

iSHARES ESG SCREENED GLOBAL BOND INDEX FUND

iShares®
by BLACKROCK®

FUND UPDATE

30 April 2026

Investment Performance (%)

| | 1 Mth | 3 Mths | YTD | 1 Yr | 3 Yrs | 5 Yrs | Since Incep |
|---|-------|--------|-------|-------|-------|-------|-------------|
| iShares ESG Screened Global Bond Index Fund (Gross of Fees) (Class E) | 0.30 | -0.24 | -0.05 | 2.05 | 2.80 | -0.32 | 0.22 |
| Bloomberg Barclays MSCI Global Agg SRI Select ex-Fossil Fuels Index 100% AUD Hedged | 0.30 | -0.21 | -0.02 | 2.06 | 2.84 | -0.31 | 0.23 |
| Outperformance (Gross of Fees) | 0.00 | -0.04 | -0.03 | -0.01 | -0.03 | -0.01 | -0.01 |
| iShares ESG Screened Global Bond Index Fund (Net of Fees) (Class D) | 0.28 | -0.29 | -0.11 | 1.85 | 2.61 | -0.51 | 0.01 |
| Bloomberg Barclays MSCI Global Agg SRI Select ex-Fossil Fuels Index 100% AUD Hedged | 0.30 | -0.21 | -0.02 | 2.06 | 2.84 | -0.31 | 0.23 |
| Outperformance (Net of Fees) | -0.02 | -0.08 | -0.09 | -0.21 | -0.22 | -0.20 | -0.22 |

Past performance is not a reliable indicator of future performance. Performance for periods greater than one year is annualised. Performance is calculated in Australian dollars and assumes reinvestment of distributions. Gross performance is calculated gross of ongoing fees and expenses. Net performance is calculated on exit-to-exit price basis, e.g. net of ongoing fees and expenses. Gross returns are provided for products offered to wholesale clients only who may be subject to differential fees. Please refer to the Fund's product disclosure statement for more information. Neither the fund nor BlackRock makes any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of any ESG related data such as ESG score, or the way they are defined or implemented. ESG data is sourced from MSCI.

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Performance Summary

Market Review

US:

April was characterized by a meaningful improvement in risk sentiment following the announcement of a ceasefire between the U.S. and Iran over the Strait of Hormuz. Equities rebounded over the month, reversing losses from the March escalation and pushing U.S. equity markets to new highs for the year, supported by de-escalation headlines and generally solid Q1 earnings. The S&P 500 finished the month above pre-escalation levels and modestly higher year-to-date, as energy prices retraced earlier gains and investors selectively rotated back into risk assets. At the same time, U.S. Treasury yields moved higher across the curve, reflecting elevated term premia, lingering inflation uncertainty tied to energy prices, and diminished expectations for near-term monetary easing, while credit spreads tightened and reversed much of March's widening.

At its April meeting, the Federal Reserve held rates steady at 3.50%-3.75%, as widely expected, but the decision was unusually divided, with an 8-4 vote, the most dissents since 1992. While there was broad agreement on holding policy unchanged, consensus around the future policy path was far weaker. Chair Powell emphasized that no members are currently advocating for rate hikes, signaling a shift toward a more neutral, data-dependent stance where both cuts or hikes remain possible. Labor market data continue to point to stability rather than deterioration: initial jobless claims fell sharply to 189k, largely reflecting the unwinding of seasonal distortions tied to New York public-sector spring breaks, with the four-week average declining to 207.5k. While we place limited weight on this single print, it reinforces the broader picture of gradual late-cycle cooling, and we forecast April nonfarm payroll growth of roughly 80k amid ongoing volatility. On inflation, March headline CPI printed hot, driven by higher energy prices, while core inflation eased meaningfully and undershot expectations. Consistent with this mixed backdrop, markets continue to price only a very shallow easing cycle, with roughly 15 bps of cumulative cuts expected through end-2026.

Internationally, central banks faced a more complex policy environment as energy-driven inflation risks resurfaced. The European Central Bank and Bank of England both held rates steady

but acknowledged that tighter policy was actively debated, reflecting concerns that higher energy costs could feed into broader inflation dynamics, particularly in energy-import-dependent regions. Euro area and UK sovereign yields rose alongside global rates. In Japan, the Bank of Japan kept policy unchanged while revising growth forecasts lower and inflation forecasts higher in response to elevated oil prices, maintaining a cautious approach to normalization. Overall, April reinforced the shift toward greater global macro uncertainty, with markets remaining highly sensitive to geopolitical developments and inflation risks even as near-term tail risks receded.

Eurozone:

April was another turbulent month, with headlines surrounding the Iran conflict showing no signs of easing. Stagflationary concerns resurfaced as the extended ceasefire coincided with a US-led blockade of the Strait of Hormuz. The prolonged disruption and lack of a clear path to reopening the Strait pushed Brent crude briefly above \$120/bbl for the first time since 2022. Ongoing geopolitical volatility has materially increased upside risks to inflation, prompting major central banks to reassess the likelihood of further interest-rate hikes as they seek to contain the resulting inflationary shock.

In Europe, stagflation fears were firmly at the forefront of investors' minds. Elevated oil prices, driven by the continued closure of the Strait of Hormuz, combined with a series of weaker macro data releases pointing to a slowing Euro Area growth outlook. March PMIs signalled a deterioration in activity, with the composite index falling to a 17-month low of 48.6. This weakness was reinforced by consumer confidence, which declined to a three-year low. Alongside this, Euro Area Q1 flash GDP printed at 0.15% quarter-on-quarter, undershooting both consensus expectations and the ECB's forecast. Inflation pressures also re-emerged, with April CPI rising to 3.0%, the highest level since 2023. Against this backdrop, the ECB unanimously held policy rates at 2.00%, while signalling potential hikes as early as June, noting that "upside risks to inflation and downside risks to growth have intensified". In rates markets, 10-year German Bund yields reached their highest intramonth level since 2011, before ending the month 4bps higher at 3.04%.

In the US, the extended conflict in the Middle East continued to dominate headlines, with President Trump ordering a US-Navy-led blockade of the Strait of Hormuz. The resulting energy shock fed through to inflation data, with the March CPI report showing prices rose by 0.87% month-on-month – the largest increase since June 2022 – taking headline inflation to 3.3% year-on-year. Against this backdrop, the Federal Reserve held policy rates steady in the 3.50-3.75% range, placing greater emphasis on the need to see additional data before acting. Stagflation concerns were also evident in markets, with the US dollar weakening against every other G10 currency over April. In rates markets, 10-year US Treasury yields rose 5bps over the month, ending at 4.37%.

In the UK, political instability dominated headlines during the month, with multiple hearings surrounding Prime Minister Keir Starmer's appointment of Peter Mandelson despite a failed security vetting process. Speculation over the future of the Starmer government weighed on investor confidence in Gilts, with yields rising to their highest levels since 2008. From a macro perspective, March CPI rose broadly in line with consensus, increasing by 33bps to 3.32% year-on-year, as energy inflation accelerated sharply over the month. By contrast, growth data proved more resilient: UK PMIs increased by 1.6pts to 52.0, supported by both manufacturing and services, suggesting limited near-term growth disruption from the Iran conflict. Against this backdrop, the Bank of England held policy rates at 3.75%, reiterating its guidance that it "stands ready to act" to ensure inflation returns to the 2% target. In rates markets, 10-year UK Gilt yields rose 10bps over the month, ending April at 5.01%.

UK:

Over the month, the escalation of the conflict in the Middle East dominated global markets, driving a sharp repricing across rates, credit and commodities. Early optimism around de-escalation led to a temporary decline in energy prices and a lower repricing in short-dated rate expectations, particularly in the UK, where expectations for further tightening were reduced. Additionally, equities have shown exceptional resilience despite AI disruption fears and energy shock. However, as the month progressed and tensions persisted, energy prices rebounded, pushing global yields higher and reversing much of the earlier move. In the UK, gilt yields rose across the curve, moves were concentrated on belly/long-end part of the curve, while the front end remained more anchored, potentially reflecting the market's sensitivity to persistent inflation risks. Over the month, 2-year UK treasury rose 5 bps, 10-year yields rose roughly 10 basis points, ending the month at 5.01%, and 30-year yields increased around 17 basis points. The Bank of England held interest rates at 3.50%-3.75%, maintaining its data-dependent stance and reiterating its readiness to act should inflationary pressures persist. CPI data printed broadly in line with expectations, higher than expected services and food inflation was offset by weaker core goods prices. The main driver of it was the large rise in fuel prices, pushing energy inflation higher. Labour market data remained mixed, with moderating wage growth and softer labour demand alongside an unexpected decline in unemployment. Globally, central banks remained on hold, with the Federal Reserve maintaining a broadly balanced tone – leaving interest rates at 3.75% and the ECB also held interest rates unchanged – signaling a more hawkish bias as inflation in the euro area accelerated, driven almost entirely by energy.

Japan:

JGB yields saw a rise in yields, particularly in the 10-15 year zones. The 10-year bond yield closed at 2.355%, up 0.16% from the end of March.

The JGB curve, notably in the long and super-long-term sectors, started the month with a sell-off amid upside inflation risks, as a spike in oil prices driven by geopolitical tensions in the Middle East continued to push yields higher. However, super-long yields stabilized following solid demand at the 20-year auction, in contrast to the 10-15 year sector, which continued to lead the upward movement of the curve.

At the BoJ's Monetary Policy Meeting held on April 27 and 28, the policy rate was kept unchanged, in line with market consensus, as geopolitical uncertainty surrounding the Middle East remains elevated. However, the presence of three dissenters surprised the market and increased conviction around a potential rate hike in June.

Overall inflation excluding perishable food items was +1.8% year-over-year in March, and the unemployment rate for March was up to 2.7% from 2.6% in February.

Risk Characteristics

| | Fund | Benchmark |
|---------------------------|------|-----------|
| Average Maturity (Years) | 8.02 | 8.12 |
| Modified Duration (Years) | 6.17 | 6.20 |
| Norminal Yield (%) | 3.69 | 3.79 |
| Convexity | 0.65 | 0.65 |

Top 10 Issuers (%)

| | Weight (%) |
|--|------------|
| UNITED STATES TREASURY | 20.8 |
| JAPAN (GOVERNMENT OF) | 8.6 |
| UNIFORM MBS | 8.4 |
| CHINA PEOPLES REPUBLIC OF (GOVERNMENT) | 6.9 |
| ITALY (REPUBLIC OF) | 3.0 |
| UK CONV GILT | 3.0 |
| GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 2 | 2.7 |
| CHINA DEVELOPMENT BANK | 2.7 |
| FRANCE (REPUBLIC OF) | 2.4 |
| GERMANY (FEDERAL REPUBLIC OF) | 2.3 |

Top 10 Issuers held by ESG score

| | ESG Score |
|-----------------------------------|-----------|
| CRH AMERICA FINANCE INC | 10.0 |
| ADOBE INC | 10.0 |
| AGENCE FRANCAISE DE DEVELOPPEMENT | 10.0 |
| AMERICAN TOWER CORPORATION | 10.0 |
| APPLIED MATERIALS INC | 10.0 |
| ASSICURAZIONI GENERALI SPA | 10.0 |
| AXA SA | 10.0 |
| BANQUE DEVELOPPT CONSEIL EUROPE 9 | 10.0 |
| BNP PARIBAS SA | 10.0 |
| COMMONWEALTH BANK OF AUSTRALIA | 10.0 |

Quality

| | Fund % | Benchmark % |
|-----|--------|-------------|
| AAA | 12.4 | 10.6 |
| AA | 42.9 | 43.3 |
| A | 30.0 | 30.7 |
| BAA | 12.6 | 11.9 |
| BA | 0.2 | 0.2 |
| NR | 1.9 | 3.2 |

Maturity Exposure

| | Fund % | Benchmark % |
|--------|--------|-------------|
| < 5 | 44.36 | 44.57 |
| 5 - 10 | 35.26 | 34.51 |
| >= 10 | 20.38 | 20.92 |

Country Exposure

| | Fund % | Benchmark % |
|---------|--------|-------------|
| US | 37.11 | 41.83 |
| Japan | 8.91 | 9.00 |
| China | 9.60 | 9.67 |
| Germany | 4.06 | 4.53 |
| France | 4.88 | 4.94 |
| UK | 4.02 | 4.31 |
| Italy | 3.28 | 3.31 |
| Canada | 3.55 | 3.51 |
| Other | 24.58 | 18.90 |

ESG Sector Score

| | Fund | Benchmark |
|--------------------|------|-----------|
| Treasuries | 5.79 | 5.81 |
| Government Related | 6.15 | 6.21 |
| Corporates | 7.25 | 7.23 |
| Securitized | 8.48 | 8.28 |

ESG Score Breakdown

| | Fund | Benchmark |
|---------------|------|-----------|
| Environmental | 5.76 | 5.67 |
| Social | 6.86 | 6.98 |
| Governance | 6.12 | 6.13 |

* The specific securities identified and described do not represent all of the securities purchased or sold, and no assumptions should be made that they were or will be profitable. For illustrative purposes only. This is not a recommendation to invest in any particular financial product.

* See ESG Scoring and ratings section for more information.

About the Fund

Investment Objective

The Fund aims to match the return of the Bloomberg Barclays MSCI Global Aggregate SRI Select ex-Fossil Fuels index (AUD hedged) before fees less interest withholding taxes and the cost of currency hedging.

Fund Strategy

The strategy seeks to match the distribution of the risk-and-return factors of the index through a “stratified sampling” approach. This approach breaks the index into “cells” of securities that have similar factors of risk and return and then build a portfolio to match these cells. The factors we consider are interest-rate risk, credit risk and specific (security) risk.

Should be considered by investors who ...

- ▶ Seek broad exposure to global bonds.
- ▶ Seek a fund that uses a stratified-sampling approach so returns match those of the global bond market before fees and before the cost of currency hedging.
- ▶ Have a long term investment horizon.

Fund Details

| iShares ESG Screened Global Bond Index Fund (Class E) | |
|---|-------------|
| APIR | BLK2319AU |
| Fund Size | 288 mil |
| Buy/Sell Spread | 0.06%/0.06% |
| Tracking Error (3 Years p.a.) | 0.09% |

| iShares ESG Screened Global Bond Index Fund (Class D) | |
|---|-----------|
| APIR | BLK4636AU |
| Management Fee | 0.20% |

ESG Scoring and ratings

ESG Score:

The Overall ESG Scores represents either the ESG Ratings Final Ind.-Adjusted Score or Government Adjusted ESG Score of the issuer. ESG Ratings indicate how well an issuer manages its most material ESG risks relative to sector peers.

Environmental Score:

The Overall ESG Environmental Score represents either the Intangible Value Assessment (IVA) Environmental Pillar Score or Government Rating Environmental Pillar Score of the issuer. The score indicates how well an issuer manages its environmental issues. Score ranges from 0-10. Vendor: MSCI

Social Score:

The Overall ESG Social Score represents either the Intangible Value Assessment (IVA) Social Pillar Score or Government Rating Social Pillar Score of the issuer. The score indicates how well an issuer manages its social issues. Score ranges from 0-10. Vendor: MSCI

Governance Score:

The Overall ESG Governance Score represents either the Intangible Value Assessment (IVA) Governance Pillar Score or Government Rating Governance Pillar Score of the issuer. The score indicates how well an issuer manages its governance issues. Score ranges from 0-10. Vendor: MSCI

^ The actual inception of the Fund is 1 August 2019.

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