This Supplement contains information relating to the Fund which is a separate fund of the Company. This Supplement forms part of and should be read in the context of, and together with, the Prospectus for the Company dated 18 September 2023, and any amending Supplements and Addenda to the Prospectus (the "Prospectus").

The distribution of this Supplement and the offering or purchase of the Shares of the Company may be restricted in certain jurisdictions. Accordingly, this Supplement does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful. It is the responsibility of any persons in possession of this Supplement to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction.

If you are in any doubt about the action to be taken or the contents of this Supplement please consult your stockbroker, bank manager, lawyer, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000 immediately.

Upon issue, the Shares will be admitted to trading on Euronext.

iShares III Public Limited Company
(an umbrella open-ended investment company with variable capital and having segregated liability between its funds)

Supplement relating to

iShares $ High Yield Corp Bond ESG Paris-Aligned Climate UCITS ETF

MANAGER

BlackRock Asset Management Ireland Limited

INVESTMENT MANAGER
BlackRock Advisors (UK) Limited

Potential investors should consider the risk factors set out in the Prospectus and in this Supplement before investing in the Fund.

The Directors of the Company whose names appear both on the Company's directorship register and under the heading "Management of the Company" in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of the information.

Save as disclosed in this Supplement, there has been no significant change and no significant new matter has arisen since publication of the Prospectus.

Application has been made for all of the Shares issued and to be issued to be traded on Euronext. The Fund constitutes a new fund of the Company and the Shares will be allocated to the Fund as and when issued.

It is expected that dealings in the Shares will commence on or about 30 April 2024.

The date of this Supplement No. 1 is 27 October 2023.

To the extent that there is any inconsistency between this Supplement and the Prospectus, this Supplement shall prevail.

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DEFINITIONS

"Account Opening Form", such account opening form or application form (as the context requires) as the Directors may prescribe, to be completed by the Authorised Participant for the purposes of opening a Primary Market dealing account in relation to the Fund; or to be completed by the Common Depositary's Nominee for the purposes of applying for Shares to be issued in its name and to include authorisation for the Company to deal with Authorised Participants (as applicable).

"*Accumulating Share Class*", a Share Class designated as being "Accumulating" in the list of Share Classes listed under the heading "Introduction" of this Supplement or "Acc" in the "Current Share Classes" table of this Supplement and in respect of which income and other profits will be accumulated and reinvested.

"AMF ESG Rules", the position and recommendation DOC-2020-03 of the French Autorité des Marchés Financiers (AMF). For further information please refer to https://www.amf-france.org/en/regulation/policy/doc-2020-03.

"Authorised Participant", a market maker or broker entity which is registered with the Company as an authorised participant and therefore able to deal on the Primary Market for Shares in the Fund.

"Base Currency", the base currency of the Fund, which is US Dollar (US$).

"Benchmark Index", the Fund's benchmark index, the Bloomberg MSCI US Corporate High Yield Climate Paris-Aligned ESG Select Index.

"Benchmarks Regulation", Regulation (EU) 2016/1011 of the European Parliament and of the Council as amended by Regulation (EU) 2019/2089 of The European Parliament and of the Council of 27 November 2019 as may be amended or replaced.

"Benchmarks Regulation Register", register of administrators and benchmarks maintained by ESMA under the Benchmarks Regulation.

"*Central Bank*", the Central Bank of Ireland.

"*Central Bank UCITS Regulations*", Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, as may be amended or replaced.

"Central Securities Depositaries", such Recognised Clearing Systems which are national settlement systems for individual national markets. The Central Securities Depositaries will be Participants in the International Central Securities Depositaries.

"Clearstream", Clearstream Banking, Société Anonyme, Luxembourg and any successor in business thereto.

"Common Depositary", the entity appointed as a depositary for the International Central Securities Depositaries, currently Citibank Europe plc, having its registered office at 1 North Wall Quay, Dublin 1.

"*Common Depositary's Nominee*", the entity appointed as nominee for any Common Depositary and as such acts as the registered holder of the Shares in the Fund, currently Citivic Nominees Limited.

"*Company*", iShares III plc.

"*Currency Hedged Share Class*", a Share Class which allows the use of hedging transactions to reduce the effect of exchange rate fluctuations as described under the heading "Currency Hedged Share Classes" in "Current Share Classes" table of this Supplement.

"*Current Share Classes*", the Share Classes of the Fund available for launch at the discretion of the Manager as at the date of this Supplement as listed in the "Current Share Classes" table of this Supplement.

"*Dealing Day*", in general each Business Day will be a Dealing Day. However, some Business Days will not be Dealing Days where, for example, markets on which the Fund's Investments are listed or traded or markets relevant to the Benchmark Index are suspended or closed or where there is a public holiday in the relevant jurisdiction in which a delegate of the Investment Manager is based provided there is at least one Dealing Day per fortnight, subject always to the Directors' discretion to temporarily suspend the determination of the Net Asset Value and the sale, switching and/or redemption of Shares in the Company or the Fund in accordance with the provisions of the Prospectus and the Articles. The Investment Manager produces dealing calendars which detail in advance the Dealing Days for the Fund. The dealing calendar may be amended from time to time by the Investment Manager where, for example, the relevant market operator, regulator or exchange (as applicable) declares a relevant market closed for trading and/or settlement (such closure may be made with little or no notice to the Investment Manager). The dealing calendar for the Fund and each Share Class within the Fund) is available from the Investment Manager.

"*Distributing Share Class*", a Share Class designated as being "Distributing" in the list of Share Classes listed under the heading " Introduction" of this Supplement or "Dist" in the "Current Share Classes" table of this Supplement and in respect of which distributions of income will be declared.

"Electronic Order Entry Facility", the website facility which may be used by Authorised Participants to submit dealing

requests in respect of Shares in the Fund and to obtain information in relation to the dealing procedures.

"Euroclear", Euroclear Bank S.A./N.V. and any such successor in business thereto.

"*Euronext*", Euronext N.V.

"*FDI*", financial derivative instruments.

"Fund", iShares $ High Yield Corp Bond ESG Paris-Aligned Climate UCITS ETF; a reference to the "Fund" shall, in the context where no particular Share Class is specified, include all Share Classes attributable to the Fund.

"GDN", Global Depository Note.

"Global Share Certificate", means the certificate evidencing entitlement to the Shares issued pursuant to the Memorandum and Articles and the Prospectus, described in further detail under the section titled "Global Clearing and Settlement" in the Prospectus.

"*International Central Securities Depositaries*", such Recognised Clearing Systems used by the Fund issuing its Shares through the International Central Securities Depositary settlement system, which is an international settlement system connected to multiple national markets, and which includes Euroclear and/or Clearstream.

"KIID" or "KID", the key investor information document issued in respect of the Fund pursuant to either the Regulations or the PRIIPs Regulation, as may be amended from time to time.

"Launched Share Class", a Share Class in existence and available for investment.

"LSE", the London Stock Exchange, a division of the London Stock Exchange Group plc.

"*Member State*", means a member state of the European Union as at the date of this Supplement.

"*OTC*", over the counter.

"*Paris Agreement*", the agreement adopted under the United Nations Framework Convention on Climate Change on 12 December 2015 and approved by the European Union on 5 October 2016 with the aim of holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels.

"Participants", account holders in an International Central Securities Depositary, which may include Authorised Participants, their nominees or agents and who hold their interest in Shares settled and/or cleared through the applicable International Central Securities Depositary.

"Paying Agent", the entity appointed to act as paying agent to the Fund.

"Portfolio Composition File", the file setting out the Investments and Cash Component which may be transferred to the Fund, in the case of subscriptions, and by the Company, in the case of redemptions, in satisfaction of the price of Shares thereof. Each Share Class of the Fund will have a Portfolio Composition File, which may (but need not) differ from the Portfolio Composition Files for other Share Classes within the Fund.

"*PRIIPs Regulation*", Regulation (EU) No.1286/2014 of the European Parliament and of the Council of 26 November 2014 as may be amended or replaced.

"Primary Market", the off exchange market whereon Shares of the Fund are created and redeemed directly with the Company.

"*Regulations*", European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 as amended by European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016 as may be amended or replaced.

"*SFDR*", Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

"Share", a participating share of no par value in the Fund or any Share Class representing a participation in the capital of the Company and carrying rights attributable to the Fund or Share Class, issued in accordance with the Articles and with the rights provided for under the Articles.

"Share Class", any class of Share attributable to the Fund and carrying rights to participate in the assets and liabilities of the Fund, as further described below under the "Introduction" section of this Supplement.

"Shareholder", the registered holder of a Share in the Fund.

"*SIX*", SIX Swiss Exchange.

"Taxonomy Regulation", Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

"*Valuation Currency*", in respect of a Share Class, the currency in which a class of Shares is priced by the Administrator and in which such Shares are denominated.

"*Xetra*", Deutsche Börse Xetra, in Frankfurt, Germany.

All other defined terms shall bear the same meaning as are ascribed thereto in the Prospectus.

INTRODUCTION

The Company is an open-ended investment company with variable capital and having segregated liability between its funds organised under the laws of Ireland. The Company was authorised by the Central Bank as a UCITS for the purposes of the Regulations on 6 March 2008, to offer pooled investment. The Company is structured as an umbrella fund in that the share capital of the Company may be divided into different classes of shares with one or more classes representing a separate fund of the Company. Each fund may have more than one share class. Other funds of the Company are set out in Appendix I to this Supplement.

Each fund of the Company comprises a distinct portfolio of Investments. The shares of each fund of the Company may be issued with different rights, features and on different terms and conditions to those of the other funds. Shares of the Fund may be divided into different Share Classes with different dividend policies, currency hedging and Valuation Currencies and may therefore have different fees and expenses.

The Prospectus sets out information that applies to each and every fund of the Company. This includes risk factors that apply to investing in funds that seek to track a benchmark index, the management and administration of the funds by the Company, fund valuations, procedures for subscriptions, redemptions and transfers of shares in the funds, details of fees and expenses payable by the funds and taxation of shares in the funds. The Prospectus also contains information from the Company's Articles of Association.

This Supplement contains specific information relating to the Fund, including details of how to buy and sell Shares and the settlement system used by the Fund. The Base Currency of the Fund is US Dollar (US$). The types of Share Classes that may be made available by the Company in the Fund are set out below.

Income Treatment	Share Class Valuation Currency	Hedged / Unhedged	Currency into which the Share Class is Hedged
Accumulating	Base Currency	Unhedged	N/A
Accumulating	Differs from the Base Currency	Unhedged	N/A
Accumulating	Differs from the Base Currency	Hedged	The same as the Valuation Currency
Distributing	Base Currency	Unhedged	N/A
Distributing	Differs from the Base Currency	Unhedged	N/A
Distributing	Differs from the Base Currency	Hedged	The same as the Valuation Currency

Currency Hedged Share Classes offered in the Fund aim to reduce the impact of exchange rate fluctuations between the underlying portfolio currency exposures of the Fund and the Valuation Currency of a Currency Hedged Share Class on returns of the Benchmark Index to investors in that Share Class, through entering into foreign exchange contracts for currency hedging.

For details of the Share Classes in the Fund that have launched and for those currently available at the Manager's discretion, please refer to the tables below under the heading "Current Share Classes". Additional classes of Shares, including Share Classes of the type not currently listed above, may be added by the Company to the Fund in the future, at its discretion, in accordance with the requirements of the Central Bank. The creation of additional Share Classes will not result in any material prejudice to the rights attaching to existing Share Classes. Details of the Share Classes available for subscription, and to which different fee structures may apply, may be set out in separate Supplements. In addition, a list of all Funds and issued Share Classes thereof will be set out in the annual and semi-annual reports of the Company.

Please note that if you hold a Share Class and you wish to change your holding to a different Share Class of the same Fund, any such change may be treated by tax authorities as a redemption and sale and may be a realisation for the purposes of capital gains taxation.

Please refer to the "Risk Factors" section of this Supplement for the specific risks associated with investment in a Share Class of the Fund.

Potential investors in the Fund should read the Fund's KIID or KID. Potential investors in the Fund should also read this Supplement in conjunction with the Prospectus, which is available, free of charge, from the Administrator or the Investment Manager or from the official iShares website (www.iShares.com). All terms and conditions relating to the Company generally as set out in the Prospectus apply to the Fund, save as set out in this Supplement.

Potential investors should also refer to the Company's most recent annual and semi-annual reports (if any) which contain information on the financial performance of the funds of the Company and form part of the Prospectus.

Upon issue the Shares will be traded on Euronext It is also intended that the Shares of the Fund will be listed and admitted to trading on a number of other stock exchanges including, without limitation, LSE, Xetra, SIX.

Profile of a Typical Investor
The Fund is suitable for both retail and professional investors seeking to achieve investment objectives which align with those of the Fund in the context of the investor's overall portfolio.

Investors are expected to be able to make an investment decision based on the information set out in this Supplement, the Prospectus and the Fund's KIID / KID or, alternatively, to obtain professional advice. Investors should also be able to bear capital and income risk and view an investment in the Fund as a medium to long term investment, although the Fund may also be suitable for providing shorter term exposure to its Benchmark Index where such exposure is sought by the investor.

An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors.

INVESTMENT OBJECTIVE AND POLICIES

Investment Objective
The investment objective of the Fund is to seek to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the Bloomberg MSCI US Corporate High Yield Climate Paris-Aligned ESG Select Index.

Investment Policy
In order to achieve this investment objective, the investment policy of the Fund is to invest in a portfolio of fixed income securities that as far as possible and practicable consists of the component securities of the Bloomberg MSCI US Corporate High Yield Climate Paris-Aligned ESG Select Index, the Fund's Benchmark Index. The Fund intends to use optimisation techniques in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings in the Benchmark Index. The Fund may hold some securities which are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. However, from time to time the Fund may hold all constituents of the Benchmark Index.

It is intended that the Fund's investments will, at the time of purchase, comply with the credit rating requirements of the Fund's Benchmark Index, which is sub-investment grade. While it is intended that the Fund's investments will comprise sub-investment grade issues, issues may be upgraded or downgraded in certain circumstances from time to time. In such event the Fund may continue to hold such investment grade or unrated issues until such time as the issues cease to form part of the Fund's Benchmark Index (where applicable) and it is possible and practicable (in the Investment Manager's view) to liquidate the position.

It is intended that the Fund's direct investments will, at the time of purchase, comply with the environmental, social and governance ("**ESG**") requirements and/or ESG ratings of the Fund's Benchmark Index. The Fund may continue to hold securities which no longer comply with the ESG requirements and/or ESG ratings of the Fund's Benchmark Index until such time as the relevant securities cease to form part of the Benchmark Index and it is possible and practicable (in the Investment Manager's view) to liquidate the position.

The Fund may invest in FDI for direct investment purposes to assist in achieving its policy of tracking its Benchmark Index. For details regarding investment in FDI please refer to the section headed "The Benchmark Index and Investment Techniques".

The Fund may hold small amounts of cash ("Cash Holdings") and ancillary liquid assets (which will normally have dividend/income receivables) subject to the limits set out in Schedule III of the Prospectus. The Fund may, to preserve the value of such Cash Holdings, invest in one or more daily dealing money market collective investment schemes as set out below under the heading "Management of Cash Holdings and FDI Cash Holdings".

The Fund may also employ techniques and instruments relating to transferable securities for efficient portfolio management purposes in accordance with the terms set out in the section headed "Efficient Portfolio Management" below and in the Prospectus.

The Fund is passively managed. The Fund's Investments will be limited to investments permitted by the Regulations which are described in more detail in Schedule III of the Prospectus. The Fund's Investments, other than its Investments in OTC FDI and open-ended collective investment undertakings, will normally be listed or traded on Regulated Markets set out in Schedule I of the Prospectus. Potential investors in the Fund may obtain a breakdown of the constituents of the Fund from the official iShares website (www.iShares.com) or from the Investment Manager.

For the purposes of complying with AMF ESG Rules, the Fund will adopt a best-in-class approach to sustainable investing. The best-in-class approach means that by investing in a portfolio of securities that as far as possible and practicable consists of the component securities of the Benchmark Index, it is expected that the Fund will invest in the best issuers from an ESG perspective (based on the ESG criteria of the Benchmark Index) within each relevant sector of activities covered by the Benchmark Index. More than 90% of the net assets of the Fund, excluding Cash Holdings and daily dealing money market collective investment schemes, are rated or analysed in accordance with the ESG criteria of the Benchmark Index. For FDI, any such analyses will apply only to the underlying securities. By adopting the ESG methodology of the Benchmark Index, the Fund applies the extra-financial indicator upgrade approach for the purposes of the AMF ESG Rules, which means that the weighted average environmental indicator of the Fund (being the relevant extra-financial indicator of the Fund) will be at least 20% better than the weighted average environmental indicator of the Parent Index (as defined below) based on a reduction of carbon emission intensity.

SFDR

The Fund has been categorised as an Article 8 fund under the SFDR, i.e. a fund that promotes environmental and/or social characteristics provided that companies in which the investments are made follow good governance practices.

Appendix III sets out the pre-contractual disclosures required under the SFDR and the Taxonomy Regulation for the Fund. The pre-contractual disclosures have been prepared based on information available from the index provider and other third-party data providers shortly prior to the date of this Supplement.

While the index provider of the Benchmark Index of the Fund provides a description of what the Benchmark Index is designed to achieve, index providers do not generally provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of their benchmark indices, nor any guarantee that the published indices will be in line with their described benchmark index methodologies. Errors in respect of the quality, accuracy and completeness of the data may occur from time to time and may not be identified and corrected for a period of time, in particular where the indices are less commonly used.

The Fund has a reduction in carbon emissions as its objective and will seek to track the performance of a Benchmark Index which is labelled by the index provider as an EU Paris-aligned benchmark (within the meaning of the Benchmarks Regulation). The methodology of EU Paris-aligned benchmarks must be constructed in accordance with the minimum standards prescribed by the Benchmarks Regulation in respect of the criteria for the selection, weighting and, where applicable, exclusion of the underlying assets, to align with the climate commitments laid down in the Paris Agreement.

Consideration of principal adverse impacts on sustainability factors ("PAIs")

The pre-contractual disclosures in Appendix III set out the PAIs considered for the Fund.

THE BENCHMARK INDEX AND INVESTMENT TECHNIQUES

The Bloomberg MSCI US Corporate High Yield Climate Paris-Aligned ESG Select Index aims to reflect the performance of a sub-set of fixed income securities within the Bloomberg US Corporate High Yield 3% Issuer Capped Index (the "**Parent Index**") which are selected and weighted in accordance with the Benchmark Index methodology whilst seeking to align with the Paris Agreement requirements.

The Parent Index measures the performance of fixed-rate, US Dollar-denominated, high yield securities issued by developed market issuers as determined by the index provider. Inclusion is based on the currency of the issue. The Parent Index includes investment grade bonds that have a minimum remaining time to maturity of one year and a minimum amount outstanding of US$150 million.

To be eligible for inclusion in the Benchmark Index, the bonds must be rated high yield (Ba2/BB+/BB+ or lower) using the middle rating of Moody's, S&P and Fitch. Where a rating from only two agencies is available, the lower is used. When a rating from only one agency is available, that rating is used. Where an explicit bond level rating is not available, other sources may be used by the index provider to classify the credit quality of the bonds.

The Benchmark Index aims to meet and exceed the minimum standards for EU Paris-aligned benchmarks set out in the Commission Delegated Regulation (EU) 2020/1818 for the methodology of benchmark indices that would be aligned with the objectives of the Paris Agreement.

The Benchmark Index excludes issuers that are involved in the following business lines/activities (or related activities): controversial weapons; nuclear weapons; civilian firearms; conventional weapons; weapon systems, components, support systems and services; tobacco; thermal coal; oil and gas; unconventional oil and gas and power generation. The index provider defines what constitutes "involvement" in each restricted activity. This may be based on a percentage of revenue, a defined total revenue threshold, or any connection to a restricted activity regardless of the amount of revenue received. Issuers that are classified as violating the United Nations Global Compact principles (which are widely accepted corporate sustainability principles that meet fundamental responsibilities in areas such as anti-corruption, human rights, labour and environment) are also excluded.

The Benchmark Index also excludes companies which are identified by the index provider as being involved in controversies that have a negative ESG impact on their operations and/or products and services based on an MSCI ESG controversy score ("**MSCI ESG Controversy Score**"). Companies which are identified by the index provider as having faced controversies pertaining to environmental issues are excluded from the Benchmark Index based on an MSCI environmental controversy score ("**MSCI Environmental Controversy Score**"). The minimum MSCI ESG Controversy Score and the minimum MSCI Environmental Controversy Score set by the index provider to determine eligibility for inclusion in the Benchmark Index can be found at the index provider's website https://www.msci.com/index-methodology.

Securities must have an MSCI ESG Rating of B or higher for inclusion in the Benchmark Index. Issuers that have not been assessed by the index provider for an MSCI ESG rating are excluded from the Benchmark Index. An MSCI ESG rating is designed to measure an issuer's resilience to long-term, industry material ESG risks and how well it manages those ESG risks relative to industry peers. The MSCI ESG rating methodology aims to provide greater transparency and understanding of the ESG characteristics of issuers by identifying issuers with stronger MSCI ESG ratings as issuers that may be better positioned for future ESG-related challenges and that may experience fewer ESG-related controversies.

The remaining constituents are then selected and weighted for inclusion in the Benchmark Index (according to certain thresholds determined by the index provider) to align with the objectives of the Paris Agreement whilst minimising ex-ante tracking error relative to the Parent Index by:

- reducing the weighted average absolute greenhouse gas (GHG) emissions relative to the Parent Index;
- reducing the weighted average GHG emissions by a minimum annual rate relative to the GHG emissions at the Benchmark Index inception date;
- reducing the weighted average carbon intensity relative to the Parent Index;
- reducing the weighted average carbon intensity by a minimum annual rate relative to the carbon intensity at the Benchmark Index inception date;
- increasing the weighted average green revenue relative to the Parent Index;
- maintaining a minimum green to fossil-fuel based ratio relative to the Parent Index;
- increasing exposure to issuers setting carbon reduction targets relative to the Parent Index;

The index provider will also seek to:

- maintain a minimum weighted average ESG score relative to the Parent Index; and
- apply certain constraints to the constituents of the Benchmark Index, for example constituent weight, duration and yield related constraints, sector, country and portfolio turnover constraints relative to the Parent Index.

The Benchmark Index caps the weighting of each issuer at 4.5%.

The Benchmark Index also seeks to allocate a proportion of the Benchmark Index to issuers of bonds that either: (1) derive a minimum percentage of their revenue from products or services with positive impacts on the environment and/or society, or (2) have one or more active carbon emissions reduction target(s) approved by the Science Based Targets initiative (SBTi), or (3) additionally issues a Green Bond.

The Benchmark Index rebalances on a monthly basis to take into account changes to the Parent Index in addition to applying the exclusionary and other criteria described above. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at https://www.bloomberg.com/professional/product/indices/bloomberg-fixed-income-indices/#/ucits.

The constituents, ESG criteria and selection methodology of the Benchmark Index, as described above, may change over time. The Benchmark Index of the Fund may be changed in certain circumstances as set out in the section headed "Benchmark Indices" in the Prospectus. There is no assurance that the Fund's Benchmark Index will continue to be calculated and published on the basis described herein or that it will not be amended significantly.

As at the date of this Supplement, Bloomberg Index Services Limited, the benchmark administrator for the Benchmark Index is not included in the Benchmarks Regulation Register and does not have the Benchmark Index listed in the Benchmarks Regulation Register as required under the Benchmarks Regulation. It is expected that Bloomberg Index Services Limited will file an application for recognition as benchmark administrator or an endorsement of the Benchmark Index in advance of the end of the transition period, in accordance with the Benchmarks Regulation requirements.

There are a number of circumstances in which achieving the investment objective and policy of the Fund may be prohibited by regulation, may not be in the interests of holders of Shares or may require the use of strategies which are ancillary to those set out in the Fund's investment objective and policy. These circumstances include, but are not limited to the following:

(i) The Fund is subject to the Regulations which include, inter alia, certain restrictions on the proportion of the Fund's value which may be held in individual securities. Depending on the concentration of the Benchmark Index, the Fund may be restricted from investing to the full concentration level of the Benchmark Index. In addition, the Fund may hold synthetic securities within the limits set out in the Prospectus, provided that the synthetic securities are securities which are correlated to, or the return on which is based on securities which form part of the Benchmark Index.

(ii) The constituent securities of the Benchmark Index change from time to time (a "rebalancing"). The Investment Manager may adopt a variety of strategies when investing the assets of the Fund to bring it in line with the rebalanced Benchmark Index. For example, where a fixed income security which forms part of the Benchmark Index is not available or is not available for the required value or a market for such security does not exist or is restricted, or where acquiring or holding such security is not as cost or tax efficient as acquiring or holding a depository note or other fixed income securities, the Fund may hold depository notes relating to such securities (e.g. GDNs) and/or hold some fixed income securities which have similar risk characteristics even if such fixed income securities are not themselves constituents of the Benchmark Index.

(iii) From time to time, securities in the Benchmark Index may be subject to corporate actions. The Investment Manager may manage these events in its discretion.

(iv) The Fund may hold ancillary liquid assets and will normally have dividend/income receivables. The Investment Manager may purchase FDI (as outlined above), for direct investment purposes, to produce a return similar to the return on the Benchmark Index.

(v) Securities included in the Benchmark Index may, from time to time, become unavailable, illiquid or unobtainable at fair value. In these circumstances, the Investment Manager may use a number of techniques, including purchasing securities which are not constituents of the Benchmark Index, whose returns, individually or collectively, are considered by the Investment Manager to be well-correlated to the constituents of the Benchmark Index.

(vi) The Investment Manager will have regard to the costs of any proposed portfolio transaction. It may not necessarily be efficient to execute transactions which bring the Fund perfectly in line with the Benchmark Index at all times.

The Fund is not a replicating index fund for the purposes of the Regulations and will not apply the investment limits set out in section 4 of Schedule III of the Prospectus (it may use optimisation techniques to achieve its investment objective). The Fund may, or may not, hold every security or the exact concentration of a security in the Benchmark Index, but will aim to track its Benchmark Index as closely as possible. The extent to which the Fund uses optimisation techniques will depend on the nature of the constituents of the Benchmark Index, the practicalities and cost of tracking the Benchmark Index, and such use is at the discretion of the Investment Manager. For example, the Fund may use optimisation techniques extensively and may be able to provide a return similar to that of the Benchmark Index by investing only in a relatively small number of the constituents of the Benchmark Index. The Fund may also hold some securities which provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index even if such securities are not themselves constituents of the Benchmark Index and the Fund's holdings may exceed the number of constituents of the Benchmark Index. The use of optimisation techniques, implementation of which is subject to a number of constraints detailed in Schedule III of the Prospectus, may not produce the intended results.

Where consistent with its investment policy, the Fund may from time to time invest in government bonds, liquidity instruments such as floating rate instruments and commercial paper (rated at least A3 by Moody's or an equivalent rating from another agency), Structured Finance Securities, other transferable securities (for example, medium term notes) and open-ended collective investment undertakings. Subject to the provisions of the Regulations and the conditions imposed by the Central Bank, the Fund may invest in other funds of the Company and/or in other collective investment schemes managed by the Manager. The Fund may, in accordance with the requirements of the Central Bank in limited circumstances where direct investment in a constituent security of its Benchmark Index is not possible or where acquiring or holding such security is not as cost or tax efficient as acquiring or holding a depositary note, invest in depository notes to gain exposure to the relevant security. The Fund may hold small amounts of ancillary liquid assets (which will normally have dividend/income receivables) and the Investment Manager, to produce a return similar to the return on the Benchmark Index, may purchase FDI. The Fund may also hold small amounts of Cash Holdings. The Fund may, to preserve the value of such Cash Holdings, invest in one or more daily dealing money market collective investment schemes as set out below under the heading "Management of Cash Holdings and FDI Cash Holdings".

In addition, the Fund may also engage in transactions in FDI, namely options and futures transactions, swaps, forward contracts, non-deliverable forwards, credit derivatives (such as single name credit default swaps and credit default swap indices), spot foreign exchange transactions or caps and floors for direct investment, where appropriate, to assist in achieving its investment objective and for reasons such as generating efficiencies in gaining exposure to the constituents of the Benchmark Index or to the Benchmark Index itself, to produce a return similar to the return of the Benchmark Index, to reduce transaction costs or taxes or to allow exposure in the case of illiquid securities or securities which are unavailable for market or regulatory reasons or to minimise tracking errors or for such other reasons as the Directors deem of benefit to the Fund.

The maximum proportion of the Net Asset Value of the Fund that can be subject to total return swaps is 100%. The expected proportion of the Net Asset Value of the Fund that will be subject to total return swaps is 0%. The expected proportion is not a limit and the actual percentage may vary over time depending on factors including, but not limited to, market conditions.

In the event that the Fund invests in non-fully funded FDI, the Fund may invest (i) cash representing up to the notional amount of such FDI less margin payments (if any) in such FDI, and (ii) any variation margin cash collateral received in respect of such FDI (together "FDI Cash Holdings") in one or more daily dealing money market collective investment schemes as set out below under the heading "Management of Cash Holdings and FDI Cash Holdings".

The Fund will not invest in fully funded FDI, including fully funded swaps.

Risk Management Process

The Investment Manager employs a risk management process in respect of the Fund in accordance with the requirements of the Central Bank to enable it to accurately monitor, measure and manage, the global exposure from FDI ("global exposure") which the Fund gains. Any FDI not included in the risk management process will not be used until such time as a revised risk management process has been provided to the Central Bank. Information regarding the risks associated with the use of FDI can be found in the section entitled "Risk Factors - FDI Risks".

The Investment Manager uses a methodology known as the "Commitment Approach" in order to measure the global exposure of the Fund and manage the potential loss to the Fund due to market risk. The Commitment Approach is a methodology that aggregates the underlying market or notional values of FDI to determine the degree of global exposure of the Fund to FDI. Pursuant to the Regulations, in the event that the Fund uses leverage in the future, the global exposure for the Fund must not exceed 100% of the Fund's Net Asset Value.

It is not the Investment Manager's intention to leverage the Fund. The Fund may have small cash balances from time to time and may use FDI to produce a return on that cash similar to the Benchmark Index. In order to match the duration and risk profile of the fixed income securities in the Benchmark Index the Fund may obtain a larger percentage weight exposure through FDI than the relevant cash balance. Where this occurs the Central Bank considers that any resulting leverage below 5% of the Fund's Net Asset Value is consistent with the statement that the Fund does not intend to be leveraged.

Management of Cash Holdings and FDI Cash Holdings

The Fund may invest Cash Holdings and / or FDI Cash Holdings in one or more daily dealing money market collective investment schemes authorised as UCITS. Such collective investment undertakings may be managed by the Investment Manager and / or an Affiliate and are subject to the limits set out in Schedule III of the Prospectus. Such collective investment schemes may comprise sub-funds in Institutional Cash Series plc which invest in money market instruments. Institutional Cash Series plc is a BlackRock umbrella fund and open-ended investment company with variable capital incorporated in Ireland and having segregated liability between its sub-funds. It is not anticipated that the Fund's Cash Holdings and / or FDI Cash Holdings will result in additional market exposure or capital erosion, however, to the extent that additional market exposure or capital erosion occurs it is expected to be minimal.

INVESTMENT AND BORROWING RESTRICTIONS

The Company is a UCITS and accordingly the Fund is subject to the investment and borrowing restrictions set out in the Regulations and the Central Bank's guidance. These are set out in detail in Schedule III of the Prospectus.

ANTICIPATED TRACKING ERROR

Tracking error is the annualised standard deviation of the difference in monthly returns between a fund and its benchmark index.

At BlackRock we believe that this figure is important to a tactical investor who trades in and out of ETFs on a regular basis, often holding shares in an ETF for the period of only a few days or weeks. For a buy-to-hold investor with a longer investment time horizon, the tracking difference between the fund and the index over the target investment period should be more important as a measure of performance against the index. Tracking difference measures the actual difference between the returns of the fund and the returns of the index (i.e. how closely a fund tracks its index), while tracking error measures the increase and decrease in tracking difference (i.e. volatility of tracking difference). We encourage investors to consider both metrics when evaluating an ETF.

Tracking error can be a function of the ETF replication methodology. Generally speaking, historical data provides evidence that synthetic replication produces lower tracking error than physical replication; however, the same data often also provides evidence that physical replication produces lower tracking difference than synthetic replication.

Anticipated tracking error is based on the expected volatility of differences between the returns of the relevant fund and the returns of its benchmark index. For a physically replicating ETF, one of the primary drivers of tracking error is the difference between fund holdings and index constituents. Cash management and trading costs from rebalancing can also have an impact on tracking error as well as the return differential between the ETF and the benchmark index. The impact can be either positive or negative depending on the underlying circumstances.

In addition to the above, the Company and/or the Fund may also have a tracking error due to withholding tax suffered by the Company and/or the Fund on any income received from its Investments. The level and quantum of tracking error arising due to withholding taxes depends on various factors such as any reclaims filed by the Company and/or the Fund with various tax authorities, any benefits obtained by the Company and/or the Fund under a tax treaty or any securities lending activities carried out by the Company and/or the Fund.

The anticipated tracking error of the Fund is not a guide to future performance. The annual and semi-annual report and accounts will set out the actual realised tracking error as at the end of the period under review. At the date of this Supplement the anticipated tracking error of Unhedged Share Classes of the Fund against the Benchmark Index (which is also unhedged), in normal market conditions, is up to 0.200%.

EFFICIENT PORTFOLIO MANAGEMENT

The Fund may enter into securities lending, repurchase and/or reverse repurchase agreements for the purposes of efficient portfolio management subject to the conditions and limits set out in the Central Bank UCITS Regulations and in accordance with the requirements of the Central Bank.

The maximum proportion of the Net Asset Value of the Fund that can be subject to repurchase and reverse repurchase agreements is 100%. The expected proportion of the Net Asset Value of the Fund that will be subject to repurchase and reverse repurchase agreements is 0%. The expected proportion is not a limit and the actual percentage may vary over time depending on factors including, but not limited to, market conditions.

The maximum proportion of the Net Asset Value of the Fund that can be subject to securities lending is 100%. The demand to borrow securities and to comply with investor tax regulations in certain jurisdictions are significant drivers for the amount that is actually lent from the Fund at a given time. Borrowing demand fluctuates over time and depends to a large extent on market factors and prevailing investor tax legislation in certain jurisdictions, neither of which can be forecasted precisely. Based on historical data, it is expected that the lending volume for the Fund will typically range between 0% and 31% of the Net Asset Value, though past levels are no guarantee of future levels.

For additional information about techniques and instruments relating to transferable securities for efficient portfolio management purposes, please see the section headed "Efficient Portfolio Management" in the Prospectus.

METHODOLOGY FOR CURRENCY HEDGING

Currency hedging is undertaken for each Currency Hedged Share Class by hedging its underlying portfolio currency exposures that are different from its Valuation Currency to keep the difference between such underlying portfolio currency exposures and the Valuation Currency within a pre-determined tolerance. The Investment Manager will monitor the currency exposure of each Currency Hedged Share Class against the pre-determined tolerances daily and will determine when a currency hedge should be reset and the gain or loss arising from the currency hedge reinvested or settled, while taking into consideration the frequency and associated transaction and reinvestment costs of resetting the currency hedge. Currency hedging is carried out on a best efforts basis and there is no guarantee that the Investment Manager will be successful in fully hedging the currency risks. This could result in mismatches between the currency position of the Fund and the Currency Hedged Share Class.

In the event that, the over-hedged or under-hedged position on any single underlying portfolio currency exposure of a Currency Hedged Share Class exceeds the pre-determined tolerance as at the close of a Business Day (for example, due to market movement), the hedge in respect of that underlying currency will be reset on the next Business Day (on which the relevant currency markets are open). Over-hedged positions shall not exceed 105% of the Net Asset Value of the relevant Currency Hedged Share Class and under-hedged positions shall not fall short of 95% of the portion of the Net Asset Value of the relevant Currency Hedged Share Class that is to be hedged against currency risk. In addition, if the aggregate gain or loss arising from the currency forwards for hedging all the underlying currencies of a Currency Hedged Share Class exceeds the pre-determined tolerance as at the close of a Business Day, the Investment Manager will determine on the next Business Day (on which the relevant currency markets are open) whether some or all of the currency hedges held by that Share Class are required to be reset to reduce the gain or loss if the gain or loss remains outside the tolerance. Applying the above tolerance thresholds will enable the Investment Manager to better manage the frequency and associated costs arising from FX transactions to effect the hedge for Currency Hedged Share Classes. The pre-determined tolerance threshold for each Currency Hedged Share Class is reviewed by BlackRock's Risk and Quantitative Analysis team.

In relation to the foreign currency hedging component of the Currency Hedged Share Classes, in the event that there is a gain on the foreign currency hedge, no leverage will result from such gain. In the event that there is a loss on the foreign currency hedge, leverage will result in the relevant Currency Hedged Share Classes from such loss. Any leverage will be removed or reduced when the relevant currency hedge is adjusted or reset as required for the relevant Currency Hedged Share Class. The Investment Manager does not intend to leverage the Currency Hedged Share Classes beyond the tolerance threshold at which point a reset of some or all of the currency hedges for that Currency Hedged Share Class will be triggered. In extreme market circumstances the tolerance threshold may be temporarily breached.

Upon receipt of a subscription in a Currency Hedged Share Class, the Investment Manager will allocate monies representing the subscription in proportion to the weightings between the securities held by the Fund that are attributable to that Share Class and the value of the hedge of that Share Class.

RISK FACTORS

Potential investors' attention is drawn to the "Risk Factors" section detailed at pages 76 to 108 of the Prospectus. In addition to the risk factors outlined in the Prospectus, the Fund has additional risk factors that investors should consider before investing in the Fund:

General Investment Risks

Investment Risks
Past performance is not a guide to the future. The prices of Shares and the income from them may fall as well as rise and an investor may not recover the full amount invested. There can be no assurance that the Fund will achieve its investment objective or that an investor will recover the full amount invested in the Fund. The capital return and income of the Fund are based on the capital appreciation and income of the securities it holds, less expenses incurred and any relevant Duties and Charges. Therefore, the Fund's return may be expected to fluctuate in response to changes in such capital appreciation or income.

Market Risk
Market risk is the risk that one or more markets in which the Fund invests will go down in value, including the possibility that the markets will go down sharply and unpredictably. The value of a security or other asset may decline due to changes in general market conditions, economic trends or events that are not specifically related to the issuer of the security or other asset, or factors that affect a particular issuer or issuers, exchange, country, group of countries, region, market, industry, group of industries, sector or asset class. Local, regional or global events such as war, 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.

Sustainability Risks – General
Sustainability risk is an inclusive term to designate investment risk (probability or uncertainty of occurrence of

material losses relative to the expected return of an investment) that relates to environmental, social or governance issues.

Sustainability risk around environmental issues includes, but is not limited to, climate risk, both physical and transition risk. Physical risk arises from the physical effects of climate change, acute or chronic. For example, frequent and severe climate-related events can impact products and services and supply chains. Transition risk whether policy, technology, market or reputation risk arises from the adjustment to a low-carbon economy in order to mitigate climate change. Risks related to social issues can include but are not limited to labour rights and community relations. Governance related risks can include but are not limited to risks around board independence, ownership & control, or audit & tax management. These risks can impact an issuer's operational effectiveness and resilience as well as its public perception, and reputation affecting its profitability and in turn, its capital growth, and ultimately impacting the value of holdings in the Fund.

These are only examples of sustainability risk factors and sustainability risk factors do not solely determine the risk profile of the investment. The relevance, severity, materiality and time horizon of sustainability risk factors and other risks can differ significantly between different funds.

Sustainability risk can manifest itself through different existing risk types (including, but not limited to, market, liquidity, concentration, credit, asset-liability mismatches etc.). By way of example, a fund such as the Fund may invest in the debt of an issuer that could face potentially reduced revenues or increased expenditures from physical climate risk (e.g. decreased production capacity due to supply chain perturbations, lower sales due to demand shocks or higher operating or capital costs) or transition risk (e.g. decreased demand for carbon-intensive products and services or increased production costs due to changing input prices). As a result, sustainability risk factors may have a material impact on an investment, may increase the volatility, affect liquidity and may result in a loss to the value of the Shares.

The impact of those risks may be higher for the Fund in view of its geographical concentration in a location susceptible to adverse weather conditions where the value of the investments in the Fund may be more susceptible to adverse physical climate events.

All or a combination of these factors may have an unpredictable impact on the Fund's investments. Under normal market conditions such events could have a material impact on the value of the Shares.

Assessments of sustainability risk are specific to the asset class and to the Fund's objective. Different asset classes require different data and tools to assess materiality, and make meaningful differentiation among issuers and assets. Risks are considered and risk managed concurrently, by prioritising based on materiality and on the Fund's objective.

While the index provider of the Benchmark Index provides descriptions of what the Benchmark Index is designed to achieve, index providers do not generally provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of their benchmark indices~~-~~or in their index methodology documents,, nor any guarantee that the published indices will be in line with their described benchmark index methodologies. Errors in respect of the quality, accuracy and completeness of the data may occur from time to time and may not be identified and corrected for a period of time, in particular where the indices are less commonly used.

The impacts of sustainability risk are likely to develop over time and new sustainability risks may be identified as further data and information regarding sustainability factors and impacts becomes available.

The index provider of the Benchmark Index includes the application of ESG-based exclusionary criteria which may result in the Fund foregoing opportunities to purchase, or otherwise reducing exposure to or underweighting, certain securities when it might otherwise be advantageous to carry out such purchase or maintain its holding of such securities, and/or selling securities due to their ESG characteristics, when to do so might otherwise be disadvantageous. As such, the use of such criteria may affect the Fund's investment performance.

Risks specific to investing in index-tracking exchange traded funds (ETFs)

Passive Investment Risk
The Fund is not actively managed and may be affected by a general decline in market segments related to the Benchmark Index. The Fund invests in securities included in, or representative of, the Benchmark Index, and the Fund does not attempt to take defensive positions under any market conditions, including declining markets.

Index Tracking Risks
While the Fund seeks to track the performance of its Benchmark Index through an optimising strategy, there is no guarantee that it will achieve perfect tracking and the Fund may potentially be subject to tracking error risk, which is the risk that its returns may not track exactly those of its Benchmark Index, from time to time. This tracking error may result from an inability to hold the exact constituents of the Benchmark Index (although this is not the expected cause of tracking error for non-replicating funds such as the Fund), for example where there are local market trading restrictions, small illiquid components, a temporary unavailability or interruption in trading of certain securities comprising the Benchmark Index and/or where the Regulations limit exposure to the constituents of the Benchmark Index. In addition, the Company relies on an index licence granted by a third party index provider to use and track the Benchmark Index. In the event that the index provider terminates or varies an index licence, it will affect the ability of the Fund to continue to use and track its Benchmark Index and to meet its investment objective. In such circumstances, in order to meet its investment objective, a Fund may also gain exposure to its Benchmark Index through investment in other financial instruments including FDI in accordance with its investment policy. Alternatively, the Directors may take such action as described in the section entitled "Benchmark Indices" in the

Prospectus. Regardless of market conditions, the Fund aims to track the performance of the Benchmark Index and does not seek to outperform the Benchmark Index.

Optimising strategy
It may not be practical or cost efficient for the Fund to replicate its Benchmark Index. As it is not part of the Fund's investment policy to replicate its Benchmark Index, the Fund will use optimisation techniques to track the performance of its Benchmark Index. Optimisation techniques may include the strategic selection of some (rather than all) of the securities that make up the Benchmark Index, holding securities in proportions that differ from the proportions of the Benchmark Index and/or the use of FDI to track the performance of certain securities that make up the Benchmark Index. The Investment Manager may also select securities which are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. As the Fund is an optimising fund, the Fund may potentially be subject to tracking error risk, which is the risk that its returns may not track exactly those of its Benchmark Index.

Index-Related Risks
As prescribed by this Supplement, in order to meet its investment objective, the Fund seeks to achieve a return which corresponds generally to the price and yield performance, before fees and expenses, of the Benchmark Index as published by the index provider. There is no assurance that the index provider will compile the Benchmark Index accurately, or that the Benchmark Index will be determined, composed or calculated accurately. While the index provider does provide descriptions of what the Benchmark Index is designed to achieve, the index provider does not provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of the Benchmark Index, and does not guarantee that the Benchmark Index will be in line with the described index methodology.

The Investment Manager's mandate as described in this Supplement and the Prospectus is to manage the Fund consistently with the Benchmark Index provided to the Investment Manager. Consequently, the Investment Manager does not provide any warranty or guarantee for index provider errors. Errors in respect of the quality, accuracy and completeness of the data may occur from time to time and may not be identified and corrected for a period of time, particularly where the indices are less commonly used. Therefore gains, losses or costs associated with index provider errors will be borne by the Fund and its investors. For example, during a period where the Benchmark Index contains incorrect constituents, the Fund would have market exposure to such constituents and would be underexposed to the constituents that should have been included in the Benchmark Index. As such, errors may result in a negative or positive performance impact to the Fund and its investors. Investors should understand that any gains from index provider errors will be kept by the Fund and its investors and any losses resulting from index provider errors will be borne by the Fund and its investors.

Apart from scheduled rebalances, the index provider may carry out additional ad hoc rebalances to the Benchmark Index in order, for example, to correct an error in the selection of index constituents. Where the Benchmark Index of the Fund is rebalanced and the Fund in turn rebalances its portfolio to bring it in line with its Benchmark Index, any transaction costs (including any capital gains tax and/or transaction taxes) and market exposure arising from such portfolio rebalancing will be borne directly by the Fund and its investors. Unscheduled rebalances to the Benchmark Index may also expose the Fund to tracking error risk, which is the risk that its returns may not track exactly those of the Benchmark Index. Therefore, errors and additional ad hoc rebalances carried out by the index provider to the Benchmark Index may increase the costs and market exposure risk of the Fund.

Index Disruption Risk
Disruptions to the calculation and publication of the Benchmark Index ("Index Disruption Events") include, but are not limited to, situations where: the Benchmark Index level is deemed to be inaccurate or does not reflect actual market developments; it is not possible to obtain a price or value of one or several constituents of the Benchmark Index (such as due to their becoming illiquid or having their quotation suspended on a stock exchange); the index provider fails to calculate and publish the Benchmark Index level; the Benchmark Index is temporarily suspended or permanently discontinued by the index provider. Such Index Disruption Events may have an impact on the accuracy and/or availability of the published price of the Benchmark Index and in some instances also the Net Asset Value of the Fund.

Secondary Trading Risk
The Shares will be traded on Euronext and may be listed or traded on one or more other stock exchanges. There can be no certainty that there will be liquidity in the Shares on any one or more of the stock exchanges or that the market price at which Shares may be traded on a stock exchange will be the same as the Net Asset Value per Share. There can be no guarantee that once the Shares are listed or traded on a stock exchange they will remain listed or traded on that stock exchange.

<u>Counterparty and trading risks</u>

Counterparty Risk
The Company will be exposed to the credit risk of the parties with which it transacts and may also bear the risk of settlement default. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. This would include the counterparties to any FDI that is entered into by the Fund. Trading in FDI which have not been collateralised gives rise to direct counterparty exposure. The Company mitigates much of its credit risk to its FDI counterparties by receiving collateral with a value at least equal to the exposure to each counterparty but, to the extent that any FDI is not fully collateralised, a default by the counterparty may result in a reduction in the value of the Fund. Currency forwards used by the Currency Hedged Share Classes to hedge their currency risks are not collateralised and the Currency Hedged Share Classes have uncollateralised counterparty exposure to such foreign exchange counterparties in respect of such FDI, subject

to the investment limits in Schedules II & III of the Prospectus and subject to Currency Hedged Share Classes not being permitted to have over-hedged positions in excess of 105% of their Net Asset Value. As at the date of this Supplement, State Street is the sole counterparty for currency forwards used by Currency Hedged Share Classes. A formal review of each new counterparty is completed and all approved counterparties are monitored and reviewed on an ongoing basis. The Company maintains an active oversight of counterparty exposure and the collateral management process. Counterparty exposure is subject to the investment restrictions in Schedule III of the Prospectus.

Counterparty Risk to the Depositary and other depositaries
The Company will be exposed to the credit risk of the Depositary or any depositary used by the Depositary where cash or other assets are held by the Depositary or other depositaries. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. Cash held by the Depositary and other depositaries will not be segregated in practice but will be a debt owing from the Depositary or other depositaries to the Company as a depositor. Such cash will be co-mingled with cash belonging to other clients of the Depositary and/or other depositaries. In the event of the insolvency of the Depositary or other depositaries, the Company will be treated as a general unsecured creditor of the Depositary or other depositaries in relation to cash holdings of the Company. The Company may face difficulties and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Fund will lose some or all of its cash. The Company's securities are however maintained by the Depositary and sub-custodians used by the Depositary in segregated accounts and should be protected in the event of insolvency of the Depositary or sub-custodians. The Company may enter into additional arrangements (for example placing cash in money market collective investment schemes) in order to mitigate credit exposure for its cash holdings but may be exposed to other risks as a result.

To mitigate the Company's exposure to the Depositary, the Investment Manager employs specific procedures to ensure that the Depositary is a reputable institution and that the credit risk is acceptable to the Company. If there is a change in Depositary then the new depositary will be a regulated entity subject to prudential supervision with a high credit rating assigned by international credit rating agencies.

Liability of the Depositary and Responsibility of the Depositary for Sub-Custodians
The Depositary shall be liable to the Company and its shareholders for the loss by the Depositary or a sub-custodian of financial instruments of the Company held in custody. In the case of such a loss, the Depositary is required, pursuant to the Regulations, to return the financial instrument of an identical type or the corresponding amount to the Company without undue delay, unless the Depositary can prove that the loss arose as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. This standard of liability only applies to assets capable of being registered or held in a securities account in the name of the Depositary or a sub-custodian and assets capable of being physically delivered to the Depositary.

The Depositary shall also be liable to the Company and its shareholders for all other losses suffered by the Company and/or its shareholders as a result of the Depositary's negligent or intentional failure to fully fulfil its obligations pursuant to the Regulations. In the absence of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the Regulations, the Depositary may not be liable to the Company or its shareholders for the loss of an asset of the Fund which is not capable of being registered or held in a securities account in the name of the Depositary or a sub-custodian or being physically delivered to the Depositary.

The liability of the Depositary is not affected by the fact that it has entrusted the custody of the Company's assets to a third party. In the event that custody is delegated to local entities that are not subject to effective prudential regulation, including minimum capital requirements, and supervision in the jurisdiction concerned, prior Shareholder notice will be provided advising of the risks involved in such delegation. As noted above, in the absence of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the Regulations, the Depositary may not be liable to the Company or its shareholders for the loss of an asset of the Fund which is not capable of being registered or held in a securities account in the name of the Depositary or a sub-custodian or being physically delivered to the Depositary. Accordingly, while the liability of the Depositary is not affected by the fact that it has entrusted the custody of the Company's assets to a third party, in markets where custodial and/or settlement systems may not be fully developed, the Fund may be exposed to sub-custodial risk in respect of the loss of such assets in circumstances whereby the Depositary may have no liability.

Counterparty risk to the Paying Agent - dividend monies
The Paying Agent for the Fund is responsible for making dividend payments to Participants on the relevant dividend payment date. Shortly before the dividend payment date, monies for distribution to Participants as dividends will be transferred from the Company's cash accounts with the Depositary to the Paying Agent. During the interim period, dividend monies are held with the Paying Agent (or its associated depositary bank) in the form of cash and the Company will have credit risk exposure, in respect of such cash, to the Paying Agent and its associated depositary bank. Cash held by the Paying Agent will not be segregated in practice but will be a debt owing from the Paying Agent (or its associated depositary bank) to the Company as a depositor. In the event of the insolvency of the Paying Agent (or its associated depositary bank) during the interim period, the Company will be treated as a general unsecured creditor of the Paying Agent (or its associated depositary bank) in relation to the cash. The Company may face difficulties and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Company may lose some or all of the dividend monies being distributed by the Paying Agent resulting in a reduction in the value of the Fund.

On Exchange Trading
Where a counterparty to an on exchange trade in the Fund's underlying securities suffers an Insolvency Event, there are risks associated with the recognised investment exchanges and markets themselves set out in Schedule I of the

Prospectus. There is a risk that the relevant recognised investment exchange or market on which the trade is being conducted will not apply its rules fairly and consistently and that failed trades will be effected notwithstanding the insolvency of one of the counterparties. There is also a risk that a failed trade will be pooled with other failed trades, which may make it difficult to identify a failed trade to which the Fund has been a party. Either of these events may have a negative impact on the value of the Fund.

Specific investment risks for the Fund

Depository Notes
GDNs are designed to offer exposure to their underlying securities.

In certain situations, the Investment Manager may use GDNs to provide exposure to underlying securities within the Benchmark Index, for example where the underlying securities cannot be, or are unsuitable to be, held directly, where direct access to the underlying securities is restricted or limited or where depository notes provide a more cost or tax efficient exposure. However, in such cases the Investment Manager is unable to guarantee that a similar outcome will be achieved to that if it were possible to hold the securities directly, due to the fact GDNs do not always perform in line with the underlying security.

In the event of the suspension or closure of a market(s) on which the underlying securities are traded, there is a risk that the value of the GDN will not closely reflect the value of the relevant underlying securities. Additionally, there may be some circumstances where the Investment Manager cannot, or it is not appropriate to, invest in a GDN, or the characteristics of the GDN do not exactly reflect the underlying security.

In the event that the Fund invests in GDNs in the circumstances set out above, the Fund's tracking of the Benchmark Index may be impacted, i.e. there is a risk that the Fund's return varies from the return of the Benchmark Index.

Corporate Bonds
The Fund invests in investment grade corporate bonds issued by companies. Corporate bonds may be upgraded or downgraded from time to time due to a perceived increase or reduction in the creditworthiness of the companies issuing the bonds.

As the Benchmark Index of the Fund imposes specific credit rating requirements for bonds to be included in the Benchmark Index, where bonds that make up the Benchmark Index are downgraded or have their credit ratings withdrawn by the relevant credit rating agencies such that they no longer meet the credit rating requirements of the Benchmark Index, the Fund may continue to hold such bonds until such time as they cease to form part of the Fund’s Benchmark Index and the Fund’s position in such bonds can be liquidated. Sub-investment grade bonds are generally riskier investments, involving a higher risk of default by the issuer, than investment grade bonds. A default by the issuer of a bond is likely to result in a reduction in the value of the Fund.

Although the Fund may invest in bonds that are traded on the secondary market, the secondary market for corporate bonds can often be illiquid and therefore it may be difficult to achieve fair value on purchase and sale transactions.

Cash interest rates vary over time. The price of bonds will generally be affected by changing interest rates and credit spread which in turn may affect the value of your investment. Bond prices move inversely to interest rates, so generally speaking the market value of a bond will decrease as interest rates increase. The credit rating of an issuing company will generally affect the yield that can be earned on a bond; the better the credit rating the smaller the yield.

High Yield Bonds
As the Fund invests in bonds that may be rated sub-investment grade, it may be more volatile than funds investing in higher-rated bonds of similar maturity.

High yield bonds may also be subject to greater levels of credit or default risk than high-rated bonds. Such bonds are more likely to react to developments affecting market and credit risk than more highly rated securities. The value of high yield bonds can be adversely affected by overall economic conditions, such as an economic downturn or a period of rising interest rates, and high yield bonds may be less liquid and more difficult to sell at an advantageous time or price or to value than higher-rated bonds. In particular, high yield bonds are often issued by smaller, less creditworthy companies or by highly leveraged (indebted) firms, which are generally less able than more financially stable firms to make scheduled payments of interest and principal.

Investors should carefully consider the relative risks of investing in high yield securities and understand that such securities generally are not meant for short-term investing. The Fund may find it more difficult to sell high yield securities or may be able to sell the securities only at prices lower than if such securities were widely traded. Furthermore, the Fund may experience difficulty in valuing certain securities at certain times. Prices realised upon the sale of such lower or unrated rated securities, under these circumstances, may be less than the prices used in calculating the Net Asset Value. In addition, prices for high yield securities may be affected by legislative and regulatory developments which could adversely affect the Net Asset Value insofar as they could adversely affect the Secondary Market for high yield securities, the financial condition of issuers of these securities and the value of outstanding high yield securities. For example, federal legislation in the United States requiring the divestiture by federally insured savings and loan associations of their investments in high yield bonds and limiting the deductibility of interest by certain corporate issuers of high yield bonds has adversely affected the market in recent years.

Lower rated or unrated (i.e. high yield) securities are more likely to react to developments affecting market and credit risk than are more highly rated securities, which primarily react to movements in the general level of interest rates. Lower rated or unrated fixed income obligations also present risks based on payment expectations. If an issuer calls the obligations for redemption, the Fund may have to replace the security with a lower yielding security, resulting in a decreased return for investors. If the Fund experiences unexpected net redemptions, it may be forced to sell its higher rated securities, resulting in a decline in the overall credit quality of the Fund's investment portfolio and increasing the exposure of the Fund to the risks of high yield securities.

Illiquidity of Bonds Close to Maturity
In addition to the liquidity risks of bonds already described above, there is a risk that bonds which are nearing maturity may become illiquid. In such cases, it may become more difficult to achieve fair value on the purchase and sale thereof.

Fixed Income Transferable Securities
Debt securities are subject to both actual and perceived measures of creditworthiness. The amount of credit risk may be assessed using the issuer's credit rating which is assigned by one or more independent rating agencies. This does not amount to a guarantee of the issuer's creditworthiness but provides an indicator of the likelihood of default. Securities which have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. Companies often issue securities which are ranked in order of seniority which in the event of default would be reflected in the priority in which investors might be paid back. The "downgrading" of an investment grade rated debt security or adverse publicity and investor perception, which may not be based on fundamental analysis, could decrease the value and liquidity of the security, particularly in a thinly traded market. The Fund may be affected by changes in prevailing interest rates and by credit quality considerations. Changes in market rates of interest will generally affect the Fund's asset values as the prices of fixed rate securities generally increase when interest rates decline and decrease when interest rates rise. Prices of shorter-term securities generally fluctuate less in response to interest rate changes than do longer-term securities. An economic recession may adversely affect an issuer's financial condition and the market value of high yield debt securities issued by such entity. The issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. In the event of bankruptcy of an issuer, the Fund may experience losses and incur costs.

Duration Risk
As the Fund invests in bonds it is subject to the risk that the value of its investments will change due to a change in the level of interest rates. Rising interest rates will lead to falling bond prices, while declining interest rates will lead to rising bond prices. Duration is a measure of the sensitivity of the price (the value of principal) of a bond to a change in interest rates and is expressed in number of years.

AMF ESG Rules
The AMF ESG Rules set out ESG measurable objectives that the Fund must incorporate into its investment policy (the "AMF Measurable Objectives"). Although the index provider's index methodology may not explicitly integrate the AMF Measurable Objectives, the Investment Manager is of the view that, by passively tracking the Benchmark Index, the Fund should be able to meet the AMF Measurable Objectives based on the current methodology of the Benchmark Index. Investors should note that the Directors may take such action as they consider to be necessary, including substituting another index for the Benchmark Index as described in the section entitled "Benchmark Indices" in the Prospectus, to the extent that a future rebalancing of, or change to, the Benchmark Index by its index provider would result in the Fund ceasing to comply with the AMF Measurable Objectives.

Recent Market Events
Periods of market volatility may occur in response to various political, social and economic events both within and outside of the United States. These conditions have resulted in, and in many cases continue to result in, greater price volatility, less liquidity, widening credit spreads and a lack of price transparency, with many securities remaining illiquid and of uncertain value. Such market conditions may adversely affect the Fund, including by making valuation of some of the Fund's securities uncertain and/or result in sudden and significant valuation increases or declines in the Fund's holdings. If there is a significant decline in the value of the Fund's portfolio, this may impact the asset coverage levels for any outstanding leverage the Fund may have.

Risks resulting from any future debt or other economic crisis could also have a detrimental impact on the global economic recovery, the financial condition of financial institutions and the Fund's business, financial condition and results of operation. Market and economic disruptions have affected, and may in the future affect, consumer confidence levels and spending, personal bankruptcy rates, levels of incurrence and default on consumer debt and home prices, among other factors. To the extent uncertainty regarding the U.S. or global economy negatively impacts consumer confidence and consumer credit factors, the Fund's business, financial condition and results of operations could be significantly and adversely affected. Downgrades to the credit ratings of major banks could result in increased borrowing costs for such banks and negatively affect the broader economy. Moreover, Federal Reserve policy, including with respect to certain interest rates, may also adversely affect the value, volatility and liquidity of dividend- and interest-paying securities. Market volatility, rising interest rates and/or unfavourable economic conditions could impair the Fund's ability to achieve its investment objective(s).

Impact of Natural or Man-Made Disasters and Disease Epidemics
Certain regions are at risk of being affected by natural disasters or catastrophic natural events. Considering that the development of infrastructure, disaster management planning agencies, disaster response and relief sources, organized public funding for natural emergencies, and natural disaster early warning technology may be immature and unbalanced in certain countries, the natural disaster toll on an individual portfolio company or the broader local economic market may be significant. Prolonged periods may pass before essential communications, electricity and other power sources are restored and operations of the portfolio company can be resumed. The Fund's investments could also be at risk in the event of such a disaster. The magnitude of future economic repercussions of natural

disasters may also be unknown, may delay the Fund's ability to invest in certain companies, and may ultimately prevent any such investment entirely.

Investments may also be negatively affected by man-made disasters. Publicity of man-made disasters may have a significant negative impact on overall consumer confidence, which in turn may materially and adversely affect the performance of the Fund's Investments, whether or not such investments are involved in such man-made disaster.

Outbreaks of infectious diseases may also have a negative impact on the performance of the Fund. For example, an infectious respiratory disease caused by a novel coronavirus known as COVID-19 detected in December 2019 has given rise to an extended global pandemic. This coronavirus led to borders closing, restrictions on movement of people, quarantines, cancellations of transportation and other services, disruptions to supply chains, businesses and customer activity, as well as general concern and uncertainty. While improvements have been made in managing the impact of COVID-19, including the adoption in many countries of widescale vaccination programmes that have reduced infection and death rates, the impact of COVID-19 continues to adversely affect the economies of many nations across the entire global economy, individual companies and capital markets. It is not yet possible to predict with any accuracy how long this impact will continue to be felt. Other epidemics and pandemics that may arise in the future could also have a similar effect and the extent of the impact cannot be foreseen at the present time. In addition, the impact of infectious diseases in certain emerging developing or emerging market countries may be greater due to less established health care systems, as was the case with COVID-19. Health crises caused by infectious diseases may exacerbate other pre-existing political, social and economic risks in certain countries.

Such events could increase volatility and the risk of loss to the value of your investments.

Governmental Intervention Risk
In response to a recession, economic slowdown or financial market instability, governments and regulators may choose to intervene by implementing austerity measures and reforms, as seen in the 2007-2008 global financial crisis. There is no guarantee that a government or regulatory intervention will work and they may result in social unrest, limit future growth and economic recovery or have unintended consequences. Additionally, government and regulatory intervention have sometimes been unclear in scope and application, resulting in confusion and uncertainty which in itself has been detrimental to the efficient functioning of financial markets.

It is impossible to predict with certainty what temporary or permanent governmental restrictions may be imposed on the markets in the future and/or the effect of such restrictions on the Investment Manager's ability to implement the Fund's investment objective, the European or global economy or the global securities markets. Instability in the global financial markets or government intervention may increase the volatility of the Fund and hence the risk of loss to the value of your investment.

Issuer Risk
The performance of the Fund depends on the performance of individual securities to which the Fund has exposure. Any issuer of these securities may perform poorly, causing the value of its securities to decline. Poor performance may be caused by poor management decisions, competitive pressures, changes in technology, expiration of patent protection, disruptions in supply, labour problems or shortages, corporate restructurings, fraudulent disclosures or other factors. Issuers may, in times of distress or at their own discretion, decide to reduce or eliminate dividends, which may also cause their stock prices to decline.

Money Market Risk
The Company, with a view to mitigating credit exposure to depositaries, may arrange for cash holdings of the Company to be placed into money market collective investment schemes, including other funds of the BlackRock Group. A money market collective investment scheme which invests a significant amount of its assets in money market instruments may be considered as an alternative to investing in a regular deposit account. However, a holding in such a scheme is subject to the risks associated with investing in a collective investment scheme and, while a money market collective investment scheme is designed to be a relatively low risk investment, it is not entirely free of risk. Despite the short maturities and high credit quality of investments of such schemes, increases in interest rates and deteriorations in the credit quality can reduce the scheme's yield and the scheme is still subject to the risk that the value of such scheme's investment can be eroded and the principal sum invested will not be returned in full.

Securities Lending Risk
The Company engages in a securities lending programme through the Investment Manager. In order to mitigate the credit risk exposure to the counterparties to any securities lending contract, the lending of the Fund's securities must be covered by high quality and liquid collateral received by the Fund under a title transfer arrangement with a market value at all times at least equivalent to the market value of the Fund's securities lent plus a premium. The Fund's securities can be lent to counterparties over a period of time. The risks of securities lending include the risk that a borrower may not provide additional collateral when required or may not return the securities when due. A default by the counterparty combined with a fall in the value of the collateral below that of the value of the securities lent may result in a reduction in the value of the Fund. To the extent that any securities lending is not fully collateralised (for example due to timing issues arising from payment lags), the Company will have a credit risk exposure to the counterparties to the securities lending contracts. To mitigate these risks, the Company benefits from a borrower default indemnity provided by BlackRock, Inc. The indemnity allows for full replacement of the securities lent if the collateral received does not cover the value of the securities loaned in the event of a borrower default.

Investors should note that a limitation of maximum securities lending levels by the Fund, at a time when demand exceeds those maximum levels, may reduce potential income to the Fund that is attributable to securities lending. Please refer to the section headed "Efficient Portfolio Management" in the Prospectus for further detail.

Currency Risk
The Base Currency of the Fund is chosen to match the base currency in which its Benchmark Index is valued. In addition, the Fund has Share Classes which have different Valuation Currencies from the Base Currency of the Fund. Consequently, the Investments of a Share Class may be acquired in currencies which are not the Valuation Currency of the Share Class.

For Unhedged Share Classes, the fact that their Valuation Currencies and the currency of the Fund's Investments may differ may cause the cost of purchasing such Investments to be affected favourably or unfavourably by fluctuations in the relative exchange rates of the different currencies.

ESG Benchmark Index Screening
The Fund seeks to track the performance of the Benchmark Index which is stated by the index provider to be screened against ESG criteria and to exclude issuers involved in or deriving revenues from activities above a threshold specified by the index provider. Investors should therefore be comfortable and satisfied with the extent of ESG-related screening undertaken by the Benchmark Index prior to investing in the Fund.

Investor sentiment towards issuers which are perceived as being ESG conscious or attitudes towards ESG concepts generally may change over time which may affect the demand for ESG based investments such as the Fund and may also affect its performance.

Due to the ESG criteria being applied to the Parent Index to determine eligibility for inclusion in the Benchmark Index, the Benchmark Index will comprise a narrower universe of securities compared to the Parent Index and is likely to have a different performance profile to the Parent Index. This narrower universe of securities may not necessarily perform as well as those securities that do not meet the ESG screening criteria, which may adversely affect the performance of a Fund relative to another collective investment scheme which tracks the Parent Index.

Companies which have previously met the screening criteria of the Benchmark Index, and have therefore been included in the Benchmark Index and the Fund, may unexpectedly or suddenly be impacted by an event of serious controversy which negatively impacts their price and, hence, the performance of the Fund. This could occur when activities or practices of companies which have previously been hidden suddenly come to light and the resulting negative investor sentiment could drive down their price. Where these companies are existing constituents of the Benchmark Index, they will remain in the Benchmark Index and therefore continue to be held by the Fund until the next scheduled rebalancing. At the time that the Benchmark Index excludes the affected securities, the price of the securities may have already dropped and not yet recovered, and the Fund could therefore be selling the affected securities at a relatively low price point.

The Benchmark Index is labelled by the index provider as an EU Paris-aligned benchmark within the meaning of the Benchmarks Regulation. The Benchmark Index seeks to provide exposure to issuers with levels of carbon emissions consistent with the long-term global warming objectives of the Paris Agreement.

Screening of issuers for inclusion within the Benchmark Index of the Fund is carried out by the index provider based on the ESG ratings and / or screening criteria of the index provider or other third parties. This may be dependent upon information and data obtained from third-party data providers which may on occasion be incomplete, inaccurate or inconsistent. There may also be a time lag between the date as at which the data is captured and the date on which the data is used, which may impact the timeliness and quality of the data. None of the Fund, the Manager nor the Investment Manager makes any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of the index provider's information/data providers, ESG ratings, screening criteria or the way they are implemented. In the event that the status of a security previously deemed eligible for inclusion in the Benchmark Index should change, none of the Fund, the Manager nor the Investment Manager accepts liability in relation to such change. For the avoidance of doubt, none of the Fund, the Manager nor the Investment Manager is responsible for ensuring that the securities that comprise the Benchmark Index of a Fund will meet the screening criteria applied by the index provider or ensure that the ESG ratings given by the index provider or other third parties to each security are valid.

The extent to which the Fund is able to meet its sustainability commitments or aims may vary on an ongoing basis due to factors such as market conditions, the ESG performance of underlying investments and the methodology applied by the index provider of the Benchmark Index for the Fund. If a Fund's performance falls below its sustainability commitments, the Investment Manager will take steps to bring the Fund back in compliance with its sustainability commitments at the point of the next rebalance of its Benchmark Index.

ESG screens and standards are a developing area and the ESG screens and ratings applied by the index provider may evolve and change over time.

The Fund may use FDI and hold collective investment schemes which may not comply with ESG ratings/criteria applied by the index provider. The Fund may gain limited exposure (through, including but not limited to, derivatives and shares or units of other collective investment schemes) to issuers with exposures which may not comply with socially responsible investment ("**SRI**") requirements and/or ESG criteria applied by the index provider. There may be potential inconsistencies in the ESG criteria or the ESG ratings applied by the underlying collective investment schemes invested in by the Fund. The Fund may also engage in securities lending and receive collateral which may not comply with the SRI requirements and/or ESG criteria applied by the index provider.

Settlement through an International Central Securities Depositary

Inaction by the Common Depositary and/or an International Central Securities Depositary
Investors that settle or clear through an International Central Securities Depositary will not be a registered Shareholder in the Company, they will hold an indirect beneficial interest in such Shares and the rights of such investors, where Participants, shall be governed by their agreement with the applicable International Central Securities Depositary and otherwise by the arrangement with a Participant of the International Central Securities Depositary (for example, their nominee, broker or Central Securities Depositaries, as appropriate). The Company will issue any notices and associated documentation to the registered holder of the Global Share Certificate, the Common Depositary's Nominee, with such notice as is given by the Company in the ordinary course when convening general meetings. The Common Depositary's Nominee has a contractual obligation to relay any such notices received by the Common Depositary's Nominee to the Common Depositary which, in turn, has a contractual obligation to relay any such notices to the applicable International Central Securities Depositary, pursuant to the terms of its appointment by the relevant International Central Securities Depositary. The applicable International Central Securities Depositary will in turn relay notices received from the Common Depositary to its Participants in accordance with its rules and procedures. The Directors understand that the Common Depositary is contractually bound to collate all votes received from the applicable International Central Securities Depositaries (which reflects votes received by the applicable International Central Securities Depositary from Participants) and that the Common Depositary's Nominee is obligated to vote in accordance with such instructions. The Company has no power to ensure the Common Depositary relays notices of votes in accordance with their instructions. The Company cannot accept voting instructions from any persons, other than the Common Depositary's Nominee.

Payments
With the authorisation of the Common Depositary's Nominee, any dividends declared and any liquidation and mandatory redemption proceeds are paid by the Company or its authorised agent (for example, the Paying Agent) to the applicable International Central Securities Depositary. Investors, where they are Participants, must look solely to the applicable International Central Securities Depositary for their share of each dividend payment or any liquidation or mandatory redemption proceeds paid by the Company or, where they are not Participants, they must look to their respective nominee, broker or Central Securities Depositary (as appropriate, which may be a Participant or have an arrangement with a Participant of the applicable International Central Securities Depositary) for any share of each dividend payment or any liquidation or mandatory redemption proceeds paid by the Company that relates to their investment.

Investors shall have no claim directly against the Company in respect of dividend payments and any liquidation and mandatory redemption proceeds due on Shares represented by the Global Share Certificate and the obligations of the Company will be discharged by payment to the applicable International Central Securities Depositary with the authorisation of the Common Depositary's Nominee.

Risks specific to investing in Currency Hedged Share Classes

Currency Hedged Share Classes
Investors should be aware that currency hedging may adversely affect the returns on their investment due to transaction costs and spreads, market inefficiency, risk premia and other factors which may be material in the case of certain currencies and/or over the long term.

Currency Hedged Share Classes use forward FX contracts and spot FX contracts to reduce or minimise the risk of currency fluctuations between its underlying portfolio currency exposures and its Valuation Currency. In circumstances where the Valuation Currency of a Currency Hedged Share Class is generally strengthening against the currency exposures being hedged (i.e. the underlying portfolio currency exposures of a Currency Hedged Share Class), currency hedging may protect investors in the relevant Share Class against such currency movements. However, where the Valuation Currency of a Currency Hedged Share Class is generally weakening against the currency exposures being hedged, currency hedging may preclude investors from benefiting from such currency movements. Investors should only invest in a Currency Hedged Share Class if they are willing to forego potential gains from appreciations in the underlying portfolio currency exposures of a Currency Hedged Share Class against the Currency Hedged Share Class' Valuation Currency.

While currency hedging is likely to reduce currency risk in the Currency Hedged Share classes, it is unlikely to completely eliminate currency risk.

Currency Hedged Share Classes in non-major currencies may be affected by the fact that capacity of the relevant currency market may be limited, which could reduce the ability of the Currency Hedged Share Class to reduce its currency risk and the volatility of such Currency Hedged Share Class.

Currency Hedged Share Classes use a currency hedging approach whereby the hedge is proportionately adjusted for net subscriptions and redemptions in the relevant Currency Hedged Share Class. An adjustment is made to the hedge to account for the price movements of the underlying securities held for the relevant Currency Hedged Share Class, corporate events affecting such securities, or additions, deletions or any other changes to the underlying portfolio holdings for the Currency Hedged Share Class, however, the hedge will only be reset or adjusted on a monthly basis and as and when a pre-determined tolerance is triggered intra-month, and not whenever there is market movement in the underlying securities. In any event, any over-hedged position arising in a Currency Hedged Share Class will be monitored daily and is not permitted to exceed 105% of the Net Asset Value of that Share Class as prescribed by the Central Bank UCITS Regulations. Under-hedged positions shall not fall short of 95% of the portion of the Net Asset Value of the relevant Currency Hedged Share Class that is to be hedged against currency risk.

The aggregate gain or loss arising from the hedging positions of a Currency Hedged Share Class will be reduced by an adjustment to some or all of the currency hedges only on a monthly basis and as and when the aggregate exceeds a pre-determined tolerance intra-month as determined by the Investment Manager, and not whenever there is an aggregate gain or loss. When a gain or loss from a currency hedge is adjusted, either the gain will be reinvested into underlying securities or the underlying securities will be sold to meet the loss. In the event that there is a loss on the foreign currency hedge of the relevant Currency Hedged Share Class prior to an adjustment or reset, the relevant Currency Hedged Share Class will have an exposure to securities which will exceed its Net Asset Value as its Net Asset Value comprises both the value of its underlying securities plus the unrealised loss on its foreign currency hedge. Conversely, in the event that there is a gain on the foreign currency hedge of the relevant Currency Hedged Share Class prior to an adjustment or reset, the relevant Currency Hedged Share Class will have a lower exposure to securities than its Net Asset Value as, in this case, its Net Asset Value will include an unrealised gain on the foreign currency hedge. When the foreign currency hedge is adjusted or reset, any such difference will be materially addressed.

The Investment Manager will monitor the currency exposure and gain or loss arising from hedge positions of each Currency Hedged Share Class against the pre-determined tolerances daily and will determine when a currency hedge should be reset and the gain or loss arising from the currency forwards reinvested or settled, while taking into consideration the frequency and associated transaction and reinvestment costs of resetting the currency forwards. When a pre-determined tolerance threshold for a Currency Hedged Share Class is triggered as at the close of a Business Day, the relevant currency hedge will be reset or adjusted only on the next Business Day (on which the relevant currency markets are open); therefore, there could be a Business Day's lag prior to the hedge position being reset or adjusted.

The triggers for resetting and adjusting the hedge are pre-determined by the Investment Manager and periodically reviewed for appropriateness. Other than this periodic adjustment of the tolerance levels, the Investment Manager has no discretion to alter or vary the hedging methodology used by the relevant Currency Hedged Share Class (other than in exceptional market circumstances where the Investment Manager believes that it would be in investors' interests to reset or adjust the hedge before the trigger levels are exceeded, or not reset or adjust the hedge if they are exceeded).

Risks specific to use of FDI

FDI Risks
The Fund may use FDI for the purposes of efficient portfolio management or, where stated in its investment policy, for direct investment purposes. Such instruments involve certain special risks and may expose investors to an increased risk of loss. These risks may include credit risk with regard to counterparties with whom the Fund trades, the risk of settlement default, lack of liquidity of the FDI, imperfect tracking between the change in value of the FDI and the change in value of the underlying asset that the Fund is seeking to track and greater transaction costs than investing in the underlying assets directly.

In accordance with standard industry practice when purchasing FDI, the Fund may be required to secure its obligations to its counterparty. For non-fully funded FDI, this may involve the placing of initial and/or variation margin assets with the counterparty. For FDI which require the Fund to place initial margin assets with a counterparty, such assets may not be segregated from the counterparty's own assets and, being freely exchangeable and replaceable, the Fund may have a right to the return of equivalent assets rather than the original margin assets deposited with the counterparty. These deposits or assets may exceed the value of the Fund's obligations to the counterparty in the event that the counterparty requires excess margin or collateral. In addition, as the terms of an FDI may provide for one counterparty to provide collateral to the other counterparty to cover the variation margin exposure arising under the FDI only if a minimum transfer amount is triggered, the Fund may have an uncollateralised risk exposure to a counterparty under an FDI up to such minimum transfer amount. A default by the counterparty in such circumstances will result in a reduction in the value of the Fund and thereby a reduction in the value of an investment in the Fund.

Additional risks associated with investing in FDI may include a counterparty breaching its obligations to provide collateral, or due to operational issues (such as time gaps between the calculation of risk exposure to a counterparty's provision of additional collateral or substitutions of collateral or the sale of collateral in the event of a default by a counterparty), there may be instances where the Fund's credit exposure to its counterparty under a FDI is not fully collateralised but the Fund will continue to observe the limits set out in paragraph 2.8 of Schedule III of the Prospectus. The use of FDI may also expose the Fund to legal risk, which is the risk of loss due to the unexpected application of a law or regulation, or because a court declares a contract not legally enforceable.

Other general risks

Fund Liability Risk
The Company is structured as an umbrella fund with segregated liability between its funds. As a matter of Irish law, the assets of one fund will not be available to meet the liabilities of another. However, the Company is a single legal entity that may operate or have assets held on its behalf or be subject to claims in other jurisdictions that may not necessarily recognise such segregation of liability. As at the date of this Supplement, the Directors are not aware of any such existing or contingent liability.

Fund with Multiple Share Classes
While assets and liabilities that are specific to a Share Class within the Fund would be attributable to (and should be borne by) only that Share Class, there is no segregation of liabilities between Share Classes as a matter of Irish law. Due to the lack of segregation of liabilities as a matter of law, there is a risk that the creditors of a Share Class may

bring a claim against the assets of the Fund notionally allocated to other Share Classes.

In practice, cross liability between Share Classes is only likely to arise where the aggregate liabilities attributable to a Share Class exceed the aggregate assets of the Fund notionally allocated to that Share Class. Such a situation could arise if, for example, there is a default by a counterparty in respect of the Fund's investments. In these circumstances, the remaining assets of the Fund notionally allocated to other Share Classes of the same Fund may be available to meet such payments and may accordingly not be available to meet any amounts that otherwise would have been payable to holders of Shares of such other Share Classes.

Fund with One or More Currency Hedged Share Classes
Currency Hedged Share Classes hedge their currency exposure using forward FX contracts and spot FX contracts. All gains, losses and expenses arising from hedging transactions for a particular Currency Hedged Share Class are attributed only to that Currency Hedged Share Class and should generally be borne only by the investors in that Share Class. However, given that there is no segregation of liabilities between Share Classes under law, there is a risk that, if the assets notionally allocated to a Currency Hedged Share Class are insufficient to meet the losses arising from its hedging transactions (in addition to other fees and expenses attributable to such Share Class), the losses arising from the hedging transactions for such Share Class could affect the Net Asset Value per Share of one or more other Share Classes of the Fund.

Insufficiency of Duties and Charges
The Fund levies Duties and Charges in order to defray the costs associated with the purchase and sale of Investments. The level of Duties and Charges may be determined by the Manager in advance of the actual purchase or sale of Investments or execution of associated foreign exchange. It may be estimated based on historic information concerning the costs incurred in trading the relevant securities in the relevant markets. This figure is reviewed periodically and adjusted as necessary. If the Fund levies Duties and Charges which are insufficient to discharge all of the costs incurred in the purchase or sale of Investments, the difference will be paid out of the assets of the Fund, which, pending the reimbursement of the shortfall by an Authorised Participant, will result in a reduction in the value of the Fund (and a corresponding reduction in the value of each Share). In circumstances where Shares subscribed have been issued to an Authorised Participant prior to the receipt by the Fund from the Authorised Participant of the full costs incurred or to be incurred by the Fund in acquiring underlying investments attributable to a subscription, the Fund will have a credit exposure as an unsecured creditor to the Authorised Participant in respect of any shortfall. Similarly, in circumstances where redemption proceeds have been paid to the Authorised Participant prior to the deduction from such proceeds of the full costs incurred or to be incurred by the Fund in disposing of underlying investments attributable to a redemption, the Fund will have a credit exposure as an unsecured creditor to the Authorised Participant in respect of any shortfall.

Failure to Settle
If an Authorised Participant submits a dealing request and subsequently fails or is unable to settle and complete the dealing request, the Company will have no recourse to the Authorised Participant other than its contractual right to recover such costs. In the event that no recovery can be made from the Authorised Participant and any costs incurred as a result of the failure to settle will be borne by the Fund and its investors.

Taxation Risks
Potential investors' attention is drawn to the taxation risks associated with investment in the Company. See sections headed "Taxation" in the Prospectus and this Supplement.

Changes in taxation legislation may adversely affect the Fund.

The tax information provided in the "Taxation" sections is based, to the best knowledge of the Company, upon tax law and practice as at the date of this Supplement. Tax legislation, the tax status of the Company and the Fund, the taxation of investors and any tax relief, and the consequences of such tax status and tax relief, may change from time to time. Any change in the taxation legislation in Ireland or in any jurisdiction where the Fund is registered, cross-listed, marketed or invested could affect the tax status of the Company and the Fund, affect the value of the Fund's Investments in the affected jurisdiction, affect the Fund's ability to achieve its investment objective, and/or alter the post tax returns on Shares held. Where the Fund invests in FDI, the preceding sentence may also extend to the jurisdiction of the governing law of the FDI contract and/or the FDI counterparty and/or to the market(s) comprising the underlying exposure(s) of the FDI.

The availability and value of any tax relief available to investors depend on the individual circumstances of investors. The information in the "Taxation" section in the Prospectus and this Supplement is not exhaustive and does not constitute legal or tax advice. Prospective investors are urged to consult their tax advisors with respect to their particular tax situations and the tax effects of an investment in the Fund.

Withholding tax reclaims

The Company may be subject to withholding or other taxes on income and/or gains arising from its investment portfolio. Where the Company invests in securities that are not subject to withholding or other taxes at the time of acquisition, there can be no assurance that tax may not be imposed in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Company may not be able to recover such tax and so any such change could have an adverse effect on the Net Asset Value of the Shares.

The Company (or its representative) may file claims on behalf of the Fund to recover withholding tax on dividend and interest income (if any) received from issuers in certain countries where such withholding tax reclaim is possible. Whether or when the Fund will receive a withholding tax refund in the future is within the control of the tax authorities in such countries. Where the Company expects to recover withholding tax for the Fund based on a continuous assessment of probability of recovery, the Net Asset Value of the Fund generally includes accruals for such tax refunds. The Company continues to evaluate tax developments for potential impact to the probability of recovery for the Fund. If the likelihood of receiving refunds materially decreases, for example due to a change in tax regulation or approach, accruals in the Fund's Net Asset Value for such refunds may need to be written down partially or in full, which will adversely affect the Fund's Net Asset Value. Investors in the Fund at the time an accrual is written down will bear the impact of any resulting reduction in Net Asset Value regardless of whether they were investors during the accrual period. Conversely, if the Fund receives a tax refund that has not been previously accrued, investors in the Fund at the time the claim is successful will benefit from any resulting increase in the Fund's Net Asset Value. Investors who disposed of their interest in Shares prior to such time will not benefit from such Net Asset Value increase.

Treatment of tax by index providers

Investors should be aware that the performance of the Fund, as compared to the Benchmark Index, may be adversely affected in circumstances where the assumptions about tax made by the relevant index provider in their index calculation methodology, differ to the actual tax treatment of the underlying securities in the Benchmark Index held within the Fund.

FATCA

Investors should also read the information set out under the heading "FATCA and other cross-border reporting systems" in the Prospectus, particularly in relation to the consequences of the Company being unable to comply with the terms of such reporting systems.

Dealing Day Risk

As foreign exchanges can be open on days when the Fund may have suspended calculation of its Net Asset Value and the subscription and redemption of Shares and, therefore, Shares in the Fund are not priced, the value of the securities in the Fund's portfolio may change on days when the Fund's Shares will not be able to be purchased or sold.

Liquidity Risk

The Fund's investments may be subject to liquidity constraints, which means they may trade less frequently and in small volumes. Securities of certain types, such as bonds and mortgage-backed instruments, may also be subject to periods of significantly lower liquidity in difficult market conditions. As a result, changes in the value of investments may be more unpredictable. In certain cases, it may not be possible to sell the security at the price at which it has been valued for the purposes of calculating the Net Asset Value of the Fund or at a value considered to be fairest. Reduced liquidity of the Fund's investments may result in a loss to the value of your investment.

Share Subscriptions and Redemptions

Provisions relating to the redemption of Shares grant the Company discretion to limit the amount of Shares available for redemption on any Dealing Day to 10% of the Shares in issue in respect of the Fund and, in conjunction with such limitations, to defer or pro-rate such redemption requests. In addition, where requests for subscription or redemption are received late, there will be a delay between the time of submission of the request and the actual date of subscription or redemption. Such deferrals or delays may operate to decrease the number of Shares or the redemption amount to be received.

Trading Currency Exposure

Shares may be traded in various currencies on various stock exchanges. In addition, subscriptions and redemptions of Shares in the Fund will ordinarily be made in the Valuation Currency of the Shares and may in some cases be permitted in other currencies. Depending on the currency in which an investor invests in the Fund, foreign exchange fluctuations between the currency of investment, the Valuation Currency of the Shares and the Base Currency of the Fund will have an impact on, and may adversely affect, the value of such investor's investments.

Temporary Suspension

Investors are reminded that in certain circumstances their right to redeem Shares may be temporarily suspended. Please see 'Temporary Suspension of Valuation of the Shares and of Sales, Redemptions and Switching' in the Prospectus.

Valuation Risk

Certain assets of the Fund may become illiquid and/or not publicly traded. Such securities and financial instruments may not have readily available prices and may therefore be difficult to value. The Manager, Investment Manager or Administrator may provide valuation services (to assist in calculating the Net Asset Value of the Fund) in relation to such securities and financial instruments. Investors should be aware that in these circumstances a possible conflict of interest may arise as the higher the estimated valuation of the securities the higher the fees payable to the Manager, Investment Manager or Administrator. Please see "Conflicts of Interests - General" in the Prospectus for details of how the Company deals with conflicts. In addition, given the nature of such Investments, determinations as to their fair value may not represent the actual amount that will be realised upon the eventual disposal of such Investments.

Operational Risk

The Company is exposed to operational risks arising from a number of factors, including, but not limited to, human error, processing and communication errors, errors of the Company's service providers, counterparties or other third parties, failed or inadequate processes and technology or systems failures. The Manager seeks to reduce these operational risks through controls and procedures and, through its monitoring and oversight of other service providers to the Company, also seeks to ensure that such service providers take appropriate precautions to avoid and mitigate risks that could lead to disruptions and operating errors. However, it is not possible for the Manager and other service providers to identify and address all of the operational risks that may affect the Fund or to develop processes and controls to completely eliminate or mitigate their occurrence or effects.

The Fund's operations (including investment management, distribution, collateral management, administration and currency hedging) are carried out by several service providers which are selected based on a rigorous due diligence process. Nevertheless, the Manager and other service providers to the Company may experience disruptions or operating errors such as processing errors or human errors, inadequate or failed internal or external processes, or systems or technology failures, provision or receipt of erroneous or incomplete data, resulting in operational risk which may have a negative effect on the Fund's operations and may expose the Fund to a risk of loss. This can manifest itself in various ways, including business interruption, poor performance, information systems malfunctions or failures, provision or receipt of erroneous or incomplete data or loss of data, regulatory or contractual breaches, human error, negligent execution, employee misconduct, fraud or other criminal acts. Investors could experience delays (for example, delays in the processing of subscriptions, switching and redemption of Shares) or other disruptions.

While the Manager seeks to minimise operational errors as set out above, there may still be failures that could cause losses to the Fund and reduce the value of the Fund.

DEALINGS IN THE FUND

The Fund is an exchange traded fund which means that the Shares of the Fund are listed on one or more stock exchanges. Certain market makers and brokers are authorised by the Company to deal in Shares of the Fund in the Primary Market and they are referred to as "Authorised Participants". Such Authorised Participants have the capability to ensure delivery of the Shares of the Fund within the International Central Securities Depositary relevant to the stock exchanges on which the Shares are listed. Authorised Participants usually sell the Shares they acquire on one or more stock exchanges, the Secondary Market, where such Shares become freely tradable. Potential investors who are not Authorised Participants can purchase and sell Shares of the Fund on the Secondary Market through a broker/dealer on a recognised stock exchange or OTC. For further details of such brokers please contact the Investment Manager.

Authorised Participants dealing on the Primary Market should refer to the section below titled "Procedure for Dealing on the Primary Market" set out below. Investors who are not Authorised Participants should refer to the "Procedure for Dealing on the Secondary Market" section detailed at page 124 of the Prospectus.

PROCEDURE FOR DEALING ON THE PRIMARY MARKET

Initial Offer of Shares

Shares listed in the Current Share Classes as set out in the tables below under the heading "Current Share Classes" will initially be offered between 9.00a.m. (Irish time) on 31 October 2023 and 12.00 noon (Irish time) on 30 April 2024 (which period may be shortened, extended, changed to an earlier date, or changed to a later date by the Directors) and at a fixed price per Share equal to 5 units of the relevant currency (e.g. US$5) or such other amount determined by the Investment Manager at the relevant time and communicated to investors prior to investment.

Account Opening Forms for first time Authorised Participants and Dealing Forms must be received during the initial offer period noted above to receive the initial offering price. Arrangements must also be made by that date for the settlement of the transfer of Investments and cash payments within the settlement times available on the Electronic Order Entry Facility (which can range from one to four Business Days).

It is expected that trading in the Shares will commence on or about 30 April 2024, and the Shares will be admitted to trading upon issue.

Shares will be issued for a price to be satisfied in cash or, where available, in kind, together with any applicable Duties and Charges, as described under the heading "Procedure for Dealing on the Primary Market" in the Prospectus. The initial Portfolio Composition File (where relevant) will be available upon request from the Administrator.

Subscriptions and Redemptions after the Initial Offer
Shares may be subscribed at the Net Asset Value per Share together with associated Duties and Charges which may be varied to reflect the cost of execution. Shares may be redeemed at the Net Asset Value per Share less any associated Duties and Charges which may be varied to reflect the cost of execution. The Articles empower the Company to charge such sum as the Manager considers represents an appropriate figure for Duties and Charges. The level and basis of calculating Duties and Charges may also be varied depending on the size of the relevant dealing request and the costs relating to, or associated with, the primary market transactions. Where Authorised Participants subscribe for or redeem Shares in cash in a currency that is different from the currencies in which the Fund's underlying investments are denominated, the foreign exchange transaction costs associated with converting the subscription amount to the currencies needed to purchase the underlying investments (in the case of a subscription) or converting the sale proceeds from selling the underlying investments to the currency needed to pay redemption proceeds (in the case of a redemption) will be included in the Duties and Charges which are applied to the relevant subscription or redemption amounts (respectively) paid or received (as the case may be) by such Authorised Participants.

Where Authorised Participants subscribe for or redeem shares in a Currency Hedged Share Class, the transaction costs associated with increasing (in the case of a subscription) or decreasing (in the case of a redemption) such hedge will be included in the Duties and Charges which are applied to the relevant subscription or redemption amounts (respectively) paid or received (as the case may be) by such Authorised Participants.

In some cases, the level of Duties and Charges has to be determined in advance of the completion of the actual purchase or sale of Investments or execution of associated foreign exchange by or on behalf of the Company and the subscription or redemption price may be based on estimated Duties and Charges (which could be based on historic information concerning the costs incurred or expected costs in trading the relevant securities in the relevant markets). Where the sum representing the subscription or redemption price is based on estimated Duties and Charges which turn out to be different to the costs actually incurred by the Fund when acquiring or disposing of Investments as a result of a subscription or redemption, the Authorised Participant shall reimburse the Fund for any shortfall in the sum paid to the Fund (on a subscription) or any excess sum received from the Fund (on a redemption), and the Fund shall reimburse the Authorised Participant for any excess received by the Fund (on a subscription) or any shortfall paid by the Fund (on a redemption), as the case may be. Authorised Participants should note that no interest will accrue or be payable on any amount reimbursed or to be reimbursed by the Fund. In order to protect the Fund and holders of its Shares, the Company and the Manager reserve the right to factor into the estimated Duties and Charges a buffer to protect the Fund from potential market and foreign exchange exposure pending the payment of the actual Duties and Charges.

Dealing orders will normally be accepted in multiples of the minimum number of Shares. Such minima may be reduced or increased in any case at the discretion of the Manager. Authorised Participants should refer to the Electronic Order Entry Facility for details of minimum dealing order amounts for the Fund. Detail in relation to the Valuation Point and cut-off times for the Fund are also set out in the Primary Market dealing timetable below. Details of the dealing cut-off times for dealing orders are also available from the Administrator. There is no minimum holding requirement for the Fund as at the date of this Supplement.

Applications for Shares in the Fund received after the times listed in the dealing timetable will generally not be accepted for dealing on the relevant Dealing Day. However, such applications may be accepted for dealing on the relevant Dealing Day, at the discretion of the Company, Manager or the Investment Manager, in exceptional circumstances, provided they are received prior to the Valuation Point. Settlement of the transfer of Investments and/or cash payments in respect of dealing orders must take place within a prescribed number of Business Days after the Dealing Day (or such earlier time as the Manager may determine in consultation with the Authorised Participant). Authorised Participants should refer to the Electronic Order Entry Facility for details of the maximum and minimum settlement times (which can range from one to four Business Days) in respect of subscriptions and redemptions. If a Significant Market is closed for trading or settlement on any Business Day during the period between the relevant Dealing Day and the expected settlement date (inclusive), and/or settlement in the base currency of the Fund is not available on the expected settlement date, there may be corresponding delays to the settlement times (but such delays will not exceed the regulatory requirements for settlement).

Title to Shares
As with other Irish companies limited by shares, the Company is required to maintain a register of Shareholders. Shares will be held by the Common Depositary's Nominee (as registered holder) in registered form. Only persons appearing on the register of Shareholders (i.e. the Common Depositary's Nominee) will be a Shareholder. Fractional Shares will not be issued. No temporary documents of title or Share certificates will be issued, other than Global Share Certificate required for the International Central Securities Depositaries. The Administrator will also send a trade confirmation to Authorised Participants. Potential investors should refer to the section in the Prospectus titled "Global Clearing and Settlement" for details of the settlement system and the relative rights of investors through such settlement system.

Details in relation to applying for and redeeming Shares and other general information concerning dealing is set out in the Prospectus under the following headings:

Section Heading in Prospectus	**Page number in Prospectus**
Dealings in the Company	113
Procedure for Dealing on the Primary Market	114
Portfolio Composition File	114
Dealings in Kind, in Cash and Directed Cash Dealings	114
Failure to Deliver	123
Procedure for Dealing on the Secondary Market	124
Switching	128
Transfer of Shares	129
Confirmations	129
Mandatory Redemption of Shares	129
Temporary Suspension of Valuation of the Shares and of Sales, Redemptions and Switching	130

CURRENT SHARE CLASSES

The Current Share Classes are indicated with a 'Y' and are available to launch at the discretion of the Manager.

Current Unhedged Share Classes

Fund Name	Fund Base Ccy	Valuation Currency											
		DKK		EUR		GBP		JPY		SEK		USD	
		Acc	Dist	Acc	Dist	Acc	Dist	Acc	Dist	Acc	Dist	Acc	Dist
iShares $ High Yield Corp Bond ESG Paris-Aligned Climate UCITS ETF	USD	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

Current Currency Hedged Share Classes

Fund Name	Fund Base Ccy	Currency into which the exposure is hedged and Valuation Currency																									
		AUD		CAD		CHF		DKK		EUR		GBP		HKD		JPY		MXP		NZD		SEK		SGD		USD	
		Acc	Dist	Acc	Dist	Acc	Dist	Acc	Dist	Acc	Dist	Acc	Dist	Acc	Dist	Acc	Dist	Acc	Dist	Acc	Dist	Acc	Dist	Acc	Dist	Acc	Dist
iShares $ High Yield Corp Bond ESG Paris-Aligned Climate UCITS ETF	USD	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	-	-

*It is intended that these Share Classes will be the first Share Classes to become Launched Share Classes.

PRIMARY MARKET DEALING TIMETABLE

Fund Name	**Initial Share Class(es)**	**Initial Offer Price**	**Fund Valuation Point on DD***	**Dealing request cut off on DD (Cash/Market Trade dealings and, where available, In Kind FOP/OTC DVP dealings)** (or, in exceptional circumstances, such later time as approved by the Manager in its absolute discretion)** Authorised Participants should refer to the Electronic Order Entry Facility for further details.
iShares $ High Yield Corp Bond ESG Paris-Aligned Climate UCITS ETF	USD Distributing	US$5	11.00pm	8.00pm

This Primary Market Dealing Timetable is applicable to Authorised Participants that are able to effect subscriptions and redemptions of Shares with the Company on the Primary Market. Authorised Participants should also refer to the terms of the Electronic Order Entry Facility.

“BD” means Business Day and “DD” means Dealing Day. Any application received after the cut off time on a Dealing Day will be treated as an application for the next Dealing Day.

*The Fund Valuation Point relevant to an application is the Fund Valuation Point on the Dealing Day for which that application is treated as being received.

** Dealing requests received after the cut off time for the Fund may be accepted in exceptional circumstances at the discretion of the Manager, provided always that the application is received before the Fund Valuation Point on the relevant Dealing Day for which the application is treated as being received. Applications received after the Valuation Point will be treated as applications for the next Dealing Day.

Subscription and redemption orders will normally be accepted in multiples of the minimum number of Shares set at the discretion of the Manager or the Investment Manager. Authorised Participants should refer to the Electronic Order Entry Facility for details of minimum subscription and redemption orders for the Launched Share Classes.

Earlier or later times may be determined by the Manager or the Investment Manager at their discretion with prior notice to Authorised Participants.

On the Dealing Day prior to 25 December and 1 January, dealing requests for subscriptions or redemptions must be received by the earlier of the stated dealing request cut-off and 12.00 noon.

NOTE: ALL TIME REFERENCES IN THIS DEALING TIMETABLE ARE TO GREENWICH MEAN TIME (GMT), OR BRITISH SUMMER TIME (BST), WHEN SUCH IS APPLICABLE - NOT CENTRAL EUROPEAN TIME (CET).

VALUATION

The Net Asset Value per Share of the class of the Fund on offer pursuant to this Supplement shall be calculated for each Dealing Day taking the value of the Fund's Investments as at the Valuation Point. The Fund's Investments will be valued using the Benchmark Index methodology of valuing securities. Except where the determination of the Net Asset Value has been suspended in the circumstances described under "Temporary Suspension of Valuation of the Shares and of Sales, Redemptions and Switching", the Net Asset Value per Share shall be made available at the registered office of the Administrator on or before the close of business of each Dealing Day. The Net Asset Value per Share for each class of Shares shall also be published daily on the Business Day following the Valuation Point for the Fund by means of a Regulatory Information Service or the official iShares website (www.iShares.com), which shall be kept up to date, and such other publications and with such frequency as the Directors may determine. The publishing of the Net Asset Value per Share for each class of Shares in the Fund is for information purposes only, and is not an invitation to subscribe, redeem or switch Shares at the published Net Asset Value per Share.

Assets of the Fund listed or traded on a Regulated Market for which market quotations are readily available shall be priced at the Valuation Point using the bid price for fixed income securities on the principal Regulated Market for such Investment. If the assets of the Fund are listed or traded on several Regulated Markets, the bid price on the Regulated Market which, in the opinion of the Administrator, constitutes the main market for such assets, will be used.

INDICATIVE NET ASSET VALUE

The indicative net asset value (iNAV) is the net asset value per Share of each class of Shares in the Fund calculated on a real time basis (every 15 seconds) during trading hours. The values are intended to provide investors and market participants with a continuous indication of the value of each class of Shares. The values are usually calculated based on a valuation of the actual Fund portfolio using real-time prices from Tradeweb Markets LLC and other sources. The Investment Manager has appointed Tradeweb Markets LLC to calculate and publish the iNAVs of each class of Shares. These iNAVs are published by the relevant stock exchanges. There are provisions for the BlackRock Group to receive payments from the iNAV provider for its engagement in the development and enhancement of service levels.

An iNAV is not, and should not be taken to be or relied on as being, the value of a Share or the price at which Shares may be subscribed for or redeemed or purchased or sold on any relevant stock exchange. In particular, any iNAV provided for the Fund where the constituents of the Benchmark Index or Investments are not actively traded during the time of publication of such iNAV may not reflect the true value of a Share and may therefore be misleading and should not be relied on. The inability of the Investment Manager or its designee to provide an iNAV, on a real-time basis, or for any period of time, will not in itself result in a halt in the trading of the Shares on a relevant stock exchange, which will be determined by the rules of the relevant stock exchange in the circumstances. Investors should be aware that the calculation and reporting of any iNAV may reflect time delays in the receipt of the prices of the relevant constituent securities in comparison to other calculated values based upon the same constituent securities including, for example, the Benchmark Index or Investments itself or the iNAV of other exchange traded funds based on the same Benchmark Index or Investments. Investors interested in dealing in Shares on a relevant stock exchange should not rely solely on any iNAV which is made available in making investment decisions, but should also consider other market information and relevant economic and other factors (including, where relevant, information based on the Benchmark Index or Investments corresponding to the Fund). None of the Company, the Directors, the Investment Manager or its designee, the Depositary, the Administrator, and Authorised Participant and the other service providers shall be liable to any person who relies on the iNAV.

DIVIDEND POLICY

The Company intends to declare dividends pursuant to this Supplement on the Shares of the Distributing Share Classes. Dividends may be paid out of the total income of the applicable Distributing Share Class net of any relevant expenses in respect of each financial year. Dividends will normally be declared with a view to being paid either monthly, quarterly or semi-annually. No smoothing of dividends will be applied across the dividend payments in a calendar year. The dividend payment frequency for each Distributing Share Class is as follows (please refer to www.ishares.com for further information on the dividend payment dates).

Fund	Frequency of Distributions for Distributing Share Classes	Months of Distributions
iShares $ High Yield Corp Bond ESG Paris-Aligned Climate UCITS ETF	Semi-Annually	January, July

Distributions will not be made in respect of Accumulating Share Classes and income and other profits will be accumulated and reinvested.

Full details of any change to the dividend policy will be provided in an updated Prospectus or Supplement and a Shareholder notice will be issued in advance.

Any dividend which has remained unclaimed for twelve years from the date of its declaration shall be forfeited and cease to remain owing by the Company and become the property of the Fund.

Dividends for Distributing Share Classes will be declared in the Valuation Currency of the relevant Share Class. Investors who wish to receive dividend payments in a currency other than the Base Currency or Valuation Currency should arrange this with the relevant International Central Securities Depositary (subject to this option being made available by the relevant International Central Securities Depositary). Any foreign exchange conversions of dividend payments are not the responsibility of the Company and are at the cost and risk of the investors.

FUND EXPENSES

The Company employs an "all in one" fee structure for its Funds (and Share Classes). Each Fund pays all of its fees, operating costs and expenses (and its due proportion of any costs and expenses of the Company allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). Any fees, operating costs and expenses which are attributable to a particular Share Class (rather than the entire Fund) will be deducted from the assets notionally allocated by the Fund to that Share Class. Expenses paid out of the TER include, but are not limited to, fees and expenses paid to the Manager, regulators and auditors and certain legal expenses of the Company, but exclude transaction costs and extraordinary legal costs.

The Total Expense Ratio for a Share Class is calculated and accrued daily from the current Net Asset Value of the relevant Share Class as follows and shall be payable monthly in arrears:

Fund	**Fund / Share Classes**	**TER**
iShares $ High Yield Corp Bond ESG Paris-Aligned Climate UCITS ETF	Unhedged Share Classes	0.25%
	Currency Hedged Share Classes	Up to 1.00%*

The Manager is responsible for discharging all operational expenses, including but not limited to, fees and expenses of the Directors, the Investment Manager, Depositary and Administrator from the amounts received by the Manager from the Total Expense Ratio. Such operational expenses include regulatory and audit fees but exclude transaction costs and extraordinary legal costs. In the event the costs and expenses of a Share Class that are intended to be covered within the TER exceed the stated TER, the Manager will discharge any excess amounts out of its own assets.

Establishment costs for the Fund will be paid by the Manager.

For additional information about fees and expenses of the Fund, see the heading "Fund Expenses" in the Prospectus.

*For the current TER charged on each Share Class please refer to its KIID / KID and/or the product pages of the website at www.ishares.com.

TAXATION

General
The information given in the Prospectus and below is not exhaustive and does not constitute legal or tax advice. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Shares under the laws of the jurisdictions in which they may be subject to tax.

In addition to the United Kingdom taxation considerations detailed on pages 159 to 162 of the Prospectus, the following taxation considerations apply specifically to the Fund.

United Kingdom Taxation
Investors who are insurance companies within the charge to United Kingdom taxation holding their Shares in the Fund for the purposes of their long-term business (other than their pensions business) will be deemed to dispose of and immediately reacquire those Shares at the end of each accounting period. In general terms, the chargeable gains and allowable losses arising under the annual deemed disposal rules are aggregated and one-seventh of the net amount thus emerging is chargeable (where there are net gains) or allowable (where there are net losses) at the end of the accounting period in which the deemed disposals have taken place.

The Company may seek one or more of the following statuses for Share Classes distributed in the relevant jurisdictions:
- UK Reporting Fund Status
- Austrian Reporting Fund Status

Investors should refer to their tax advisors in relation to the implications of the Fund obtaining such status.

INSPECTION OF DOCUMENTS

Copies of the following documents will be available for inspection at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays), free of charge, at the registered offices of the Company (J.P. Morgan, 200 Capital Dock, 79 Sir John Rogerson's Quay, Dublin 2, D02 RK57, Ireland) and the offices of the Investment Manager (BlackRock Advisors (UK) Limited, 12 Throgmorton Avenue, London EC2N 2DL, England):

(a) the Prospectus;
(b) this Supplement;
(c) the KIID / KID;
(d) the Memorandum and Articles of Association of the Company; and
(e) the latest annual and semi-annual reports of the Company (if any).

The documents listed above may also be obtained, on request free of charge, from the Administrator.

DISCLAIMERS

Disclaimer for Benchmark Index

The past performance of the Benchmark Index is not a guide to future performance. The Investment Manager, the Manager, Affiliates and the Company do not guarantee the accuracy or the completeness of the Benchmark Index or any data included therein and the Investment Manager, the Manager, Affiliates and the Company shall have no liability for any errors, omissions or interruptions therein. The Investment Manager, the Manager, Affiliates and the Company make no warranty, express or implied, to the owners of shares of the Fund or to any other person or entity, as to results to be obtained by the Fund from the use of the Benchmark Index or any data included therein. Without limiting any of the foregoing, in no event shall the Investment Manager, the Manager, Affiliates and the Company have any liability for any special, punitive, direct, indirect or consequential damages (including lost profits) arising from inaccuracies, omissions or other errors in or as a result of the Benchmark Index, even if notified of the possibility of such damages. The Investment Manager, the Manager, Affiliates and the Company are not responsible for verifying the ratings assigned to each issuer in accordance with the relevant rating methodology used by the Benchmark Index.

Disclaimer for Reference to Index Provider Website

In accordance with Central Bank requirements, the Company and the Fund are required to provide details of the index provider's website ("Website") to enable Shareholders to obtain further details of the Fund's Benchmark Index (including the index constituents). The Company and the Fund have no responsibility for the Website and are not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Website or the contents thereof.

Tradeweb Markets LLC

Tradeweb Markets LLC exercises reasonable care when sourcing data input and calculating the iNAV in accordance with the methodologies disclosed on Tradeweb's website.

However, Tradeweb Markets LLC cannot and does not guarantee or represent that the iNAV is always calculated free of errors or will be accurate. Tradeweb Markets LLC accepts no liability for any direct or indirect losses suffered, incurred or, arising from any incorrect calculation of the iNAV or from the use of the iNAV by any person. The iNAV are indicative values and should not be relied on or used by any person for anything other than as a simple indication of the possible value of a share at that time.

The applicable iNAV calculation methodologies, changes to those methodologies, and decisions regarding the sources of data inputs to the iNAV, are considered by Tradeweb Markets LLC with best practices and standards in mind. However, Tradeweb Markets LLC does not represent that any of the foregoing will remain consistent in its calculation of the iNAV and for the avoidance of doubt, shall not be liable for any direct or indirect losses arising from any changes to or decisions made regarding the methodologies or sources of data inputs.

The iNAV is not a recommendation for investment of whatever nature. In particular, the iNAV shall not be construed as a recommendation to buy or sell: (i) individual securities, (ii) the constituent basket underlying a given iNAV or exchange traded fund, or (iii) any exchange traded fund on Tradeweb Markets LLC or on any other relevant exchange or trading platform.

Benchmark Index Disclaimer

Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL") (collectively, "Bloomberg") is not the issuer or producer of iShares $ High Yield Corp Bond ESG Paris-Aligned Climate UCITS ETF (the "Fund") and Bloomberg does not have any responsibilities, obligations or duties to investors in the Fund. Bloomberg's only relationship with the issuer in respect of the Bloomberg MSCI US Corporate High Yield Climate Paris-Aligned ESG Select Index (the "Index") is the licensing of the Index, which is determined, composed and calculated by BISL, or any successor thereto, without regard to the Issuer or the Fund or the owners of the Fund. The Fund is not sponsored, endorsed, sold or promoted by Bloomberg. Bloomberg does not make any representation or warranty, express or implied regarding the advisability of investing in the Fund or the advisability of investing in securities generally or the ability of the Index to track corresponding or relative market performance. Bloomberg has not passed on the legality or suitability of the Fund with respect to any person or entity. Bloomberg is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the Fund to be issued. Bloomberg does not have any obligation to take the needs of the issuer or the owners of the Fund or any other third party into consideration in determining, composing or calculating the Index. Bloomberg does not have any obligation or liability in connection with administration, marketing or trading of the Fund.

BLOOMBERG DOES NOT MAKE ANY EXPRESS OR IMPLIED WARRANTIES, AND EACH HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE INDEX OR ANY DATA INCLUDED THEREIN. BLOOMBERG SHALL NOT BE LIABLE FOR ANY MISCALCULATION OF OR ANY INCORRECT, DELAYED OR INTERRUPTED PUBLICATION WITH RESPECT TO ANY OF THE INDEX. BLOOMBERG SHALL BE NOT BE LIABLE FOR ANY DAMAGES, INCLUDING, WITHOUT LIMITATION, ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, OR ANY LOST PROFITS AND EVEN IF ADVISED OF THE POSSIBILITY OF SUCH, RESULTING FROM THE USE OF THE INDEX OR ANY DATA INCLUDED THEREIN OR WITH RESPECT TO THE FUND.

ISHARES $ HIGH YIELD CORP BOND ESG PARIS-ALIGNED CLIMATE UCITS ETF ("FUND") IS NOT SPONSORED, ENDORSED, SOLD OR PROMOTED BY MSCI INC. ("MSCI"), ANY OF ITS AFFILIATES, ANY OF ITS INFORMATION PROVIDERS OR ANY OTHER THIRD PARTY INVOLVED IN, OR RELATED TO, COMPILING, COMPUTING OR CREATING ANY MSCI INDEX

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APPENDIX I

Funds of the Company

As at the date of this Supplement, there are 57 other funds of the Company which are listed below:

BlackRock ESG Multi-Asset Conservative Portfolio UCITS ETF	iShares Developed World ex-UK UCITS ETF
BlackRock ESG Multi-Asset Growth Portfolio UCITS ETF	iShares Emerging Asia Local Govt Bond UCITS ETF
BlackRock ESG Multi-Asset Moderate Portfolio UCITS ETF	iShares EURO STOXX 50 UCITS ETF (Acc)
iShares $ Asia Investment Grade Corp Bond UCITS ETF	iShares Global Aggregate Bond ESG UCITS ETF
iShares $ Corp Bond ESG Paris-Aligned Climate UCITS ETF	iShares Global Govt Bond Climate UCITS ETF
iShares $ Development Bank Bonds UCITS ETF	iShares Global Govt Bond UCITS ETF
iShares $ Intermediate Credit Bond UCITS ETF	iShares Global Inflation Linked Govt Bond UCITS ETF
iShares € Aggregate Bond ESG UCITS ETF	iShares J.P. Morgan $ Short Duration EM Bond UCITS ETF
iShares € Corp Bond 1-5yr UCITS ETF	iShares J.P. Morgan € EM Bond UCITS ETF
iShares € Corp Bond BBB-BB UCITS ETF	iShares J.P. Morgan EM Local Govt Bond UCITS ETF
iShares € Corp Bond ESG Paris-Aligned Climate UCITS ETF	iShares MSCI Australia UCITS ETF
iShares € Corp Bond ex-Financials 1-5yr ESG UCITS ETF	iShares MSCI EM Small Cap UCITS ETF
iShares € Corp Bond ex-Financials UCITS ETF	iShares MSCI EM UCITS ETF USD (Acc)
iShares € Covered Bond UCITS ETF	iShares MSCI Japan Small Cap UCITS ETF
iShares € Govt Bond 0-1yr UCITS ETF	iShares MSCI Pacific ex-Japan ESG Enhanced UCITS ETF
iShares € Govt Bond 10-15yr UCITS ETF	iShares MSCI Pacific ex-Japan UCITS ETF
iShares € Govt Bond 5-7yr UCITS ETF	iShares MSCI Saudi Arabia Capped UCITS ETF
iShares € Govt Bond Climate UCITS ETF	iShares MSCI South Africa UCITS ETF
iShares € High Yield Corp Bond ESG Paris-Aligned Climate UCITS ETF	iShares MSCI Target Europe ex-UK Real Estate UCITS ETF
iShares £ Corp Bond ex-Financials UCITS ETF	iShares MSCI Target UK Real Estate UCITS ETF
iShares Blockchain Technology UCITS ETF	iShares MSCI Target US Real Estate UCITS ETF
iShares Broad $ High Yield Corp Bond UCITS ETF	iShares MSCI World Paris-Aligned Climate UCITS ETF
iShares Broad € High Yield Corp Bond UCITS ETF	iShares MSCI World Small Cap ESG Enhanced UCITS ETF
iShares Core € Corp Bond UCITS ETF	iShares MSCI World Small Cap UCITS ETF
iShares Core € Govt Bond UCITS ETF	iShares S&P 500 Equal Weight UCITS ETF
iShares Core Global Aggregate Bond UCITS ETF	iShares S&P 500 ESG UCITS ETF
iShares Core MSCI Europe UCITS ETF EUR (Acc)	iShares S&P SmallCap 600 UCITS ETF
iShares Core MSCI Japan IMI UCITS ETF	iShares UK Gilts 0-5yr UCITS ETF
iShares Core MSCI World UCITS ETF	

The Shares of each Fund are issued on different terms and conditions to those of the other funds.

APPENDIX II

The following sections in the Prospectus contain further general information and have been referenced in this Supplement:

Section Heading in Prospectus	**Page number in Prospectus**
Definitions	7
Investment Objectives and Policies	25
Investment Techniques	69
Efficient Portfolio Management	74
Risk Factors	76
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Management of the Company	139
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Pre-contractual disclosure for the financial products referred to in Article 8 paragraphs 1, 2 and 2a of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: iShares $ High Yield Corp Bond ESG Paris-Aligned Climate UCITS ETF
Legal entity identifier: 5299006LYO4OV6B0PK66

Environmental and/or social characteristics

Sustainable investment *means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.*

The ***EU Taxonomy*** *is a classification system laid down in Regulation (EU) 2020/852, establishing a list of* ***environmentally sustainable economic activities****. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.*

Does this financial product have a sustainable investment objective?	
●● ☐ **Yes**	●○✔ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective: ____%** ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	✔ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 5% of sustainable investments ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ✔ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ✔ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective: ____%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund is passively managed and seeks to promote the following environmental and social characteristics by tracking the performance of the Bloomberg MSCI US Corporate High Yield Climate Paris-Aligned ESG Select Index, its Benchmark Index:

1. exclusion of issuers deemed to be involved in certain activities considered to have negative environmental and/or social outcomes;
2. exclusion of issuers deemed to have violated United Nations Global Compact principles
3. exclusion of issuers deemed to be involved in very severe ESG related controversies based on a “red” MSCI ESG controversy flag
4. exclusion of issuers deemed to be involved in severe or very severe controversies relating to environmental issues;
5. exposure to issuers which have been selected and weighted to align with the climate commitments laid down in the Paris Agreement; and
6. exposure to investments qualifying as sustainable investments.

These environmental and social characteristics are incorporated through the selection of constituents in the Fund’s Benchmark Index at each index rebalance (as described below).

The Benchmark Index has been labelled by the index provider as an EU Paris-aligned Benchmark (“PAB”) (within the meaning of the Benchmarks Regulation) and therefore has to be constructed in accordance with the minimum standards prescribed by the Benchmarks Regulation in respect of the criteria for the selection, weighting and, where applicable, exclusion of the underlying assets, to align with the climate commitments laid down in the Paris Agreement.

The Benchmark Index excludes issuers from the Bloomberg US Corporate High Yield 3% Issuer Capped Index (its "Parent Index") based on their involvement in certain activities deemed to have negative environmental or social outcomes. Issuers are excluded from the Benchmark Index based on their involvement in the following business lines/activities (or related activities):

- controversial weapons
- tobacco
- thermal coal
- fossil fuel power generation
- nuclear weapons
- civilian firearms
- oil and gas (including unconventional oil and gas)
- conventional weapons
- weapons systems, components, support systems and services

The index provider defines what constitutes "involvement" in each restricted activity. This may be based on percentage of revenue, a defined total revenue threshold, or any connection to a restricted activity regardless of the amount of revenue received.

The Benchmark Index also excludes issuers from the Parent Index which are classified as violating United Nations Global Compact principles (which are widely accepted corporate sustainability principles that meet fundamental responsibilities in areas such as anti-corruption, human rights, labour and environmental) or which have a 'red' MSCI ESG controversy flag (based on an MSCI ESG controversy score of 0).An MSCI ESG controversy score measures an issuer's involvement (or alleged involvement) in serious controversies based on an assessment of an issuer's operations, products and/or services which are deemed to have a negative ESG impact. An MSCI ESG controversy score may consider involvement in adverse impact activities in relation to environmental issues such as biodiversity and land use, energy and climate change, water stress, toxic emissions and waste issues. An MSCI ESG controversy score may also consider involvement in adverse impact activities in relation to social issues such as human rights, labour management relations, discrimination and workforce diversity. Companies with a 'red' or 'orange' MSCI environment controversy flag (based on an MSCI environment controversy score of 1 or below) are also excluded from the Benchmark Index.

To be included in the Benchmark Index, issuers must have an MSCI ESG rating and the rating must be B or higher. An MSCI ESG rating is designed to measure an issuer's resilience to long-term industry material ESG risks and how well it manages ESG risks and opportunities relative to industry peers. The index provider may consider the following environmental themes when determining an issuer's ESG score as part of the ESG rating methodology: climate change mitigation based on greenhouse gas emissions, waste and other emissions, land use and biodiversity. The index provider may also consider the following social themes when determining an issuer's ESG score as part of the ESG rating methodology: access to basic services, community relations, data privacy and security, human capital, health and safety and product governance. The MSCI ESG rating methodology recognises that certain environmental and social issues are more material based on the type of activity that the issuer is involved in by weighting the issues differently in the scoring methodology. Those issuers with higher MSCI ESG scores are determined by the index provider to be those issuers that may be better positioned to manage future ESG-related challenges and risks compared to their industry peers.

Following the application of the above exclusionary criteria, the constituents of the Benchmark Index are selected and weighted using the index provider's optimisation process at each index rebalance which seeks to:

- reduce the weighted average absolute GHG emissions (Scope 1+2+3) by 50% compared to the Parent Index;
- reduce the weighted average GHG emissions (Scope 1+2+3) by 7% on an annual basis;
- reduce the weighted average carbon intensity by 50% compared to the Parent Index;
- reduce the weighted average carbon intensity by 7% on an annual basis;
- increase the weighted average green revenue relative to the Parent Index;
- achieve a minimum green to fossil-fuel based ratio relative to the Parent Index;

- increase the weighted exposure to issuers setting carbon reduction targets relative to the Parent Index; and
- increase the weighted average ESG score relative to the Parent Index.

For more information on where details of the methodology of the Benchmark Index can be found (including further details of the exclusionary screens and optimisation constraints applied by the index provider) see Where can the methodology used for the calculation of the designated index be found? below.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The following sustainability indicators form part of the ESG selection criteria of the Benchmark Index tracked by the Fund:

1. The exclusion of issuers involved in certain activities deemed to have negative environmental and/or social outcomes as described above (see What environmental and/or social characteristics are promoted by this financial product?).
2. The exclusion of companies classified as violating United Nations Global Compact principles by the Benchmark Index as described above (see What environmental and/or social characteristics are promoted by this financial product?).
3. The exclusion of issuers with an MSCI ESG rating below the minimum threshold (see What environmental and/or social characteristics are promoted by this financial product?).
4. The exclusion of issuers identified as being involved in ESG related controversies as described above (see What environmental and/or social characteristics are promoted by this financial product?).
5. The exclusion of issuers identified as being involved in controversies relating to environmental issues as described above (see What environmental and/or social characteristics are promoted by this financial product?).
6. The weighted average absolute GHG emissions relative to the Parent Index as described above (see What environmental and/or social characteristics are promoted by this financial product?).
7. The decarbonisation rate of GHG emissions per year as described above (see What environmental and/or social characteristics are promoted by this financial product?).
8. The weighted average carbon intensity relative to the Parent Index as described above (see What environmental and/or social characteristics are promoted by this financial product?).
9. The decarbonisation rate of carbon intensity per year as described above (see What environmental and/or social characteristics are promoted by this financial product?).
10. The weighted average green revenue relative to the Parent Index (see What environmental and/or social characteristics are promoted by this financial product?).
11. The weighted average ratio of overall green revenue to fossil fuels-based revenue as described above (see What environmental and/or social characteristics are promoted by this financial product?).
12. The exposure to companies with credible carbon reduction targets as described above (see What environmental and/or social characteristics are promoted by this financial product?).
13. The weighted average ESG score relative to the Parent Index (see What environmental and/or social characteristics are promoted by this financial product?).

14. The Fund's investments qualifying as sustainable investments as described below (see What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?).

15. The consideration of the principal adverse impacts on sustainability factors as identified in the table below (see Does this financial product consider principal adverse impacts on sustainability factors?).

    The ESG selection criteria of the Benchmark Index is applied by the index provider at each index rebalance. At each index rebalance (or as soon as possible and practicable thereafter), the portfolio of the Fund is also rebalanced in line with its Benchmark Index. Where the Fund's portfolio ceases to meet any of these characteristics in between index rebalances, the Fund's portfolio will be re-aligned at the next index rebalance (or as soon as possible and practicable thereafter) in accordance with the Benchmark Index. Where a constituent is removed from the Benchmark Index in between index rebalances, the Fund's portfolio will be re-aligned thereafter as soon as possible and practicable (in the Investment Manager's view) to align with the Benchmark Index.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The Fund's investments qualifying as sustainable investments will be either in:

(1) fixed income securities which have been classified as "green bonds";

(2) issuers involved in activities deemed to contribute to positive environmental and/or social impacts; or

(3) issuers which have committed to one or more active carbon emissions reduction target(s) approved by the Science Based Targets initiative (SBTi).

The Benchmark Index defines green bonds as fixed income securities the proceeds of which are exclusively and formally applied to projects or activities that promote climate or other environmental sustainability purposes. In accordance with the Benchmark Index methodology, securities (whether or not labelled as green by the issuer) are independently evaluated under the following four criteria to determine whether they should be classified as green bonds: (i) stated use of proceeds; (ii) process for green project evaluation and selection; (iii) process for management of proceeds; and (iv) commitment to ongoing reporting of the environmental performance of the use of proceeds. To be considered a green bond for the purpose of the index methodology, all four criteria must be met for bonds issued after the publication of the Green Bond Principles (an agreement among market participants on a set of standards for the green credentials of labelled issuance), although bonds issued prior to that date that do not satisfy all four criteria may still qualify for inclusion in the Benchmark Index.

The index provider may also allocate a proportion of the Benchmark Index to companies that either: (1) derive a minimum percentage of their revenue from products or services with positive impacts on the environment and/or society, or (2) have one or more active carbon emissions reduction target(s) approved by the Science Based Targets initiative (SBTi).

The Benchmark Index uses the MSCI ESG Sustainable Impact Metrics which aim to measure revenue exposure to positive sustainable impacts in line with the United Nations' Sustainable Development Goals, the European Union Taxonomy and other sustainability-related frameworks. The MSCI ESG Sustainable Impact Metrics consider positive environmental impacts in relation to themes such as climate change and natural capital and seek to identify those companies that may derive revenues from activities (or related activities) such as alternative energy, energy efficiency and green building, sustainable water, pollution prevention and control and sustainable agriculture. The MSCI ESG Sustainable Impact Metrics also consider positive societal impacts in relation to themes such as basic needs and empowerment and seek to identify those companies that may derive revenues from activities (or related activities) such as nutrition, major disease treatments, sanitation, affordable real estate, small and medium enterprises (SMEs), education and connectivity.

The environmental and social themes together with the revenue alignment thresholds are determined by the index provider and are applied at each index rebalance of the Benchmark Index.

The Benchmark Index also seeks to identify constituents with a commitment to one or more active carbon emissions reduction target(s) approved by the SBTi. The SBTi seeks to provide a clearly defined pathway for companies and financial institutions to reduce greenhouse gas (GHG) emissions to align with the goals of the Paris Agreement and help prevent the worst impacts of climate change.

The sustainable investments within the Fund may contribute to either an environmental objective or a social objective or a combination of the two. The combination of sustainable investments with an environmental or social objective may change over time depending on the activities of the issuers within the Benchmark Index. The assessment of the Fund's investments qualifying as sustainable investments is determined on or around each index rebalance, where the Fund's portfolio is rebalanced in line with its Benchmark Index.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

At each index rebalance, all investments qualifying as sustainable investments are screened by the index provider against certain minimum environmental and social indicators. As part of the screening criteria applied by the index provider, companies are assessed on their involvement in activities deemed to have highly negative environmental and social impacts. Where a company has been identified by the index provider as being involved in activities with highly negative environmental and social impacts, it shall not be eligible as a sustainable investment.

For bonds qualifying as green bonds, the assessment is carried out by the index provider at an issuance level based on the use of the proceeds of the bonds which must be formally and exclusively applied to promote climate or other environmental sustainability purposes. In addition, certain minimum safeguards and eligibility exclusions are applied by the index provider in the selection of green bonds to avoid exposure to bonds associated with activities deemed to have highly negative environmental and societal impacts.

— *How have the indicators for adverse impacts on sustainability factors been taken into account?*

The mandatory indicators for adverse impacts on sustainability factors (as set out in the Regulatory Technical Standards (RTS) under the SFDR) are considered at each index rebalance through the assessment of the Fund's investments qualifying as sustainable investments.

As a result of the screening criteria applied by the index provider, the following investments within the Benchmark Index shall not qualify as sustainable investments: (1) companies deriving a minimum % revenue from thermal coal (as determined by the index provider) which is significantly carbon intensive and a major contributor to greenhouse gas emissions (taking into account indicators relating to GHG emissions), (2) companies with an MSCI ESG controversy score of 1 or below that have been deemed to be involved in severe or very severe ESG related controversies (including in relation to indicators concerning greenhouse gas emissions, biodiversity, water, waste and social and employee matters), and (3) companies with an MSCI ESG rating of B or below, which are deemed to be lagging industry peers based on their high exposure and failure to manage significant ESG risks (including in relation to indicators concerning greenhouse gas emissions, biodiversity, water, waste, unadjusted gender pay gap and board gender diversity).

In respect of green bonds, the indicators for adverse impacts on sustainability factors are taken into account at each index rebalance and are assessed by the index provider at the issuance level based on an assessment of the use of proceeds of the bonds which must be formally and exclusively applied to promote climate or other environmental sustainability purposes. In addition, minimum safeguards and eligibility exclusions are applied by the index provider in the selection of green bonds to ensure the proceeds of which are not applied to activities with highly negative environmental and social outcomes. This includes through the minimum safeguards and eligibility exclusions of bonds with the use of proceeds linked to thermal coal extraction and power generation, significant biodiversity loss and controversial weapons.

The Benchmark Index also excludes: (1) companies with a “red” MSCI ESG controversy flag which includes companies determined to be in violation of international and/or national standards (taking into account indicators concerning violations of United Nations Global Compact principles and OECD Guidelines for Multinational Enterprises), and (2) companies determined to have any tie to controversial weapons (taking into account indicators concerning ties to controversial weapons).

— — *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Fund’s Benchmark Index excludes issuers with a “red” ESG controversy flag which excludes issuers which have been determined by the index provider to be in violation of the UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises. The Benchmark Index applies the above exclusionary criteria at each index rebalance.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

✔ Yes

☐ No

Yes, the Fund takes into consideration principal adverse impacts on sustainability factors by tracking the Benchmark Index which incorporates certain ESG criteria in the selection of index constituents. The Investment Manager has determined that those principal adverse impacts (PAIs) marked as “X” in the table below are considered as part of the selection criteria of the Benchmark Index at each index rebalance.

The Fund’s annual report will include information on the principal adverse impacts on sustainability factors set out below.

	PAI Description	Benchmark Index Selection Criteria				
		Minimum % reduction of GHG emissions and carbon intensity	Exclusion of issuers based on certain environmental screens (listed above)	Exclusion of issuers based on an MSCI ESG Controversy Score	Exclusion of issuers determined to have any tie to controversial weapons	Minimum weighted green to fossil-fuel based ratio
Greenhouse Gas (GHG) emissions	1. (a) GHG emissions (Scope 1/2)	X				
	1.(b) GHG emissions (Scope 3)	X				
	2. Carbon footprint	X				
	3. GHG intensity	X				
	4. % in Fossil Fuels		X			
	5. Non-Renewable / Renewable %					X
	6. High impact sector energy consumption					
Biodiversity	7. Negative impact to Biodiversity sensitive areas			X		

	PAI Description	Benchmark Index Selection Criteria				
		Minimum % reduction of GHG emissions and carbon intensity	Exclusion of issuers based on certain environmental screens (listed above)	Exclusion of issuers based on an MSCI ESG Controversy Score	Exclusion of issuers determined to have any tie to controversial weapons	Minimum weighted green to fossil-fuel based ratio
Water	8. Emissions to Water			X		
Waste	9. Hazardous Waste			X		
Social and employee matters	10. UNGC+OECD Violations			X		
	11. UNGC+OECD Process, Monitoring					
	12. Unadjusted gender pay gap					
	13. Board gender diversity					
	14. Controversial weapons				X	

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The investment policy of the Fund is to invest in a portfolio of fixed income securities that as far as possible and practicable consists of the component securities of the Benchmark Index and thereby comply with the ESG characteristics of its Benchmark Index. The index methodology of its Benchmark Index is described above (see What environmental and/or social characteristics are promoted by this financial product? above).

By investing in the constituents of its Benchmark Index, the Fund's investment strategy enables it to comply with the ESG requirements of its Benchmark Index as determined by the index provider. In the event that any investments cease to comply, the Fund may continue to hold such investments only until such time as the relevant securities cease to form part of the Benchmark Index and it is possible and practicable (in the Investment Manager's view) to liquidate the position.

The Fund may use optimisation techniques in order to achieve a similar return to the Benchmark Index which means that it is permitted to invest in securities that are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. If the Fund does so, its investment strategy is to invest in issuers in the Benchmark Index or in issuers that meet the ESG requirements of the Benchmark Index at the time of purchase. If such securities cease to comply with the ESG requirements of the Benchmark Index, the Fund may hold such securities only until the next portfolio rebalance and when it is possible and practicable (in the Investment Manager's view) to liquidate the position.

The strategy is implemented at each portfolio rebalance of the Fund, which follows the index rebalance of its Benchmark Index.

Governance Processes

The Investment Manager carries out due diligence on the index providers and engages with them on an ongoing basis with regard to index methodologies including their assessment of good governance criteria set out by the SFDR which include sound management structures, employee relations, remuneration of staff and tax compliance at the level of investee companies.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

  The binding elements of the investment strategy are that the Fund will invest in a portfolio of fixed income securities that as far as possible and practicable consists of the component securities of the Benchmark Index and thereby comply with the ESG characteristics of its Benchmark Index.

  As the Fund is able to use optimisation techniques and may invest in securities that are not underlying constituents of the Benchmark Index, where it does so, its investment strategy is to invest only in issuers in the Benchmark Index or in issuers that meet the ESG requirements of the Benchmark Index at the time of purchase.

In the event that any investments cease to comply with the ESG requirements of the Benchmark Index, the Fund may continue to hold such investments only until such time as the relevant securities cease to form part of the Benchmark Index and/or it is possible and practicable (in the Investment Manager's view) to liquidate the position.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no committed minimum rate to reduce the scope of the Fund's investments.

The Fund's Benchmark Index seeks to reduce the number of constituents from the Parent Index through the application of the ESG selection criteria. However, there is no minimum rate of reduction applied or targeted by the index provider in the selection of constituents for the Benchmark Index.

The rate of reduction may vary over time depending on the issuers that make up the Parent Index. For example, if issuers in the Parent Index engage in fewer activities that are excluded from the Parent Index based on the ESG selection criteria applied by the Benchmark Index, the rate of reduction may reduce over time. Conversely, if the index provider increases the ESG selection criteria in the Benchmark Index as ESG standards evolve, the rate of reduction may increase over time

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- ***What is the policy to assess good governance practices of the investee companies?***

Good governance checks are incorporated within the methodology of the Benchmark Index. At each index rebalance, the index provider excludes companies from the Benchmark Index based on an ESG controversy score (which measures an issuer's involvement in ESG related controversies) and excludes companies that are classified as violating United Nations Global Compact principles (see What environmental and/or social characteristics are promoted by this financial product? above). Companies that cannot be assessed by the index provider for an ESG controversy score where data is not available are also excluded from the Benchmark Index.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

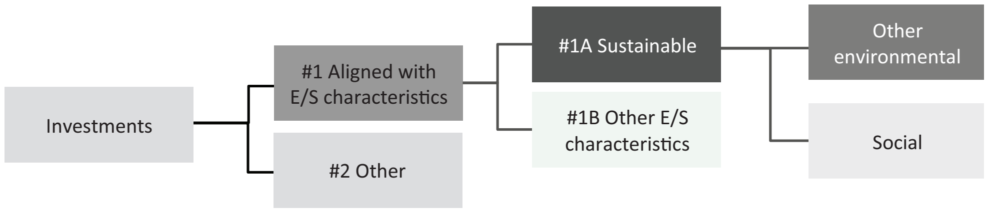
The Fund seeks to invest in a portfolio of securities that as far as possible and practicable consists of the component securities of the Benchmark Index.

It is expected that at least 80% of the Fund's assets will be invested in either securities within the Benchmark Index or in securities that meet the ESG selection criteria of the Benchmark Index. As such, at each index rebalance, the portfolio of the Fund will be rebalanced in line with its Benchmark Index so that at least 80% of the Fund's assets will be aligned with the ESG characteristics of the Benchmark Index (this includes 5% of the Fund's assets that are qualified as sustainable investments) (as determined at that rebalance).

In the event that any investments cease to comply with the ESG requirements of the Benchmark Index, the Fund may continue to hold such investments until such time as the relevant securities cease to form part of the Benchmark Index (or otherwise cease to meet the ESG selection criteria of the Benchmark Index) and it is possible and practicable (in the Investment Manager's view) to liquidate the position.

The assessment of the Fund's investments qualifying as sustainable investments is determined on or around each index rebalance, where the Fund's portfolio is rebalanced in line with its Benchmark Index. Where any investment ceases to qualify as a sustainable investment between index rebalances, the Fund's holdings in sustainable investments may fall below the minimum proportion of sustainable investments.

The Fund may invest up to 20% of its assets in other investments (“#2 Other”).



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

  The Fund may use derivatives for investment purposes and for the purposes of efficient portfolio management in connection with the environmental or social characteristics promoted by the Fund. Where the Fund uses derivatives for promoting environmental or social characteristics, any ESG rating or analyses referenced above will apply to the underlying investment.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund does not currently commit to investing more than 0% of its assets in sustainable investments with an environmental objective aligned with the EU Taxonomy.

- ***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?***

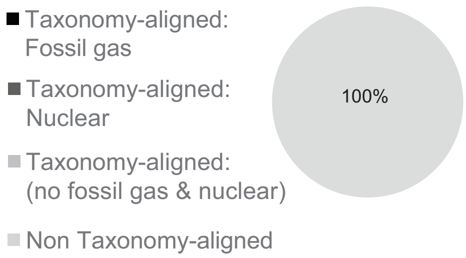
☐ Yes ☐ In fossil gas ☐ In nuclear energy

✔ No

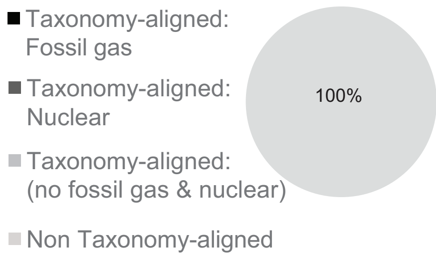
The Fund does not currently commit to invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy.

The two graphs below show the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

- ***What is the minimum share of investments in transitional and enabling activities?***

  This Fund does not currently commit to investing more than 0% of its assets in investments in transitional and enabling activities within the meaning of the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

A minimum of 5% of the Fund's assets will be invested in sustainable investments. These sustainable investments will be sustainable investments with either an environmental objective that is not committed to align with the EU Taxonomy or a social objective or a combination of the two. The combination of sustainable investments with an environmental or social objective may change over time depending on the activities of the issuers within the Benchmark Index. The assessment of the Fund's investments qualifying as sustainable investments is determined on or around each index rebalance, where the Fund's portfolio is rebalanced in line with its Benchmark Index.

What is the minimum share of socially sustainable investments?

A minimum of 5% of the Fund's assets will be invested in sustainable investments. These sustainable investments will be a mix of sustainable investments with either an environmental objective that is not committed to align with the EU Taxonomy or a social objective or a combination of the two. The combination of sustainable investments with an environmental or social objective may change over time depending on the activities of the issuers within the Benchmark Index. The assessment of the Fund's investments qualifying as sustainable is determined on or around each index rebalance, where the Fund's portfolio is rebalanced in line with its Benchmark Index.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

Other holdings may include cash, money market funds and derivatives. Such investments may only be used for the purpose of efficient portfolio management, except for derivatives used for currency hedging for any currency hedged share class.

Any ESG rating or analyses applied by the index provider will apply only to the derivatives relating to individual issuers used by the Fund. Derivatives based on financial indices, interest rates, or foreign exchange instruments will not be considered against minimum environmental or social safeguards.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Yes, this Fund seeks to achieve the environmental and social characteristics it promotes by tracking the performance of the Bloomberg MSCI US Corporate High Yield Climate Paris-Aligned ESG Select Index, its Benchmark Index, which incorporates the index provider's ESG selection criteria.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  At each index rebalance, the index provider applies the ESG selection criteria to the Parent Index to exclude issuers that do not meet such ESG selection criteria.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  At each index rebalance (or as soon as reasonably possible and practicable thereafter), the portfolio of the Fund is also rebalanced in line with its Benchmark Index.

- ***How does the designated index differ from a relevant broad market index?***

  The Benchmark Index has been labelled by the index provider as an EU Paris-aligned benchmark (within the meaning of the Benchmarks Regulation) and therefore has to be constructed in accordance with the minimum standards prescribed by the Benchmarks Regulation. The Benchmark Index selects, weights and, where applicable, excludes issuers from the Parent Index to align with the climate commitments laid down in the Paris Agreement.

  The ESG selection criteria that is applied by the index provider is set out above (see What environmental and/or social characteristics are promoted by this financial product?).

- ***Where can the methodology used for the calculation of the designated index be found?***

  The methodology of the Fund's Benchmark Index can be found by copying and pasting the following link into your web browser: https://www.bloomberg.com/professional/product/indices/bloomberg-fixed-income-indices/#/ucits.

Where can I find more product specific information online?

More product-specific information can be found on the website:

For further details specific to this Fund, please refer to the sections of this prospectus entitled 'Investment Objective' and 'Investment Policy', 'SFDR' and also the product page for the Fund, which can be found by typing the name of the Fund into the search bar on the iShares website: www.iShares.com

APPENDIX III

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