term SOFR + 6.632%), 12.00%, NVS <sup>(a)</sup>	7,725,015	226,574,690
Compass Diversified Holdings		
Series A, 7.25%, NVS <sup>(b)</sup>	349,059	7,860,809
Series B, (3-mo. USD LIBOR + 4.985%), 7.88%, NVS <sup>(a)(b)</sup>	347,963	8,354,592
Series C, 7.88%, NVS <sup>(b)</sup>	397,412	9,629,293
Equitable Holdings, Inc.		
Series A, 5.25%, NVS <sup>(b)</sup>	2,751,539	54,205,318
Series C, 4.30%(b)	1,031,787	15,590,301
Federal Agricultural Mortgage Corp.		
Series D, 5.70%, NVS <sup>(b)</sup>	348,671	7,684,709
Series F, 5.25%, NVS <sup>(b)</sup>	417,245	8,399,142
Series G, 4.88%, NVS <sup>(b)</sup>	435,104	8,084,232
Jackson Financial, Inc., (5 year CMT + 3.728%), 8.00%(a)(b)	1,856,550	46,506,577
Merchants Bancorp		
(5 year CMT + 4.340%), 8.25%, NVS <sup>(a)(b)</sup>	495,247	11,425,348
Series B, (3-mo. USD LIBOR + 4.569%), 6.00%, NVS <sup>(a)(b)</sup>	452,839	10,021,327
Series C, 6.00%, NVS <sup>(b)</sup>	680,926	12,011,535
National Rural Utilities Cooperative Finance Corp., Series US, 5.50%	859,888	20,009,594
NewtekOne, Inc., 5.50%	395,571	9,533,261
Voya Financial, Inc., Series B, (5 year CMT + 3.210%), 5.35%, NVS <sup>(a)(b)</sup>	1,031,835	24,722,767
		<u>670,611,592</u>
<b>Food Products — 1.6%</b>		
CHS, Inc.		
8.00%, NVS <sup>(b)(c)</sup>	1,055,265	32,291,109
Series 1, 7.88%, NVS <sup>(b)</sup>	1,845,198	49,359,047
Series 2, (3-mo. USD LIBOR + 4.298%), 7.10%, NVS <sup>(a)(b)</sup>	1,444,560	36,836,280
Series 3, (3-mo. USD LIBOR + 4.155%), 6.75%, NVS <sup>(a)(b)</sup>	1,693,944	42,399,418
Series 4, 7.50%(b)	1,779,917	45,067,498
		<u>205,953,352</u>
<b>Gas Utilities — 0.3%</b>		
Entergy New Orleans LLC, 5.50%	381,380	8,840,389
Spire, Inc., Series A, 5.90%, NVS <sup>(b)</sup>	859,896	20,130,165
UGI Corp., 7.25%(d)	189,617	10,834,715
		<u>39,805,269</u>
<b>Health Care REITs — 0.2%</b>		
Diversified Healthcare Trust		
6.25%, NVS	859,888	13,302,468
5.63%	1,203,778	17,334,403
		<u>30,636,871</u>
<b>Health Care Technology — 0.1%</b>		
CareCloud, Inc., Series A, 11.00%, NVS <sup>(b)</sup>	389,214	9,450,116



Security	Shares	Value
<b>Hotel &amp; Resort REITs — 1.2%</b>		
Braemar Hotels & Resorts, Inc., Series B, 5.50%, NVS <sup>(b)(d)</sup>	269,152	\$ 3,216,366
Chatham Lodging Trust, Series A, 6.63%, NVS <sup>(b)</sup>	414,831	8,470,849
DiamondRock Hospitality Co., 8.25%, NVS <sup>(b)</sup>	409,251	10,431,808
Hersha Hospitality Trust		
Series D, 6.50%, NVS <sup>(b)</sup>	662,262	16,390,984
Series E, 6.50%, NVS <sup>(b)</sup>	344,051	8,511,822
Pebblebrook Hotel Trust		
Series E, 6.38%, NVS <sup>(b)</sup>	377,841	7,553,042
Series F, 6.30%, NVS <sup>(b)</sup>	515,917	10,277,067
Series G, 6.38%, NVS <sup>(b)</sup>	791,061	15,575,991
Series H, 5.70%, NVS <sup>(b)</sup>	773,834	14,254,022
RLJ Lodging Trust, Series A, 1.95% <sup>(b)(d)</sup>	1,107,187	26,627,847
Summit Hotel Properties, Inc.		
Series E, 6.25%, NVS <sup>(b)</sup>	550,296	10,791,305
Series F, 5.88%, NVS <sup>(b)</sup>	345,701	6,371,269
Sunstone Hotel Investors, Inc.		
Series H, 6.13% <sup>(b)</sup>	397,161	8,443,643
Series I, 5.70%, NVS <sup>(b)</sup>	344,325	7,093,095
		154,009,110
<b>Hotels, Restaurants &amp; Leisure — 0.1%</b>		
FAT Brands, Inc., Series B, NVS, 8.25%	634,571	10,356,199
<b>Independent Power and Renewable Electricity Producers — 0.8%</b>		
AES Corp. (The), 6.88% <sup>(d)</sup>	896,841	54,707,301
Brookfield Renewable Partners LP, Series 17, 5.25%, NVS <sup>(b)</sup>	687,925	12,520,235
Tennessee Valley Authority		
Series A, (30 yr. CMT + 0.840%), 2.22% <sup>(a)</sup>	716,701	14,950,383
Series D, (30 yr. CMT + 0.940%), 2.13% <sup>(a)</sup>	882,109	19,062,375
		101,240,294
<b>Industrial Conglomerates — 0.1%</b>		
Steel Partners Holdings LP, Series A, 6.00%, NVS	544,570	12,677,590
<b>Insurance — 13.3%</b>		
AEGON Funding Co. LLC, 5.10%, NVS	3,181,483	63,184,252
Allstate Corp. (The)		
(3-mo. CME Term SOFR + 3.427%), 8.74%, NVS <sup>(a)</sup>	1,719,704	44,299,575
Series H, 5.10%, NVS <sup>(b)</sup>	3,955,398	77,288,477
Series I, 4.75%, NVS <sup>(b)</sup>	1,031,835	18,944,491
Series J, 7.38% <sup>(b)</sup>	2,063,699	54,357,832
American Equity Investment Life Holding Co.		
Series A, (5 year CMT + 4.322%), 5.95%, NVS <sup>(a)(b)</sup>	1,375,814	30,997,089
Series B, (5 year CMT + 6.297%), 6.63%, NVS <sup>(a)(b)</sup>	1,031,835	25,032,317
American Financial Group, Inc.		
5.88%	431,091	9,854,740
4.50%	687,861	12,230,169
5.63%	515,917	11,293,423
5.13%	687,868	13,853,661
American International Group, Inc., Series A, 5.85%, NVS <sup>(b)</sup>	1,719,703	40,034,686
Arch Capital Group Ltd.		
Series F, 5.45%, NVS <sup>(b)</sup>	1,135,032	23,381,659
Series G, 4.55% <sup>(b)</sup>	1,719,704	30,765,505
Argo Group International Holdings Ltd., (5 year CMT + 6.712%), 7.00%, NVS <sup>(a)(b)</sup>	515,917	12,222,074
Argo Group U.S., Inc., 6.50%	494,427	10,897,171
Aspen Insurance Holdings Ltd.		
5.63%, NVS <sup>(b)</sup>	965,436	18,574,989

Security	Shares	Value
<b>Insurance (continued)</b>		
Aspen Insurance Holdings Ltd.		
5.63%, NVS <sup>(b)</sup>	750,979	\$ 13,645,288
(3-mo. USD LIBOR + 4.060%), 9.59%, NVS <sup>(a)(b)</sup>	945,862	24,214,067
Assurant, Inc., 5.25%	859,888	16,767,816
Athene Holding Ltd.		
Series A, (3-mo. USD LIBOR + 4.253%), 6.35%, NVS <sup>(a)(b)</sup>	2,966,550	64,225,807
Series B, 5.63%, NVS <sup>(b)</sup>	1,186,632	23,269,853
Series C, (5 year CMT + 5.970%), 6.38%, NVS <sup>(a)(b)</sup>	2,063,675	49,631,384
Series D, 4.88% <sup>(b)</sup>	1,977,704	32,394,791
Series E, (5 year CMT + 3.962%), 7.75%, NVS <sup>(a)(b)</sup>	1,719,716	43,182,069
Axis Capital Holdings Ltd., Series E, 5.50%, NVS <sup>(b)</sup>	1,891,731	37,929,207
Brighthouse Financial, Inc.		
6.25%	1,289,752	30,296,274
Series A, 6.60%, NVS <sup>(b)</sup>	1,461,787	33,986,548
Series B, 6.75%, NVS <sup>(b)</sup>	1,384,346	34,124,129
Series C, 5.38% <sup>(b)</sup>	1,977,704	35,598,672
Series D, 4.63%, NVS <sup>(b)</sup>	1,203,778	17,767,763
CNO Financial Group, Inc., 5.13%	518,660	8,054,790
Enstar Group Ltd.		
Series D, (3-mo. USD LIBOR + 4.015%), 7.00%, NVS <sup>(a)(b)</sup>	1,375,814	34,244,010
Series E, 7.00%, NVS <sup>(b)</sup>	382,049	8,920,844
Globe Life, Inc., 4.25%, NVS	1,117,805	20,847,063
Hartford Financial Services Group, Inc. (The)		
Series G, 6.00%, NVS <sup>(b)</sup>	1,186,700	29,513,229
Kemper Corp., (5 year CMT + 4.140%), 5.88% <sup>(a)</sup>	516,029	9,783,910
Lincoln National Corp., Series D, 9.00% <sup>(b)</sup>	1,688,060	44,784,232
Maiden Holdings Ltd., 6.63%	380,131	5,968,057
Maiden Holdings North America Ltd., 7.75%	527,891	9,311,997
MetLife, Inc.		
Series A, (3-mo. CME Term SOFR + 1.262%), 6.67%, NVS <sup>(a)(b)</sup>	2,063,675	47,712,166
Series E, 5.63%, NVS <sup>(b)(c)</sup>	2,768,766	65,259,815
Series F, 4.75%, NVS <sup>(b)</sup>	3,439,480	69,787,049
PartnerRe Ltd., Series J, 4.88%, NVS <sup>(b)</sup>	687,853	12,580,831
Prudential Financial, Inc.		
5.95% <sup>(c)</sup>	1,031,834	25,207,705
5.63%	1,943,331	46,717,677
4.13%, NVS	1,719,703	33,121,480
Reinsurance Group of America, Inc.		
(3-mo. USD LIBOR + 4.040%), 5.75%, NVS <sup>(a)(c)</sup>	1,375,814	34,409,108
(5 year CMT + 3.456%), 7.13% <sup>(a)</sup>	2,407,648	62,935,919
RenaissanceRe Holdings Ltd.		
Series F, 5.75%, NVS <sup>(b)</sup>	859,888	18,186,631
Series G, 4.20%, NVS <sup>(b)</sup>	1,719,704	26,655,412
Selective Insurance Group, Inc., Series B, 4.60% <sup>(b)</sup>	687,861	11,225,892
SiriusPoint Ltd., Series B, (5 year CMT + 7.298%), 8.00%, NVS <sup>(a)(b)</sup>	687,933	16,991,945
Unum Group, 6.25%	1,031,835	22,948,010
W R Berkley Corp.		
5.70%	636,264	14,233,226
5.10%	1,031,835	20,100,146
4.13%	1,031,835	17,180,053
4.25% <sup>(c)</sup>	859,888	16,140,098
		1,687,067,073

Security	Shares	Value
<b>IT Services — 0.0%</b>		
Exela Technologies, Inc., Series B, 6.00% <sup>(b)(d)</sup> . . . . .	421,750	\$ 1,227,293
<b>Leisure Products — 0.4%</b>		
Brunswick Corp.		
6.50% . . . . .	636,264	15,715,721
6.63% . . . . .	434,741	10,707,671
6.38% . . . . .	791,061	19,127,855
		45,551,247
<b>Machinery — 0.7%</b>		
Chart Industries, Inc., Series B, 6.75%, NVS <sup>(d)</sup> . . . . .	692,222	46,157,363
RBC Bearings, Inc., Series A, 5.00%, NVS <sup>(d)</sup> . . . . .	395,571	43,556,323
		89,713,686
<b>Marine Transportation — 0.1%</b>		
Global Ship Lease, Inc., 8.75%, NVS <sup>(b)</sup> . . . . .	375,835	9,617,618
<b>Media — 0.2%</b>		
Liberty Broadband Corp., Series A, 7.00% <sup>(b)</sup> . . . . .	615,732	13,915,543
Paramount Global, Series A, 5.75%, NVS <sup>(d)</sup> . . . . .	859,808	15,261,592
		29,177,135
<b>Mortgage Real Estate Investment Trusts (REITs) — 6.3%</b>		
ACRES Commercial Realty Corp.		
Series C, (3-mo. USD LIBOR + 5.927%), 8.63% <sup>(a)(b)</sup> . . . . .	416,930	9,134,936
Series D, 7.88%, NVS <sup>(b)</sup> . . . . .	402,936	7,381,788
AGNC Investment Corp.		
Series C, (3-mo. CME Term SOFR + 5.373%), 10.68%, NVS <sup>(a)(b)</sup> . . . . .	1,117,805	28,671,698
Series D, (3-mo. USD LIBOR + 4.332%), 6.88%, NVS <sup>(a)(b)</sup> . . . . .	808,288	19,398,912
Series E, (3-mo. USD LIBOR + 4.993%), 6.50%, NVS <sup>(a)(b)</sup> . . . . .	1,384,346	32,587,505
Series F, (3-mo. USD LIBOR + 4.697%), 6.13%, NVS <sup>(a)(b)</sup> . . . . .	1,977,704	42,777,738
Series G, (5 year CMT + 4.390%), 7.75%, NVS <sup>(a)(b)</sup> . . . . .	515,913	11,329,449
Annaly Capital Management, Inc.		
Series F, (3-mo. USD LIBOR + 4.993%), 10.65%, NVS <sup>(a)(b)</sup> . . . . .	2,476,392	62,727,009
Series G, (3-mo. USD LIBOR + 4.172%), 9.83%, NVS <sup>(a)(b)</sup> . . . . .	1,461,787	36,237,700
Series I, (3-mo. USD LIBOR + 4.989%), 6.75%, NVS <sup>(a)(b)</sup> . . . . .	1,522,003	36,147,571
Arbor Realty Trust, Inc.		
Series D, 6.38%, NVS <sup>(b)</sup> . . . . .	753,919	13,412,219
Series E, 6.25%, NVS <sup>(b)</sup> . . . . .	476,904	8,221,825
Series F, (3-mo. CME Term SOFR + 5.440%), 6.25%, NVS <sup>(a)(b)</sup> . . . . .	925,507	17,075,604
ARMOUR Residential REIT, Inc., Series C, 7.00% <sup>(b)</sup> . . . . .		
	588,908	11,895,942
Chimera Investment Corp.		
Series A, 8.00%, NVS <sup>(b)</sup> . . . . .	498,691	9,834,187
Series B, (3-mo. USD LIBOR + 5.791%), 8.00%, NVS <sup>(a)(b)(c)</sup> . . . . .	1,117,805	23,753,356
Series C, (3-mo. USD LIBOR + 4.743%), 7.75%, NVS <sup>(a)(b)</sup> . . . . .	894,261	16,132,468
Series D, (3-mo. USD LIBOR + 5.379%), 8.00%, NVS <sup>(a)(b)</sup> . . . . .	687,861	14,355,659
Dynex Capital, Inc., Series C, (3-mo. USD LIBOR + 5.461%), 6.90%, NVS <sup>(a)(b)</sup> . . . . .	383,429	8,738,347
Ellington Financial, Inc. (3-mo. USD LIBOR + 5.196%), 6.75%, NVS <sup>(a)(b)</sup> . . . . .	400,126	9,046,849

Security	Shares	Value
<b>Mortgage Real Estate Investment Trusts (REITs) (continued)</b>		
Ellington Financial, Inc.		
Series B, (5 year CMT + 4.990%), 6.25%, NVS <sup>(a)(b)</sup> . . . . .	421,033	\$ 7,978,575
Series C, (5 year CMT + 5.130%), 8.63% <sup>(a)(b)</sup> . . . . .	345,561	8,099,950
Franklin BSP Realty Trust, Inc., Series E, 7.50%, NVS <sup>(b)(c)</sup> . . . . .	888,139	17,576,271
Granite Point Mortgage Trust, Inc., Series A, (SOFR + 5.830%), 7.00%, NVS <sup>(a)(b)</sup> . . . . .	707,587	12,028,979
Great Ajax Corp., 7.25%, NVS <sup>(d)</sup> . . . . .	357,646	8,626,422
Invesco Mortgage Capital, Inc.		
Series B, (3-mo. USD LIBOR + 5.180%), 7.75%, NVS <sup>(a)(b)</sup> . . . . .	383,975	8,301,540
Series C, (3-mo. USD LIBOR + 5.289%), 7.50%, NVS <sup>(a)(b)</sup> . . . . .	662,801	12,898,107
KKR Real Estate Finance Trust, Inc., Series A, 6.50%, NVS <sup>(b)</sup> . . . . .	1,127,305	18,375,071
MFA Financial, Inc.		
Series B, 7.50%, NVS <sup>(b)</sup> . . . . .	687,861	12,546,585
Series C, (3-mo. USD LIBOR + 5.345%), 6.50%, NVS <sup>(a)(b)</sup> . . . . .	945,862	18,028,130
New York Mortgage Trust, Inc.		
Series D, (3-mo. USD LIBOR + 5.695%), 8.00%, NVS <sup>(a)(b)</sup> . . . . .	531,261	10,890,851
Series E, (3-mo. USD LIBOR + 6.429%), 7.88%, NVS <sup>(a)(b)</sup> . . . . .	631,428	14,074,530
Series F, (SOFR + 6.130%), 6.88%, NVS <sup>(a)(b)</sup> . . . . .	493,540	9,130,490
PennyMac Mortgage Investment Trust		
Series A, 8.13%, NVS <sup>(a)(b)</sup> . . . . .	395,571	8,631,359
Series B, 8.00%, NVS <sup>(a)(b)</sup> . . . . .	670,715	14,185,622
Series C, 6.75%, NVS <sup>(b)</sup> . . . . .	859,880	15,065,098
Ready Capital Corp.		
6.20% . . . . .	364,077	8,574,013
5.75% . . . . .	709,432	16,813,538
Series E, 6.50%, NVS <sup>(b)</sup> . . . . .	403,114	7,296,363
Rithm Capital Corp.		
Series A, (3-mo. USD LIBOR + 5.802%), 7.50%, NVS <sup>(a)(b)</sup> . . . . .	536,625	12,417,502
Series B, (3-mo. USD LIBOR + 5.640%), 7.13% <sup>(a)(b)</sup> . . . . .	968,244	21,998,504
Series C, (3-mo. USD LIBOR + 4.969%), 6.38%, NVS <sup>(a)(b)</sup> . . . . .	1,367,434	27,006,821
Series D, (5 year CMT + 6.223%), 7.00%, NVS <sup>(a)(b)</sup> . . . . .	1,599,357	32,738,838
TPG RE Finance Trust, Inc., Series C, 6.25%, NVS <sup>(b)</sup> . . . . .		
	693,578	11,076,441
Two Harbors Investment Corp.		
Series A, (3-mo. USD LIBOR + 5.660%), 8.13%, NVS <sup>(a)(b)</sup> . . . . .	442,978	9,360,125
Series B, (3-mo. USD LIBOR + 5.352%), 7.63%, NVS <sup>(a)(b)</sup> . . . . .	902,714	18,126,497
Series C, (3-mo. USD LIBOR + 5.011%), 7.25%, NVS <sup>(a)(b)</sup> . . . . .	858,518	18,054,634
		798,761,618
<b>Multi-Utilities — 3.6%</b>		
Algonquin Power & Utilities Corp.		
7.75% <sup>(d)</sup> . . . . .	1,977,704	42,698,629
(3-mo. USD LIBOR + 3.677%), 6.88% <sup>(a)</sup> . . . . .	988,732	25,281,877
Series 19-A, (3-mo. USD LIBOR + 4.010%), 6.20%, NVS <sup>(a)</sup> . . . . .	1,203,778	29,528,674
Brookfield Infrastructure Partners LP		
Series 13, 5.13%, NVS <sup>(b)</sup> . . . . .	687,881	11,996,645
Series 14, 5.00%, NVS <sup>(b)</sup> . . . . .	679,060	11,306,349

Security	Shares	Value
<b>Multi-Utilities (continued)</b>		
CMS Energy Corp.		
5.88% .....	2,166,875	\$ 49,924,800
5.88%, NVS .....	963,008	21,725,461
5.63% .....	687,861	15,428,722
Series C, 4.20%, NVS <sup>(b)</sup> .....	791,061	15,678,829
DTE Energy Co.		
4.38% .....	963,008	17,834,908
Series E, 5.25% .....	1,375,814	30,680,652
Series G, 4.38% .....	791,061	15,275,388
NiSource, Inc.		
7.75% <sup>(c)(d)</sup> .....	741,637	72,272,526
Series B, (5 year CMT + 3.632%), 6.50% <sup>(a)(b)</sup> ..	1,719,704	43,164,571
Sempra, 5.75% .....	2,605,352	59,375,972
		<u>462,174,003</u>
<b>Office REITs — 0.9%</b>		
City Office REIT, Inc., Series A, 6.63%, NVS <sup>(b)</sup> .....	395,681	5,907,518
Equity Commonwealth, Series D, 6.50%, NVS <sup>(b)(d)</sup> .....	422,620	10,569,726
Hudson Pacific Properties, Inc., Series C, 4.75%, NVS <sup>(b)</sup> .....	1,461,786	18,184,618
Office Properties Income Trust, 6.38% .....	566,059	7,839,917
SL Green Realty Corp., Series I, 6.50%, NVS <sup>(b)</sup> ..	688,557	13,013,727
Vornado Realty Trust		
Series L, 5.40%, NVS <sup>(b)</sup> .....	1,031,835	14,910,016
Series M, 5.25%, NVS <sup>(b)</sup> .....	1,098,897	16,065,874
Series N, 5.25%, NVS <sup>(b)</sup> .....	1,031,835	15,044,154
Series O, 4.45%, NVS <sup>(b)</sup> .....	1,031,835	12,887,619
		<u>114,423,169</u>
<b>Oil, Gas &amp; Consumable Fuels — 2.6%</b>		
DCP Midstream LP, Series C, (3-mo. USD LIBOR + 4.882%), 7.95%, NVS <sup>(a)(b)</sup> .....	380,417	9,491,404
El Paso Energy Capital Trust I, 4.75% <sup>(d)</sup> .....	379,311	17,224,513
Energy Transfer LP		
Series C, (3-mo. USD LIBOR + 4.530%), 10.16%, NVS <sup>(a)(b)</sup> .....	1,547,760	39,467,880
Series D, (3-mo. USD LIBOR + 4.738%), 10.36%, NVS <sup>(a)(b)</sup> .....	1,530,533	39,334,698
Series E, (3-mo. USD LIBOR + 5.161%), 7.60%, NVS <sup>(a)(b)</sup> .....	2,751,539	67,220,098
NGL Energy Partners LP, Series B, (3-mo. USD LIBOR + 7.213%), 12.78%, NVS <sup>(a)(b)</sup> .....	1,082,234	27,272,297
NuStar Energy LP		
Series A, (3-mo. CME Term SOFR + 7.028%), 12.44%, NVS <sup>(a)(b)</sup> .....	779,073	20,068,920
Series B, (3-mo. CME Term SOFR + 5.905%), 11.32%, NVS <sup>(a)(b)</sup> .....	1,324,206	33,833,463
Series C, (3-mo. USD LIBOR + 6.880%), 12.55%, NVS <sup>(a)(b)</sup> .....	593,277	15,300,614
NuStar Logistics LP, (3-mo. CME Term SOFR + 6.996%), 12.30% <sup>(a)</sup> .....	1,384,389	35,592,641
Seapeak LLC		
9.00%, NVS <sup>(b)</sup> .....	424,957	10,283,959
Series B, (3-mo. USD LIBOR + 6.241%), 8.50%, NVS <sup>(a)(b)</sup> .....	584,744	14,080,636
		<u>329,171,123</u>
<b>Professional Services — 0.3%</b>		
Clarivate PLC, Series A, 5.25% <sup>(d)</sup> .....	1,236,064	36,130,151
<b>Real Estate Management &amp; Development — 1.0%</b>		
Brookfield Property Partners LP		
Series A, 5.75%, NVS <sup>(b)</sup> .....	988,872	12,598,229
Series A-1, 6.50%, NVS <sup>(b)</sup> .....	627,516	8,791,499

Security	Shares	Value
<b>Real Estate Management &amp; Development (continued)</b>		
Brookfield Property Partners LP		
Series A2, 6.38%, NVS <sup>(b)</sup> .....	848,366	\$ 11,452,941
Brookfield Property Preferred LP, 6.25% .....	2,308,258	32,084,786
DigitalBridge Group, Inc.		
Series H, 7.13%, NVS <sup>(b)</sup> .....	721,831	15,808,099
Series I, 7.15%, NVS <sup>(b)</sup> .....	1,106,382	23,565,937
Series J, 7.13%, NVS <sup>(b)</sup> .....	998,585	21,569,436
		<u>125,870,927</u>
<b>Residential REITs — 0.3%</b>		
American Homes 4 Rent		
Series G, 5.88%, NVS <sup>(b)</sup> .....	398,620	8,669,985
Series H, 6.25%, NVS <sup>(b)</sup> .....	397,857	8,955,761
UMH Properties, Inc., Series D, 6.38%, NVS <sup>(b)</sup> ..	911,568	19,161,159
		<u>36,786,905</u>
<b>Retail REITs — 0.9%</b>		
Agree Realty Corp., Series A, 4.25%, NVS <sup>(b)</sup> .....	601,891	10,075,655
Cedar Realty Trust, Inc., Series C, 6.50%, NVS <sup>(b)</sup> ..	437,606	5,579,476
Federal Realty Investment Trust, Series C, 5.00%, NVS <sup>(b)(c)</sup> .....	515,917	10,333,818
Kimco Realty Corp.		
Series L, 5.13%, NVS <sup>(b)</sup> .....	765,463	16,204,852
Series M, 5.25%, NVS <sup>(b)</sup> .....	899,901	19,410,865
Regency Centers Corp.		
Series A, 6.25%, NVS <sup>(b)(c)</sup> .....	395,619	9,692,665
Series B, 5.88%, NVS <sup>(b)</sup> .....	378,687	9,046,832
Saul Centers, Inc., Series E, 6.00%, NVS <sup>(b)</sup> .....	380,228	8,022,811
SITE Centers Corp., Series A, 6.38%, NVS <sup>(b)</sup> .....	601,891	13,711,077
Spirit Realty Capital, Inc., Series A, 6.00%, NVS <sup>(b)</sup> .....	593,277	12,494,414
		<u>114,572,465</u>
<b>Software — 0.1%</b>		
Synchronoss Technologies, Inc., 8.38% .....	485,596	8,934,966
<b>Specialized REITs — 3.0%</b>		
CorEnergy Infrastructure Trust, Inc., Series A, 7.38%, NVS <sup>(b)</sup> .....	445,658	2,272,856
Digital Realty Trust, Inc.		
Series J, 5.25%, NVS <sup>(b)</sup> .....	687,861	13,991,093
Series K, 5.85%, NVS <sup>(b)(c)</sup> .....	722,315	16,244,864
Series L, 5.20%, NVS <sup>(b)</sup> .....	1,186,632	24,029,298
EPR Properties, Series G, 5.75%, NVS <sup>(b)</sup> .....	515,917	9,580,579
Gladstone Land Corp., Series B, 6.00% <sup>(b)</sup> .....	512,129	9,269,535
National Storage Affiliates Trust, Series A, 6.00%, NVS <sup>(b)</sup> .....	775,358	17,406,787
Public Storage Operating Co.		
Series F, 5.15%, NVS <sup>(b)(c)</sup> .....	963,008	21,937,322
Series G, 5.05%, NVS <sup>(b)(c)</sup> .....	1,031,835	23,866,344
Series H, 5.60% <sup>(b)(c)</sup> .....	980,235	23,809,908
Series I, 4.88%, NVS <sup>(b)</sup> .....	1,087,704	22,917,923
Series J, 4.70%, NVS <sup>(b)(c)</sup> .....	889,997	17,417,241
Series K, 4.75%, NVS <sup>(b)</sup> .....	791,061	15,607,633
Series L, 4.63%, NVS <sup>(b)</sup> .....	1,943,321	38,283,424
Series M, 4.13%, NVS <sup>(b)(c)</sup> .....	791,061	14,215,366
Series N, 3.88%, NVS <sup>(b)(c)</sup> .....	971,621	16,090,044
Series O, 3.90%, NVS <sup>(b)</sup> .....	584,744	9,847,089
Series P, 4.00%, NVS <sup>(b)</sup> .....	2,076,552	36,028,177
Series Q, 3.95%, NVS <sup>(b)</sup> .....	494,427	8,251,987
Series R, 4.00%, NVS <sup>(b)</sup> .....	1,496,160	25,704,029
Series S, 4.10%, NVS <sup>(b)(c)</sup> .....	859,911	14,601,289
		<u>381,372,788</u>

Security	Shares	Value
<b>Textiles, Apparel &amp; Luxury Goods — 0.1%</b>		
Fossil Group, Inc., 7.00% .....	517,495	\$ 8,569,717
<b>Trading Companies &amp; Distributors — 1.3%</b>		
Air Lease Corp., Series A, (3-mo. CME Term SOFR + 3.912%), 6.15%, NVS <sup>(a)(b)</sup> .....	859,888	20,637,312
FTAI Aviation Ltd.		
Series A, NVS, (3-mo. USD LIBOR + 6.886%), 8.25% <sup>(a)(b)</sup> .....	364,159	8,233,635
Series B, NVS, (3-mo. USD LIBOR + 6.447%), 8.00% <sup>(a)(b)</sup> .....	426,153	9,660,888
Series C, NVS, (5 year CMT + 7.378%), 8.25% <sup>(a)(b)</sup> .....	365,850	8,414,550
Textainer Group Holdings Ltd.		
(5 year CMT + 6.134%), 7.00%, NVS <sup>(a)(b)</sup> .....	515,917	12,242,710
Series B, 6.25%, NVS <sup>(b)</sup> .....	517,385	9,700,969
Triton International Ltd.		
8.00%, NVS <sup>(b)</sup> .....	494,427	12,044,242
7.38%, NVS <sup>(b)</sup> .....	601,891	13,674,964
6.88%, NVS <sup>(b)</sup> .....	515,917	11,948,638
Series E, 5.75%, NVS <sup>(b)</sup> .....	601,891	10,948,397
WESCO International, Inc., Series A, (5 year CMT + 10.325%), 10.63%, NVS <sup>(a)(b)</sup> .....		
	1,851,796	48,905,932
		166,412,237
<b>Transportation Infrastructure — 0.3%</b>		
Atlas Corp.		
Series D, 7.95% <sup>(b)</sup> .....	438,640	10,281,722
Series H, 7.88%, NVS <sup>(b)</sup> .....	776,003	17,405,747
Series I, (3-mo. USD LIBOR + 5.008%), 8.00% <sup>(a)(b)</sup> .....	508,915	12,733,053
		40,420,522
<b>Wireless Telecommunication Services — 1.1%</b>		
Telephone & Data Systems, Inc.		
Series UU, 6.63%, NVS <sup>(b)(c)</sup> .....	1,444,560	22,751,820
Series VV, 6.00%, NVS <sup>(b)</sup> .....	2,373,195	32,394,112

Security	Shares	Value
<b>Wireless Telecommunication Services (continued)</b>		
United States Cellular Corp.		
6.25% .....	1,719,704	\$ 31,212,627
5.50% .....	1,719,704	28,306,328
5.50% .....	1,719,704	28,048,372
		142,713,259
<b>Total Long-Term Investments — 98.6%</b>		
(Cost: \$15,390,530,967) .....		12,544,985,058
<b>Short-Term Securities</b>		
<b>Money Market Funds — 4.0%</b>		
BlackRock Cash Funds: Institutional, SL Agency		
Shares, 5.54% <sup>(e)(f)(g)</sup> .....	42,760,107	42,777,211
BlackRock Cash Funds: Treasury, SL Agency		
Shares, 5.31% <sup>(e)(f)</sup> .....	459,762,828	459,762,828
<b>Total Short-Term Securities — 4.0%</b>		
(Cost: \$502,509,894) .....		502,540,039
<b>Total Investments — 102.6%</b>		
(Cost: \$15,893,040,861) .....		13,047,525,097
<b>Liabilities in Excess of Other Assets — (2.6)%</b>		
		(326,545,561)
<b>Net Assets — 100.0%</b>		
		\$ 12,720,979,536

- (a) Variable rate security. Interest rate resets periodically. The rate shown is the effective interest rate as of period end. Security description also includes the reference rate and spread if published and available.
- (b) Perpetual security with no stated maturity date.
- (c) All or a portion of this security is on loan.
- (d) Convertible security.
- (e) Affiliate of the Fund.
- (f) Annualized 7-day yield as of period end.
- (g) All or a portion of this security was purchased with the cash collateral from loaned securities.

**Affiliates**

Investments in issuers considered to be affiliate(s) of the Fund during the six months ended September 30, 2023 for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliated Issuer	Value at 03/31/23	Purchases at Cost	Proceeds from Sale	Net Realized Gain (Loss)	Change in Unrealized Appreciation (Depreciation)	Value at 09/30/23	Shares Held at 09/30/23	Income	Capital Gain Distributions from Underlying Funds
BlackRock Cash Funds: Institutional, SL Agency									
Shares .....	\$ 175,105,163	\$ —	\$ (132,329,811) <sup>(a)</sup>	\$ 56,956	\$ (55,097)	\$ 42,777,211	42,760,107	\$ 1,126,273 <sup>(b)</sup>	\$ —
BlackRock Cash Funds: Treasury, SL Agency									
Shares .....	231,214,441	228,548,387 <sup>(a)</sup>	—	—	—	459,762,828	459,762,828	3,958,468	—
				\$ 56,956	\$ (55,097)	\$ 502,540,039		\$ 5,084,741	\$ —

(a) Represents net amount purchased (sold).

(b) All or a portion represents securities lending income earned from the reinvestment of cash collateral from loaned securities, net of fees and collateral investment expenses, and other payments to and from borrowers of securities.

**Fair Value Hierarchy as of Period End**

Various inputs are used in determining the fair value of financial instruments. For a description of the input levels and information about the Fund's policy regarding valuation of financial instruments, refer to the Notes to Financial Statements.

The following table summarizes the Fund's financial instruments categorized in the fair value hierarchy. The breakdown of the Fund's financial instruments into major categories is disclosed in the Schedule of Investments above.

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Assets				
Investments				
Long-Term Investments				
Preferred Securities				
Preferred Stocks .....	\$ 12,401,214,159	\$ 143,770,899	\$ —	\$ 12,544,985,058
Short-Term Securities				
Money Market Funds .....	502,540,039	—	—	502,540,039
	<u>\$ 12,903,754,198</u>	<u>\$ 143,770,899</u>	<u>\$ —</u>	<u>\$ 13,047,525,097</u>

See notes to financial statements.

# Statement of Assets and Liabilities (unaudited)

September 30, 2023

iShares  
Preferred and  
Income Securities  
ETF

## ASSETS

Investments, at value — unaffiliated <sup>(a)(b)</sup>	\$ 12,544,985,058
Investments, at value — affiliated <sup>(c)</sup>	502,540,039
Cash	406,677
Receivables:	
Investments sold	20,219,335
Securities lending income — affiliated	164,774
Capital shares sold	213,059
Dividends — unaffiliated	67,859,222
Dividends — affiliated	1,079,778
Total assets	<u>13,137,467,942</u>

## LIABILITIES

Collateral on securities loaned	42,647,321
Payables:	
Investments purchased	367,717,990
Capital shares redeemed	1,264,034
Investment advisory fees	4,859,061
Total liabilities	<u>416,488,406</u>

## Commitments and contingent liabilities

NET ASSETS	<u>\$ 12,720,979,536</u>
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## NET ASSETS CONSIST OF:

Paid-in capital	\$ 17,708,862,145
Accumulated loss	<u>(4,987,882,609)</u>
NET ASSETS	<u>\$ 12,720,979,536</u>

## NET ASSET VALUE

Shares outstanding	<u>421,750,000</u>
Net asset value	<u>\$ 30.16</u>
Shares authorized	<u>Unlimited</u>
Par value	<u>None</u>

<sup>(a)</sup> Investments, at cost — unaffiliated \$ 15,390,530,967

<sup>(b)</sup> Securities loaned, at value \$ 41,565,465

<sup>(c)</sup> Investments, at cost — affiliated \$ 502,509,894

See notes to financial statements.

# Statement of Operations (unaudited)

Six Months Ended September 30, 2023

iShares  
Preferred and  
Income Securities  
ETF

## INVESTMENT INCOME

Dividends — unaffiliated .....	\$ 453,275,696
Dividends — affiliated .....	3,958,468
Securities lending income — affiliated — net .....	1,126,273
Foreign taxes withheld .....	<u>(722,196)</u>
Total investment income .....	<u>457,638,241</u>

## EXPENSES

Investment advisory .....	29,620,836
Interest expense .....	<u>81,842</u>
Total expenses .....	<u>29,702,678</u>
Net investment income .....	<u>427,935,563</u>

## REALIZED AND UNREALIZED GAIN (LOSS)

Net realized gain (loss) from:	
Investments — unaffiliated .....	(242,780,430)
Investments — affiliated .....	56,956
In-kind redemptions — unaffiliated <sup>(a)</sup> .....	<u>7,522,459</u>
	<u>(235,201,015)</u>
Net change in unrealized appreciation (depreciation) on:	
Investments — unaffiliated .....	(214,295,043)
Investments — affiliated .....	<u>(55,097)</u>
	<u>(214,350,140)</u>
Net realized and unrealized loss .....	<u>(449,551,155)</u>
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS .....	<u>\$ (21,615,592)</u>

<sup>(a)</sup> See Note 2 of the Notes to Financial Statements.

See notes to financial statements.

# Statements of Changes in Net Assets

	iShares Preferred and Income Securities ETF	
	Six Months Ended 09/30/23 (unaudited)	Year Ended 03/31/23
<i>INCREASE (DECREASE) IN NET ASSETS</i>		
<b>OPERATIONS</b>		
Net investment income.....	\$ 427,935,563	\$ 851,776,239
Net realized loss.....	(235,201,015)	(249,407,839)
Net change in unrealized appreciation (depreciation) .....	<u>(214,350,140)</u>	<u>(2,167,214,408)</u>
Net decrease in net assets resulting from operations .....	<u>(21,615,592)</u>	<u>(1,564,846,008)</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS<sup>(a)</sup></b>		
Decrease in net assets resulting from distributions to shareholders .....	<u>(416,486,617)</u>	<u>(887,370,473)</u>
<b>CAPITAL SHARE TRANSACTIONS</b>		
Net increase (decrease) in net assets derived from capital share transactions .....	<u>177,112,880</u>	<u>(2,277,562,637)</u>
<b>NET ASSETS</b>		
Total decrease in net assets .....	(260,989,329)	(4,729,779,118)
Beginning of period.....	<u>12,981,968,865</u>	<u>17,711,747,983</u>
End of period .....	<u>\$ 12,720,979,536</u>	<u>\$ 12,981,968,865</u>

<sup>(a)</sup> Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

See notes to financial statements.



# Financial Highlights

(For a share outstanding throughout each period)

## iShares Preferred and Income Securities ETF

	Six Months Ended 09/30/23 (unaudited)	Year Ended 03/31/23	Year Ended 03/31/22	Year Ended 03/31/21	Year Ended 03/31/20	Year Ended 03/31/19
<b>Net asset value, beginning of period</b> .....	\$ 31.18	\$ 36.39	\$ 38.27	\$ 31.50	\$ 36.47	\$ 37.54
Net investment income <sup>(a)</sup> .....	1.02	1.90	1.75	1.81	1.93	2.10
Net realized and unrealized gain (loss) <sup>(b)</sup> .....	(1.05)	(5.13)	(1.94)	6.78	(4.93)	(1.02)
Net increase (decrease) from investment operations .....	(0.03)	(3.23)	(0.19)	8.59	(3.00)	1.08
Distributions from net investment income <sup>(c)</sup> .....	(0.99)	(1.98)	(1.69)	(1.82)	(1.97)	(2.15)
<b>Net asset value, end of period</b> .....	\$ 30.16	\$ 31.18	\$ 36.39	\$ 38.27	\$ 31.50	\$ 36.47
<b>Total Return<sup>(d)</sup></b>						
Based on net asset value .....	(0.13)% <sup>(e)</sup>	(8.99)%	(0.67)%	27.88%	(8.90)%	3.01%
<b>Ratios to Average Net Assets<sup>(f)</sup></b>						
Total expenses .....	0.46% <sup>(g)</sup>	0.46%	0.45%	0.46%	0.46%	0.46%
Net investment income .....	6.65% <sup>(g)</sup>	5.80%	4.56%	4.97%	5.25%	5.73%
<b>Supplemental Data</b>						
Net assets, end of period (000) .....	\$ 12,720,980	\$ 12,981,969	\$ 17,711,748	\$ 18,364,340	\$ 13,816,631	\$ 14,370,721
Portfolio turnover rate <sup>(h)</sup> .....	13%	16%	21%	28%	46%	28%

<sup>(a)</sup> Based on average shares outstanding.

<sup>(b)</sup> The amounts reported for a share outstanding may not accord with the change in aggregate gains and losses in securities for the fiscal period due to the timing of capital share transactions in relation to the fluctuating market values of the Fund's underlying securities.

<sup>(c)</sup> Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

<sup>(d)</sup> Where applicable, assumes the reinvestment of distributions.

<sup>(e)</sup> Not annualized.

<sup>(f)</sup> Excludes fees and expenses incurred indirectly as a result of investments in underlying funds.

<sup>(g)</sup> Annualized.

<sup>(h)</sup> Portfolio turnover rate excludes in-kind transactions.

See notes to financial statements.

## 1. ORGANIZATION

iShares Trust (the “Trust” is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company. The Trust is organized as a Delaware statutory trust and is authorized to have multiple series or portfolios.

These financial statements relate only to the following fund (the “Fund”):

<i>iShares ETF</i>	<i>Diversification Classification</i>
Preferred and Income Securities .....	Diversified

## 2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”), which may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates. The Fund is considered an investment company under U.S. GAAP and follows the accounting and reporting guidance applicable to investment companies. Below is a summary of significant accounting policies:

**Investment Transactions and Income Recognition:** For financial reporting purposes, investment transactions are recorded on the dates the transactions are executed. Realized gains and losses on investment transactions are determined using the specific identification method. Dividend income and capital gain distributions, if any, are recorded on the ex-dividend date. Non-cash dividends, if any, are recorded on the ex-dividend date at fair value. Upon notification from issuers or as estimated by management, a portion of the dividend income received from a real estate investment trust may be redesignated as a reduction of cost of the related investment and/or realized gain.

**Foreign Taxes:** The Fund may be subject to foreign taxes (a portion of which may be reclaimable) on income, stock dividends, capital gains on investments, or certain foreign currency transactions. All foreign taxes are recorded in accordance with the applicable foreign tax regulations and rates that exist in the foreign jurisdictions in which the Fund invests. These foreign taxes, if any, are paid by the Fund and are reflected in its Statement of Operations as follows: foreign taxes withheld at source are presented as a reduction of income, foreign taxes on securities lending income are presented as a reduction of securities lending income, foreign taxes on stock dividend are presented as “Other foreign taxes”, and foreign taxes on capital gains from sales of investments and foreign taxes on foreign currency transactions are included in their respective net realized gain (loss) categories. Foreign taxes payable or deferred as of September 30, 2023, if any, are disclosed in the Statement of Assets and Liabilities.

The Fund files withholding tax reclaims in certain jurisdictions to recover a portion of amounts previously withheld. The Fund may record a reclaim receivable based on collectability, which includes factors such as the jurisdiction’s applicable tax laws, payment history and market convention. The Statement of Operations includes tax reclaims recorded as well as professional and other fees, if any, associated with recovery of foreign withholding taxes.

**In-kind Redemptions:** For financial reporting purposes, in-kind redemptions are treated as sales of securities resulting in realized capital gains and losses to the Fund. Because such gains or losses are not taxable to the Fund and are not distributed to existing Fund shareholders, the gains or losses are reclassified from accumulated net realized gain (loss) to paid-in capital at the end of the Fund’s tax year. These reclassifications have no effect on net assets or net asset value (“NAV”) per share.

**Distributions:** Dividends and distributions paid by the Fund are recorded on the ex-dividend dates. Distributions are determined on a tax basis and may differ from net investment income and net realized capital gains for financial reporting purposes. Dividend and distributions are paid in U.S. dollars and cannot be automatically reinvested in additional shares of the Fund.

**Indemnifications:** In the normal course of business, the Fund enters into contracts that contain a variety of representations that provide general indemnification. The Fund’s maximum exposure under these arrangements is unknown because it involves future potential claims against the Fund, which cannot be predicted with any certainty.

## 3. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

**Investment Valuation Policies:** The Fund’s investments are valued at fair value (also referred to as “market value” within the financial statements) each day that the Fund’s listing exchange is open and, for financial reporting purposes, as of the report date. U.S. GAAP defines fair value as the price a fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Board of Trustees of the Trust (the “Board”) of the Fund has approved the designation of BlackRock Fund Advisors (“BFA”), the Fund’s investment adviser, as the valuation designee for the Fund. The Fund determines the fair values of its financial instruments using various independent dealers or pricing services under BFA’s policies. If a security’s market price is not readily available or does not otherwise accurately represent the fair value of the security, the security will be valued in accordance with BFA’s policies and procedures as reflecting fair value. BFA has formed a committee (the “Valuation Committee”) to develop pricing policies and procedures and to oversee the pricing function for all financial instruments, with assistance from other BlackRock pricing committees.

**Fair Value Inputs and Methodologies:** The following methods and inputs are used to establish the fair value of the Fund’s assets and liabilities:

- Equity investments traded on a recognized securities exchange are valued at that day’s official closing price, as applicable, on the exchange where the stock is primarily traded. Equity investments traded on a recognized exchange for which there were no sales on that day are valued at the last traded price.
- Investments in open-end U.S. mutual funds (including money market funds) are valued at that day’s published NAV.

## Notes to Financial Statements (unaudited) (continued)

If events (e.g., market volatility, company announcement or a natural disaster) occur that are expected to materially affect the value of such investment, or in the event that application of these methods of valuation results in a price for an investment that is deemed not to be representative of the market value of such investment, or if a price is not available, the investment will be valued by the Valuation Committee, in accordance with BFA's policies and procedures as reflecting fair value ("Fair Valued Investments"). The fair valuation approaches that may be used by the Valuation Committee include market approach, income approach and cost approach. Valuation techniques such as discounted cash flow, use of market comparables and matrix pricing are types of valuation approaches and are typically used in determining fair value. When determining the price for Fair Valued Investments, the Valuation Committee seeks to determine the price that the Fund might reasonably expect to receive or pay from the current sale or purchase of that asset or liability in an arm's-length transaction. Fair value determinations shall be based upon all available factors that the Valuation Committee deems relevant and consistent with the principles of fair value measurement.

Fair value pricing could result in a difference between the prices used to calculate a fund's NAV and the prices used by the fund's underlying index, which in turn could result in a difference between the fund's performance and the performance of the fund's underlying index.

**Fair Value Hierarchy:** Various inputs are used in determining the fair value of financial instruments. These inputs to valuation techniques are categorized into a fair value hierarchy consisting of three broad levels for financial reporting purposes as follows:

- Level 1 - Unadjusted price quotations in active markets/exchanges for identical assets or liabilities that the Fund has the ability to access;
- Level 2 - Other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs); and
- Level 3 - Unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Global Valuation Committee's assumptions used in determining the fair value of financial instruments).

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Investments classified within Level 3 have significant unobservable inputs used by the Global Valuation Committee in determining the price for Fair Valued Investments. Level 3 investments include equity or debt issued by privately held companies or funds that may not have a secondary market and/or may have a limited number of investors. The categorization of a value determined for financial instruments is based on the pricing transparency of the financial instruments and is not necessarily an indication of the risks associated with investing in those securities.

#### 4. SECURITIES AND OTHER INVESTMENTS

**Securities Lending:** The Fund may lend its securities to approved borrowers, such as brokers, dealers and other financial institutions. The borrower pledges and maintains with the Fund collateral consisting of cash, an irrevocable letter of credit issued by an approved bank, or securities issued or guaranteed by the U.S. government. The initial collateral received by the Fund is required to have a value of at least 102% of the current market value of the loaned securities for securities traded on U.S. exchanges and a value of at least 105% for all other securities. The collateral is maintained thereafter at a value equal to at least 100% of the current value of the securities on loan. The market value of the loaned securities is determined at the close of each business day of the Fund and any additional required collateral is delivered to the Fund or excess collateral is returned by the Fund, on the next business day. During the term of the loan, the Fund is entitled to all distributions made on or in respect of the loaned securities but does not receive interest income on securities received as collateral. Loans of securities are terminable at any time and the borrower, after notice, is required to return borrowed securities within the standard time period for settlement of securities transactions.

As of period end, any securities on loan were collateralized by cash and/or U.S. Government obligations. Cash collateral invested in money market funds managed by BFA, or its affiliates is disclosed in the Schedule of Investments. Any non-cash collateral received cannot be sold, re-invested or pledged by the Fund, except in the event of borrower default. The securities on loan, if any, are also disclosed in the Fund's Schedule of Investments. The market value of any securities on loan and the value of any related cash collateral are disclosed in the Statement of Assets and Liabilities.

Securities lending transactions are entered into by the Fund under Master Securities Lending Agreements (each, an "MSLA") which provide the right, in the event of default (including bankruptcy or insolvency) for the non-defaulting party to liquidate the collateral and calculate a net exposure to the defaulting party or request additional collateral. In the event that a borrower defaults, the Fund, as lender, would offset the market value of the collateral received against the market value of the securities loaned. When the value of the collateral is greater than that of the market value of the securities loaned, the lender is left with a net amount payable to the defaulting party. However, bankruptcy or insolvency laws of particular jurisdiction may impose restrictions on or prohibitions against such a right of offset in the event of an MSLA counterparty's bankruptcy or insolvency. Under the MSLA, absent an event of default, the borrower can resell or re-pledge the loaned securities, and the Fund can reinvest cash collateral received in connection with loaned securities. Upon an event of default, the parties' obligations to return the securities or collateral to the other party are extinguished, and the parties can resell or re-pledge the loaned securities or the collateral received in connection with the loaned securities in order to satisfy the defaulting party's net payment obligation for all transactions under the MSLA. The defaulting party remains liable for any deficiency.

## Notes to Financial Statements (unaudited) (continued)

As of period end, the following table is a summary of the securities on loan by counterparty which are subject to offset under an MSLA:

<i>iShares ETF and Counterparty</i>	<i>Securities Loaned at Value</i>	<i>Cash Collateral Received</i>	<i>Non-Cash Collateral Received, at Fair Value<sup>(a)</sup></i>	<i>Net Amount<sup>(b)</sup></i>
Barclays Capital, Inc.....	\$ 1,642,585	\$ (1,642,585)	\$ —	\$ —
BMO Capital Markets Corp.....	15,166	(15,166)	—	—
BNP Paribas SA.....	1,285,270	(1,285,270)	—	—
BofA Securities, Inc.....	4,769,563	(4,769,563)	—	—
Goldman Sachs & Co. LLC.....	12,960,944	(12,960,944)	—	—
J.P. Morgan Securities LLC.....	15,196,818	(15,196,818)	—	—
Morgan Stanley.....	1,132,540	(1,132,540)	—	—
National Financial Services LLC.....	3,454	(3,454)	—	—
RBC Capital Market LLC.....	1,036,455	(1,036,455)	—	—
SG Americas Securities LLC.....	14,325	(14,325)	—	—
Toronto-Dominion Bank.....	783,365	(783,365)	—	—
UBS AG.....	4,712	(4,700)	—	12
UBS Securities LLC.....	791,606	(791,606)	—	—
Wells Fargo Bank N.A.....	1,928,662	(1,928,662)	—	—
	<u>\$ 41,565,465</u>	<u>\$ (41,565,453)</u>	<u>\$ —</u>	<u>\$ 12</u>

(a) Collateral received, if any, in excess of the market value of securities on loan is not presented in this table. The total cash collateral received by the Fund is disclosed in the Fund's Statement of Assets and Liabilities.

(b) The market value of the loaned securities is determined as of September 30, 2023. Additional collateral is delivered to the Fund on the next business day in accordance with the MSLA. The net amount would be subject to the borrower default indemnity in the event of default by the counterparty.

The risks of securities lending include the risk that the borrower may not provide additional collateral when required or may not return the securities when due. To mitigate these risks, the Fund benefits from a borrower default indemnity provided by BlackRock, Inc. ("BlackRock"). BlackRock's indemnity allows for full replacement of the securities loaned to the extent the collateral received does not cover the value of the securities loaned in the event of borrower default. The Fund could incur a loss if the value of an investment purchased with cash collateral falls below the market value of the loaned securities or if the value of an investment purchased with cash collateral falls below the value of the original cash collateral received. Such losses are borne entirely by the Fund.

### 5. INVESTMENT ADVISORY AGREEMENT AND OTHER TRANSACTIONS WITH AFFILIATES

**Investment Advisory Fees:** Pursuant to an Investment Advisory Agreement with the Trust, BFA manages the investment of the Fund's assets. BFA is a California corporation indirectly owned by BlackRock. Under the Investment Advisory Agreement, BFA is responsible for substantially all expenses of the Fund, except (i) interest and taxes; (ii) brokerage commissions and other expenses connected with the execution of portfolio transactions; (iii) distribution fees; (iv) the advisory fee payable to BFA; and (v) litigation expenses and any extraordinary expenses (in each case as determined by a majority of the independent trustees).

For its investment advisory services to the Fund, BFA is entitled to an annual investment advisory fee, accrued daily and paid monthly by the Fund, based on the Fund's allocable portion of the aggregate of the average daily net assets of the Fund and certain other iShares funds, as follows:

<i>Aggregate Average Daily Net Assets</i>	<i>Investment Advisory Fees</i>
First \$46 billion.....	0.4800%
Over \$46 billion, up to and including \$81 billion.....	0.4560
Over \$81 billion, up to and including \$111 billion.....	0.4332
Over \$111 billion, up to and including \$141 billion.....	0.4116
Over \$141 billion, up to and including \$171 billion.....	0.3910
Over \$171 billion.....	0.3714

**Distributor:** BlackRock Investments, LLC ("BRIL"), an affiliate of BFA, is the distributor for the Fund. Pursuant to the distribution agreement, BFA is responsible for any fees or expenses for distribution services provided to the Fund.

**ETF Servicing Fees:** The Fund has entered into an ETF Services Agreement with BRIL to perform certain order processing, Authorized Participant communications, and related services in connection with the issuance and redemption of Creation Units ("ETF Services"). BRIL is entitled to a transaction fee from Authorized Participants on each creation or redemption order for the ETF Services provided. The Fund does not pay BRIL for ETF Services.

**Securities Lending:** The U.S. Securities and Exchange Commission (the "SEC") has issued an exemptive order which permits BlackRock Institutional Trust Company, N.A. ("BTC"), an affiliate of BFA, to serve as securities lending agent for the Fund, subject to applicable conditions. As securities lending agent, BTC bears all operational costs directly related to securities lending, including any custodial costs. The Fund is responsible for fees in connection with the investment of cash collateral received for securities on loan (the "collateral investment fees"). The cash collateral is invested in a money market fund, BlackRock Cash Funds: Institutional or BlackRock Cash Funds: Treasury, managed by BFA, or its affiliates. However, BTC has agreed to reduce the amount of securities lending income it receives in order to effectively limit the collateral investment fees the Fund bears to an annual rate of 0.04%. The SL Agency Shares of such money market fund will not be subject to a sales load, distribution fee or service fee. The

## Notes to Financial Statements (unaudited) (continued)

money market fund in which the cash collateral has been invested may, under certain circumstances, impose a liquidity fee of up to 2% of the value redeemed or temporarily restrict redemptions for up to 10 business days during a 90 day period, in the event that the money market fund's weekly liquid assets fall below certain thresholds.

Securities lending income is equal to the total of income earned from the reinvestment of cash collateral, net of fees and other payments to and from borrowers of securities, and less the collateral investment fees. The Fund retains a portion of securities lending income and remits the remaining portion to BTC as compensation for its services as securities lending agent.

Pursuant to the current securities lending agreement, the Fund retains 81% of securities lending income (which excludes collateral investment fees) and the amount retained can never be less than 70% of the total of securities lending income plus the collateral investment fees.

In addition, commencing the business day following the date that the aggregate securities lending income plus the collateral investment fees generated across all 1940 Act iShares exchange-traded fund (the "iShares ETF Complex") in a given calendar year exceeds a specified threshold, the Fund, pursuant to the securities lending agreement, will retain for the remainder of that calendar year 81% of securities lending income (which excludes collateral investment fees), and the amount retained can never be less than 70% of the total of securities lending income plus the collateral investment fees.

The share of securities lending income earned by the Fund is shown as securities lending income - affiliated - net in its Statement of Operations. For the six months ended September 30, 2023, the Fund paid BTC \$277,437 for securities lending agent services.

**Officers and Trustees:** Certain officers and/or trustees of the Trust are officers and/or trustees of BlackRock or its affiliates.

The Fund may invest its positive cash balances in certain money market funds managed by BFA or an affiliate. The income earned on these temporary cash investments is shown as dividends - affiliated in the Statement of Operations.

A fund, in order to improve its portfolio liquidity and its ability to track its underlying index, may invest in shares of other iShares funds that invest in securities in the fund's underlying index.

### 6. PURCHASES AND SALES

For the six months ended September 30, 2023, purchases and sales of investments, excluding short-term securities and in-kind transactions, were as follows:

<i>iShares ETF</i>	<i>Purchases</i>	<i>Sales</i>
Preferred and Income Securities .....	\$ 1,681,847,741	\$ 1,681,056,607

For the six months ended September 30, 2023, in-kind transactions were as follows:

<i>iShares ETF</i>	<i>In-kind Purchases</i>	<i>In-kind Sales</i>
Preferred and Income Securities .....	\$ 673,584,240	\$ 501,989,512

### 7. INCOME TAX INFORMATION

The Fund is treated as an entity separate from the Trust's other funds for federal income tax purposes. It is the Fund's policy to comply with the requirements of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies, and to distribute all of its taxable income to its shareholders. Therefore, no U.S. federal income tax provision is required.

Management has analyzed tax laws and regulations and their application to the Fund as of March 31, 2023, inclusive of the open tax return years, and does not believe that there are any uncertain tax positions that require recognition of a tax liability in the Fund's financial statements.

As of March 31, 2023, the Fund had non-expiring capital loss carryforwards of \$1,946,804,348 available to offset future realized capital gains.

As of September 30, 2023, gross unrealized appreciation and depreciation based on cost of investments (including short positions and derivatives, if any) for U.S. federal income tax purposes were as follows:

<i>iShares ETF</i>	<i>Tax Cost</i>	<i>Gross Unrealized Appreciation</i>	<i>Gross Unrealized Depreciation</i>	<i>Net Unrealized Appreciation (Depreciation)</i>
Preferred and Income Securities .....	\$ 15,917,467,940	\$ 40,687,964	\$ (2,910,630,807)	\$ (2,869,942,843)

### 8. PRINCIPAL RISKS

In the normal course of business, the Fund invests in securities or other instruments and may enter into certain transactions, and such activities subject the Fund to various risks, including, among others, fluctuations in the market (market risk) or failure of an issuer to meet all of its obligations. The value of securities or other instruments may also be affected by various factors, including, without limitation: (i) the general economy; (ii) the overall market as well as local, regional or global political and/or social instability; (iii) regulation, taxation or international tax treaties between various countries; or (iv) currency, interest rate or price fluctuations. Local, regional or global events such as war,

## Notes to Financial Statements (unaudited) (continued)

acts of terrorism, the spread of infectious illness or other public health issues, recessions, or other events could have a significant impact on the Fund and its investments. The Fund's prospectus provides details of the risks to which the Fund is subject.

BFA uses a "passive" or index approach to try to achieve the Fund's investment objective following the securities included in its underlying index during upturns as well as downturns. BFA does not take steps to reduce market exposure or to lessen the effects of a declining market. Divergence from the underlying index and the composition of the portfolio is monitored by BFA.

The Fund may be exposed to additional risks when reinvesting cash collateral in money market funds that do not seek to maintain a stable NAV per share of \$1.00, which may be subject to redemption gates or liquidity fees under certain circumstances.

**Infectious Illness Risk:** An outbreak of an infectious illness, such as the COVID-19 pandemic, may adversely impact the economies of many nations and the global economy, and may impact individual issuers and capital markets in ways that cannot be foreseen. An infectious illness outbreak may result in, among other things, closed international borders, prolonged quarantines, supply chain disruptions, market volatility or disruptions and other significant economic, social and political impacts.

**Valuation Risk:** The market values of equities, such as common stocks and preferred securities or equity related investments, such as futures and options, may decline due to general market conditions which are not specifically related to a particular company. They may also decline due to factors which affect a particular industry or industries. A fund may invest in illiquid investments. An illiquid investment is any investment that a fund reasonably expects cannot be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment. A fund may experience difficulty in selling illiquid investments in a timely manner at the price that it believes the investments are worth. Prices may fluctuate widely over short or extended periods in response to company, market or economic news. Markets also tend to move in cycles, with periods of rising and falling prices. This volatility may cause a fund's NAV to experience significant increases or decreases over short periods of time. If there is a general decline in the securities and other markets, the NAV of a fund may lose value, regardless of the individual results of the securities and other instruments in which a fund invests.

**Counterparty Credit Risk:** The Fund may be exposed to counterparty credit risk, or the risk that an entity may fail to or be unable to perform on its commitments related to unsettled or open transactions, including making timely interest and/or principal payments or otherwise honoring its obligations. The Fund manage counterparty credit risk by entering into transactions only with counterparties that the Manager believes have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose the Fund to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of the Fund's exposure to market, issuer and counterparty credit risks with respect to these financial assets is approximately their value recorded in the Statement of Assets and Liabilities, less any collateral held by the Fund.

**Geographic/Asset Class Risk:** A diversified portfolio, where this is appropriate and consistent with a fund's objectives, minimizes the risk that a price change of a particular investment will have a material impact on the NAV of a fund. The investment concentrations within the Fund's portfolio are disclosed in its Schedule of Investments.

The Fund invests a significant portion of its assets in securities of issuers located in the United States. A decrease in imports or exports, changes in trade regulations, inflation and/or an economic recession in the United States may have a material adverse effect on the U.S. economy and the securities listed on U.S. exchanges. Proposed and adopted policy and legislative changes in the United States may also have a significant effect on U.S. markets generally, as well as on the value of certain securities. Governmental agencies project that the United States will continue to maintain elevated public debt levels for the foreseeable future which may constrain future economic growth. Circumstances could arise that could prevent the timely payment of interest or principal on U.S. government debt, such as reaching the legislative "debt ceiling." Such non-payment would result in substantial negative consequences for the U.S. economy and the global financial system. If U.S. relations with certain countries deteriorate, it could adversely affect issuers that rely on the United States for trade. The United States has also experienced increased internal unrest and discord. If these trends were to continue, they may have an adverse impact on the U.S. economy and the issuers in which the the Fund invest.

The Fund invests a significant portion of its assets in securities within a single or limited number of market sectors. When a Fund concentrates its investments in this manner, it assumes the risk that economic, regulatory, political and social conditions affecting such sectors may have a significant impact on the fund and could affect the income from, or the value or liquidity of, the fund's portfolio. Investment percentages in specific sectors are presented in the Schedule of Investments.

**Significant Shareholder Redemption Risk:** Certain shareholders may own or manage a substantial amount of fund shares and/or hold their fund investments for a limited period of time. Large redemptions of fund shares by these shareholders may force a fund to sell portfolio securities, which may negatively impact the fund's NAV, increase the fund's brokerage costs, and/or accelerate the realization of taxable income/gains and cause the fund to make additional taxable distributions to shareholders.

**LIBOR Transition Risk:** The Fund may be exposed to financial instruments that recently transitioned from, or continue to be tied to the London Interbank Offered Rate ("LIBOR") to determine payment obligations, financing terms, hedging strategies or investment value. The United Kingdom's Financial Conduct Authority, which regulates LIBOR, has ceased publishing all LIBOR settings, but some USD LIBOR settings will continue to be published under a synthetic methodology until September 30, 2024 for certain legacy contracts. The Secured Overnight Financing Rate ("SOFR") has been used increasingly on a voluntary basis in new instruments and transactions. Under U.S. regulations that implement a statutory fallback mechanism to replace LIBOR, benchmark rates based on SOFR have replaced LIBOR in certain financial contracts. The ultimate effect of the LIBOR transition process on the Fund is uncertain.

## 9. CAPITAL SHARE TRANSACTIONS

Capital shares are issued and redeemed by the Fund only in aggregations of a specified number of shares or multiples thereof ("Creation Units") at NAV. Except when aggregated in Creation Units, shares of the Fund are not redeemable.

## Notes to Financial Statements (unaudited) (continued)

Transactions in capital shares were as follows:

<i>iShares ETF</i>	Six Months Ended 09/30/23		Year Ended 03/31/23	
	Shares	Amount	Shares	Amount
Preferred and Income Securities				
Shares sold .....	22,800,000	\$ 700,648,582	19,150,000	\$ 629,044,759
Shares redeemed .....	(17,350,000)	(523,535,702)	(89,600,000)	(2,906,607,396)
	<u>5,450,000</u>	<u>\$ 177,112,880</u>	<u>(70,450,000)</u>	<u>\$ (2,277,562,637)</u>

The consideration of the purchase of Creation Units of a fund in the Trust generally consists of the in-kind deposit of a designated portfolio of securities and a specified amount of cash. Certain funds in the Trust may be offered in Creation Units solely or partially for cash in U.S. dollars. Investors purchasing and redeeming Creation Units may pay a purchase transaction fee and a redemption transaction fee directly to BRIL, to offset transfer and other transaction costs associated with the issuance and redemption of Creation Units, including Creation Units for cash. Investors transacting in Creation Units for cash may also pay an additional variable charge to compensate the relevant fund for certain transaction costs (i.e., stamp taxes, taxes on currency or other financial transactions, and brokerage costs) and market impact expenses relating to investing in portfolio securities. Such variable charges, if any, are included in shares sold in the table above.

From time to time, settlement of securities related to in-kind contributions or in-kind redemptions may be delayed. In such cases, securities related to in-kind transactions are reflected as a receivable or a payable in the Statement of Assets and Liabilities.

### 10. SUBSEQUENT EVENTS

Management has evaluated the impact of all subsequent events on the Fund through the date the financial statements were available to be issued and has determined that there were no subsequent events requiring adjustment or additional disclosure in the financial statements.

# Board Review and Approval of Investment Advisory Contract

## iShares Preferred and Income Securities ETF (the “Fund”)

Under Section 15(c) of the Investment Company Act of 1940 (the “1940 Act”), the Trust’s Board of Trustees (the “Board”), including a majority of Board Members who are not “interested persons” of the Trust (as that term is defined in the 1940 Act) (the “Independent Board Members”), is required annually to consider the approval of the Investment Advisory Agreement between the Trust and BFA (the “Advisory Agreement”) on behalf of the Fund. The Board’s consideration entails a year-long process whereby the Board and its committees (composed solely of Independent Board Members) assess BlackRock’s services to the Fund, including investment management; fund accounting; administrative and shareholder services; oversight of the Fund’s service providers; risk management and oversight; legal and compliance services; and ability to meet applicable legal and regulatory requirements. The Independent Board Members requested, and BFA provided, such information as the Independent Board Members, with advice from independent counsel, deemed reasonably necessary to evaluate the Advisory Agreement. At meetings on May 2, 2023 and May 15, 2023, a committee composed of all of the Independent Board Members (the “15(c) Committee”), with independent counsel, met with management and reviewed and discussed information provided in response to initial requests of the 15(c) Committee and/or its independent counsel, and requested certain additional information, which management agreed to provide. At a meeting held on June 7-8, 2023, the Board, including the Independent Board Members, reviewed the additional information provided by management in response to these requests.

After extensive discussions and deliberations, the Board, including all of the Independent Board Members, approved the continuance of the Advisory Agreement for the Fund, based on a review of qualitative and quantitative information provided by BFA and their cumulative experience as Board Members. The Board noted its satisfaction with the extent and quality of information provided and its frequent interactions with management, as well as the detailed responses and other information provided by BFA. The Independent Board Members were advised by their independent counsel throughout the process, including about the legal standards applicable to their review. In approving the continuance of the Advisory Agreement for the Fund, the Board, including the Independent Board Members, considered various factors, including: (i) the expenses and performance of the Fund; (ii) the nature, extent and quality of the services provided by BFA; (iii) the costs of services provided to the Fund and profits realized by BFA and its affiliates; (iv) potential economies of scale and the sharing of related benefits; (v) the fees and services provided for other comparable funds/accounts managed by BFA and its affiliates; and (vi) other benefits to BFA and/or its affiliates. The material factors, none of which was controlling, and conclusions that formed the basis for the Board, including the Independent Board Members, to approve the continuance of the Advisory Agreement are discussed below.

**Expenses and Performance of the Fund:** The Board reviewed statistical information prepared by Broadridge Financial Solutions, Inc. (“Broadridge”), an independent provider of investment company data, regarding the expense ratio components, including gross and net total expenses, fees and expenses of other fund(s) in which the Fund invests (if applicable), and waivers/reimbursements (if applicable) of the Fund in comparison with the same information for other ETFs, objectively selected by Broadridge as comprising the Fund’s applicable expense peer group pursuant to Broadridge’s proprietary ETF methodology (the “Peer Group”). The Board was provided with a detailed description of the proprietary ETF methodology used by Broadridge to determine the Fund’s Peer Group. The Board noted that, due to the limitations in providing comparable funds in the Peer Group, the statistical information provided in Broadridge’s report may or may not provide meaningful direct comparisons to the Fund in all instances. The Board also noted that the investment advisory fee rate and overall expenses (net of any waivers and reimbursements) for the Fund were lower than the median of the investment advisory fee rates and overall expenses (net of any waivers and reimbursements) of the funds in its Peer Group, excluding iShares funds.

In addition, to the extent that any of the comparison funds included in the Peer Group, excluding iShares funds, track the same index as the Fund, Broadridge also provided, and the Board reviewed, a comparison of the Fund’s performance for the one-year, three-year, five-year, ten-year, and since inception periods, as applicable, and for the quarter ended December 31, 2022, to that of such relevant comparison fund(s) for the same periods. The Board noted that the Fund seeks to track its specified underlying index and that, during the year, the Board received periodic reports on the Fund’s short- and longer-term performance in comparison with its underlying index. Such periodic comparative performance information, including additional detailed information as requested by the Board, was also considered. The Board noted that the Fund generally performed in line with its underlying index over the relevant periods.

Based on this review, the other factors considered at the meeting, and their general knowledge of ETF pricing, the Board concluded that the investment advisory fee rate and expense level and the historical performance of the Fund supported the Board’s approval of the continuance of the Advisory Agreement for the coming year.

**Nature, Extent and Quality of Services Provided:** Based on management’s representations, including information about ongoing enhancements and initiatives with respect to the iShares business, including with respect to capital markets support and analysis, technology, portfolio management, product design and quality, compliance and risk management, global public policy and other services, the Board expected that there would be no diminution in the scope of services required of or provided by BFA under the Advisory Agreement for the coming year as compared with the scope of services provided by BFA during prior years. In reviewing the scope of these services, the Board considered BFA’s investment philosophy and experience, noting that BFA and its affiliates have committed significant resources over time, including during the past year, to support the iShares funds and their shareholders and have made significant investments into the iShares business. The Board also considered BFA’s compliance program and its compliance record with respect to the Fund, including related programs implemented pursuant to regulatory requirements. In that regard, the Board noted that BFA reports to the Board about portfolio management and compliance matters on a periodic basis in connection with regularly scheduled meetings of the Board, and on other occasions as necessary and appropriate, and has provided information and made relevant officers and other employees of BFA (and its affiliates) available as needed to provide further assistance with these matters. The Board also reviewed the background and experience of the persons responsible for the day-to-day management of the Fund, as well as the resources available to them in managing the Fund. In addition to the above considerations, the Board reviewed and considered detailed presentations regarding BFA’s investment performance, investment and risk management processes and strategies provided at the May 2, 2023 meeting and throughout the year, and matters related to BFA’s portfolio compliance program and other compliance programs and services.

Based on review of this information, and the performance information discussed above, the Board concluded that the nature, extent and quality of services provided to the Fund under the Advisory Agreement supported the Board’s approval of the continuance of the Advisory Agreement for the coming year.

**Costs of Services Provided to the Fund and Profits Realized by BFA and its Affiliates:** The Board reviewed information about the estimated profitability to BlackRock in managing the Fund, based on the fees payable to BFA and its affiliates (including fees under the Advisory Agreement), and other sources of revenue and expense to BFA and its affiliates from the Fund’s operations for the last calendar year. The Board reviewed BlackRock’s methodology for calculating estimated profitability of the iShares funds,



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noting that the 15(c) Committee and the Board had focused on the methodology and profitability presentation. The Board recognized that profitability may be affected by numerous factors, including, among other things, fee waivers by BFA, the types of funds managed, expense allocations and business mix. The Board thus recognized that calculating and comparing profitability at individual fund levels is challenging. The Board discussed with management the sources of direct and ancillary revenue, including the revenues to BTC, a BlackRock affiliate, from securities lending by the Fund. The Board also discussed BFA's estimated profit margin as reflected in the Fund's profitability analysis and reviewed information regarding potential economies of scale (as discussed below).

Based on this review, the Board concluded that the information considered with respect to the profits realized by BFA and its affiliates under the Advisory Agreement and from other relationships between the Fund and BFA and/or its affiliates, if any, as well as the other factors considered at the meeting, supported the Board's approval of the continuance of the Advisory Agreement for the coming year.

**Economies of Scale:** The Board reviewed information and considered the extent to which economies of scale might be realized as the assets of the Fund increase, noting that the issue of potential economies of scale had been focused on by the 15(c) Committee and the Board during their meetings and addressed by management. The 15(c) Committee and the Board received information regarding BlackRock's historical estimated profitability (as discussed above), including BFA's and its affiliates' estimated costs in providing services. The estimated cost information distinguished, among other things, between fixed and variable costs, and showed how the level and nature of fixed and variable costs may impact the existence or size of scale benefits, with the Board recognizing that potential economies of scale are difficult to measure. The 15(c) Committee and the Board reviewed information provided by BFA regarding the sharing of scale benefits with the iShares funds through various means, including, as applicable, through relatively low fee rates established at inception, breakpoints, waivers, or other fee reductions, as well as through additional investment in the iShares business and the provision of improved or additional infrastructure and services to the iShares funds and their shareholders. The Board noted that the Advisory Agreement for the Fund already provided for breakpoints in the Fund's investment advisory fee rate as the assets of the Fund, on an aggregated basis with the assets of certain other iShares funds, increase. The Board noted that it would continue to assess the appropriateness of adding new or revised breakpoints in the future.

The Board concluded that this review of potential economies of scale and the sharing of related benefits, as well as the other factors considered at the meeting, supported the Board's approval of the continuance of the Advisory Agreement for the coming year.

**Fees and Services Provided for Other Comparable Funds/Accounts Managed by BFA and its Affiliates:** The Board received and considered information regarding the investment advisory/management fee rates for other funds/accounts in the U.S. for which BFA (or its affiliates) provides investment advisory/management services, including open-end funds registered under the 1940 Act (including sub-advised funds), collective trust funds and institutional separate accounts (collectively, the "Other Accounts"). The Board acknowledged BFA's representation that the iShares funds are fundamentally different investment vehicles from the Other Accounts.

The Board received detailed information regarding how the Other Accounts generally differ from the Fund, including in terms of the types of services and generally more extensive services provided to the Fund, as well as other significant differences. In that regard, the Board considered that the pricing of services to institutional clients is typically based on a number of factors beyond the nature and extent of the specific services to be provided and often depends on the overall relationship between the client and its affiliates and the adviser and its affiliates. In addition, the Board considered the relative complexity and inherent risks and challenges of managing and providing other services to the Fund, as a publicly traded investment vehicle, as compared to the Other Accounts, particularly those that are institutional clients, in light of differing regulatory requirements and client-imposed mandates. The Board noted that BFA and its affiliates do not manage Other Accounts with substantially the same investment objective and strategy as the Fund and that track the same index as the Fund. The Board also acknowledged management's assertion that, for certain iShares funds, and for client segmentation purposes, BlackRock has launched an iShares fund that may provide a similar investment exposure at a lower investment advisory fee rate.

The Board considered the "all-inclusive" nature of the Fund's advisory fee structure, and the Fund's expenses borne by BFA under this arrangement and noted that the investment advisory fee rate under the Advisory Agreement for the Fund was generally higher than the investment advisory/management fee rates for certain of the Other Accounts (particularly institutional clients) and concluded that the differences appeared to be consistent with the factors discussed.

**Other Benefits to BFA and/or its Affiliates:** The Board reviewed other benefits or ancillary revenue received by BFA and/or its affiliates in connection with the services provided to the Fund by BFA, both direct and indirect, including, but not limited to, payment of revenue to BTC, the Fund's securities lending agent, for loaning portfolio securities, as applicable (which was included in the profit margins reviewed by the Board pursuant to BFA's estimated profitability methodology), payment of advisory fees or other fees to BFA (or its affiliates) in connection with any investments by the Fund in other funds for which BFA (or its affiliates) provides investment advisory services or other services, and BlackRock's profile in the investment community. The Board further considered other direct benefits that might accrue to BFA, including the potential for reduction in the Fund's expenses that are borne by BFA under the "all-inclusive" management fee arrangement, due in part to the size and scope of BFA's investment operations servicing the Fund (and other funds in the iShares complex) as well as in response to a changing market environment. The Board also reviewed and considered information provided by BFA concerning authorized participant primary market order processing services that are provided by BlackRock Investments, LLC ("BRIL"), an affiliate of BFA, and paid for by authorized participants under the ETF Servicing Platform. The Board also noted the revenue received by BFA and/or its affiliates pursuant to an agreement that permits a service provider to use certain portions of BlackRock's technology platform to service accounts managed by BFA and/or its affiliates, including the iShares funds. The Board noted that BFA generally does not use soft dollars or consider the value of research or other services that may be provided to BFA (including its affiliates) in selecting brokers for portfolio transactions for the Fund. The Board concluded that any such ancillary benefits would not be disadvantageous to the Fund and thus would not alter the Board's conclusion with respect to the appropriateness of approving the continuance of the Advisory Agreement for the coming year.

**Conclusion:** Based on a review of the factors described above, as well as such other factors as deemed appropriate by the Board, the Board, including all of the Independent Board Members, determined that the Fund's investment advisory fee rate under the Advisory Agreement does not constitute a fee that is so disproportionately large as to bear no reasonable relationship to the services rendered and that could not have been the product of arm's-length bargaining, and concluded to approve the continuance of the Advisory Agreement for the coming year.

**Section 19(a) Notices**

The amounts and sources of distributions reported are estimates and are being provided pursuant to regulatory requirements and are not being provided for tax reporting purposes. The actual amounts and sources for tax reporting purposes will depend upon the Fund's investment experience during the year and may be subject to changes based on tax regulations. Shareholders will receive a Form 1099-DIV each calendar year that will inform them how to report these distributions for federal income tax purposes.

**September 30, 2023**

	Total Cumulative Distributions for the Fiscal Year-to-Date				% Breakdown of the Total Cumulative Distributions for the Fiscal Year-to-Date			
	<i>Net Investment Income</i>	<i>Net Realized Capital Gains</i>	<i>Return of Capital</i>	<i>Total Per Share</i>	<i>Net Investment Income</i>	<i>Net Realized Capital Gains</i>	<i>Return of Capital</i>	<i>Total Per Share</i>
<i>iShares ETF</i>								
Preferred and Income Securities <sup>(a)</sup> . . . . .	\$ 0.949418	\$ —	\$ 0.040930	\$ 0.990348	96%	—%	4%	100%

<sup>(a)</sup> The Fund estimates that it has distributed more than its net investment income and net realized capital gains; therefore, a portion of the distribution may be a return of capital. A return of capital may occur, for example, when some or all of the shareholder's investment in the Fund is returned to the shareholder. A return of capital does not necessarily reflect the Fund's investment performance and should not be confused with "yield" or "income". When distributions exceed total return performance, the difference will incrementally reduce the Fund's net asset value per share.

**Tailored Shareholder Reports for Open-End Mutual Funds and ETFs**

Effective January 24, 2023, the SEC adopted rule and form amendments to require open-end mutual funds and ETFs to transmit concise and visually engaging streamlined annual and semiannual reports to shareholders that highlight key information. Other information, including financial statements, will no longer appear in a streamlined shareholder report but must be available online, delivered free of charge upon request, and filed on a semiannual basis on Form N-CSR. The rule and form amendments have a compliance date of July 24, 2024. At this time, management is evaluating the impact of these amendments on the shareholder reports for the Funds.

# General Information

## Electronic Delivery

Shareholders can sign up for e-mail notifications announcing that the shareholder report or prospectus has been posted on the iShares website at **iShares.com**. Once you have enrolled, you will no longer receive prospectuses and shareholder reports in the mail.

To enroll in electronic delivery:

- Go to **icsdelivery.com**.
- If your brokerage firm is not listed, electronic delivery may not be available. Please contact your broker-dealer or financial advisor.

## Householding

Householding is an option available to certain fund investors. Householding is a method of delivery, based on the preference of the individual investor, in which a single copy of certain shareholder documents and Rule 30e-3 notices can be delivered to investors who share the same address, even if their accounts are registered under different names. Please contact your broker-dealer if you are interested in enrolling in householding and receiving a single copy of prospectuses and other shareholder documents, or if you are currently enrolled in householding and wish to change your householding status.

## Availability of Quarterly Schedule of Investments

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The Fund's Form N-PORT are available on the SEC's website at **sec.gov**. Additionally, the Fund makes its portfolio holdings for the first and third quarters of each fiscal year available at **iShares.com/fundreports**.

## Availability of Proxy Voting Policies and Proxy Voting Records

A description of the policies and procedures that the iShares Funds use to determine how to vote proxies relating to portfolio securities and information about how the iShares Funds voted proxies relating to portfolio securities during the most recent twelve-month period ending June 30 is available without charge, upon request (1) by calling toll-free 1-800-474-2737; (2) on the iShares website at **iShares.com**; and (3) on the SEC website at **sec.gov**.

A description of the Trust's policies and procedures with respect to the disclosure of the Fund's portfolio securities is available in the Fund Prospectus. The Fund discloses its portfolio holdings daily and provides information regarding its top holdings in Fund fact sheets at **iShares.com**.

# Glossary of Terms Used in this Report

## Portfolio Abbreviation

CMT	Constant Maturity Treasury
LIBOR	London Interbank Offered Rate
LP	Limited Partnership
NVS	Non-Voting Shares
REIT	Real Estate Investment Trust
SOFR	Secured Overnight Financing Rate

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## Want to know more?

iShares.com | 1-800-474-2737

**This report is intended for the Fund's shareholders. It may not be distributed to prospective investors unless it is preceded or accompanied by the current prospectus.**

**Investing involves risk, including possible loss of principal.**

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