

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action to be taken you should consult your stockbroker, bank, manager, solicitor, accountant, relationship manager or other professional adviser immediately. This letter is available in languages other than English and copies can be obtained at www.ishares.com or requested by calling 08453577000 (UK number) (please refer to the website for international phone numbers)

13 May 2024

To: Shareholders of iShares MSCI Europe SRI UCITS ETF (the “**Fund**”) ISIN(s): IE000CR424L6 & IE00BGDPWW94 & IE00BMDBMG37 & IE00B52VJ196.

Dear Shareholder,

The Directors of iShares II plc (the “**Company**”) wish to advise you of certain changes that will be made by the index provider, MSCI Limited (“**MSCI**”), to the MSCI Europe SRI Select Reduced Fossil Fuel Net Index, the benchmark index of the Fund (the “**Index**”). As a result of the changes to the Index, the index tracking investment strategy (and therefore the investment policy) of the Fund will be changed (as described below).

The changes are anticipated to take effect on or around 3 June 2024 (the “**Effective Date**”).

The changes being made are not expected to have a material effect on the manner in which your investment is managed. You are not required to do anything as a result of this notification.

Changes to the Fund’s Index

Details regarding the Index and its current methodology are available on the index provider’s website at: <https://www.msci.com/indexes/ishares>.

MSCI is amending the Index methodology to include the following:

- ESG Trend to be removed from the list of criteria utilized to rank eligible securities (as per section 4.1.2 “Ranking of Eligible Securities” of the current MSCI Index Methodology Book).
- Securities with an Industry Adjusted ESG Score of 10 to be included in the Index even if exceeding 25% sector coverage target, provided they are part of the Eligible Universe as detailed in Section 3.2 of the current MSCI Index Methodology Book.

iShares II public limited company
1st Floor, 2 Ballsbridge Park, Ballsbridge, Dublin 4, D04 YW83, Ireland | www.ishares.com

iShares II public limited company
Registered Office: 200 Capital Dock, 79 Sir John Rogerson’s Quay, Dublin 2, D02 RK57, Ireland.
Registered in Ireland under registration number 317171.
Directors: William McKechnie (Chair); Ros O’Shea; Deirdre Somers; Pdraig Kenny; Peter Vivian (British).
iShares II plc is an umbrella type open ended investment company with variable capital and having segregated liability between its funds.
Regulated by the Central Bank of Ireland.

- Selection of eligible securities to follow the criteria detailed in Section 4.1.3 “Selection of Eligible Securities” of the current MSCI Index Methodology Book with the following additional step: the number of selected securities in each sector to be at least equal to 25% of the count of eligible securities in that sector.
- Section 3.4.1 of the current MSCI Index Methodology Book to be replaced by the below weighting scheme:
 - o Weight of each issuer to be capped at the issuer weight in the Parent Index +3%, with a maximum absolute issuer weight of 18%.
 - o Weight of each sector to be capped/floored at the sector weight in the Parent Index + or - 1%.

In addition to the new weighting scheme the following relaxation steps will now apply in case of infeasibility at the time of rebalance:

- Relax the lower bound for sector weights steps of -0.5%, up to a maximum of 4 iterations.
- Relax the upper bound for sector weights in steps of 0.5%, up to a maximum of 4 iterations.
- Relax the upper bound for issuer weight in steps of 0.5%.

An updated methodology book will be published by MSCI at the time of the May 2024 Index Review.

The changes to the Index outlined in this letter are expected to be implemented at the Effective Date.

Changes to the Fund’s index tracking investment strategy

The Fund currently follows a non-replicating investment strategy. This means that the Fund may, or may not hold every security or the exact concentration of a security in the Index (and may use optimisation techniques to achieve its investment objective) but will aim to track the Index as closely as possible.

The Company’s investment manager has advised that should the Fund continue to follow a non-replicating investment strategy, it could be at risk of being unable to hold the full weighting of constituents in the Index following the changes to the index methodology described above.

The Fund's index tracking investment strategy will therefore be changed to a replicating investment strategy which will allow the Fund to replicate as closely as possible the composition of the Index and permit the Fund to avail of the higher investment limits disclosed in Schedule III of the Company’s prospectus with effect on or around the Effective Date.

iShares II public limited company
1st Floor, 2 Ballsbridge Park, Ballsbridge, Dublin 4, D04 YW83, Ireland | www.ishares.com

iShares II public limited company
 Registered Office: 200 Capital Dock, 79 Sir John Rogerson’s Quay, Dublin 2, D02 RK57, Ireland.
 Registered in Ireland under registration number 317171.
 Directors: William McKechnie (Chair); Ros O’Shea; Deirdre Somers; Padraig Kenny; Peter Vivian (British).
 iShares II plc is an umbrella type open ended investment company with variable capital and having segregated liability between its funds.
 Regulated by the Central Bank of Ireland.

The Company's prospectus is expected to be updated in the manner indicated in the Appendix to this letter to account for the upcoming changes to the Index and the Fund's index tracking investment strategy. It is anticipated that the Company's prospectus and the Key Investor Information Document (KIID) or Key Information Document (KID) as applicable, for the Fund will be updated on or around the Effective Date, subject to the approval of the Central Bank of Ireland. The updated prospectus and KIID/KID (as applicable) will be available on www.ishares.com. It is not expected that there will be any change to the Synthetic Risk Reward Indicator or anticipated tracking error of the Fund as a result of the changes to the Index.

Costs

BlackRock Asset Management Ireland Limited, as manager of the Company, will pay the costs of the shareholder notification, and any additional operational costs (excluding realignment costs) and legal costs related to the proposed changes that would otherwise have been incurred by the Fund. The transaction costs of realignment will form part of the index rebalance which in aggregate are estimated to be up to 2 bps and will be borne by the Fund. The Total Expense Ratio of the Fund will not change as a result of the changes described in this letter.

Further information

You are not required to do anything as a result of this notification. Please contact info@iShares.com if you have any queries concerning the changes outlined in this letter.

Yours faithfully



Director
for and on behalf of iShares II plc

iShares II public limited company
1st Floor, 2 Ballsbridge Park, Ballsbridge, Dublin 4, D04 YW83, Ireland | www.ishares.com

iShares II public limited company
Registered Office: 200 Capital Dock, 79 Sir John Rogerson's Quay, Dublin 2, D02 RK57, Ireland.
Registered in Ireland under registration number 317171.
Directors: William McKechnie (Chair); Ros O'Shea; Deirdre Somers; Padraig Kenny; Peter Vivian (British).
iShares II plc is an umbrella type open ended investment company with variable capital and having segregated liability between its funds.
Regulated by the Central Bank of Ireland.

Appendix

Proposed amendments to the investment objective and policy and benchmark description of the Fund subject to any changes as may be approved by the Central Bank of Ireland are highlighted below in bold, underlined text:

Current Investment Objective and Benchmark Description	Proposed Investment Objective and Benchmark Description (changes in bold and underlined)
<p><u>Investment Objective</u></p> <p>The investment objective of the Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the MSCI Europe SRI Select Reduced Fossil Fuel Index.</p> <p><u>Investment Policy</u></p> <p>In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of equity securities that so far as possible and practicable consists of the component securities of the MSCI Europe SRI Select Reduced Fossil Fuel Index, this 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 direct investments will only be in the securities of issuers that comply with the index provider's socially responsible investment ("SRI") requirements and/or environmental, social and governance ("ESG") ratings.</p> <p>The Fund's direct investments will, at the time of purchase, comply with the SRI and ESG requirements of the Fund's Benchmark Index. The Fund may hold securities which do not comply with the SRI or ESG requirements 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.</p> <p>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 by investing in a portfolio of securities that as far as</p>	<p><u>Investment Objective</u></p> <p>The investment objective of the Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the MSCI Europe SRI Select Reduced Fossil Fuel Index.</p> <p><u>Investment Policy</u></p> <p>In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of equity securities that so far as possible and practicable consists of the component securities of the MSCI Europe SRI Select Reduced Fossil Fuel Index, this Fund's Benchmark Index. The Fund intends to <u>replicate the constituents</u> of the Benchmark Index <u>by holding all of the securities comprising the Benchmark Index in a similar</u> proportion to their weightings in the Benchmark Index. <u>In order to replicate its Benchmark Index, this Fund may invest up to 20% of its Net Asset Value in shares issued by the same body. This limit may be raised to 35% for a single issuer when exceptional market conditions apply (as set out in section 4 of Schedule III).</u></p> <p>The Fund's direct investments will, at the time of purchase, comply with the SRI and ESG requirements of the Fund's Benchmark Index. The Fund may hold securities which do not comply with the SRI or ESG requirements 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.</p> <p>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 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 / SRI perspective (based on the ESG and SRI criteria of the Benchmark Index) within each relevant sector of</p>

iShares II public limited company

1st Floor, 2 Ballsbridge Park, Ballsbridge, Dublin 4, D04 YW83, Ireland | www.ishares.com

iShares II public limited company

Registered Office: 200 Capital Dock, 79 Sir John Rogerson's Quay, Dublin 2, D02 RK57, Ireland.

Registered in Ireland under registration number 317171.

Directors: William McKechnie (Chair); Ros O'Shea; Deirdre Somers; Padraig Kenny; Peter Vivian (British).

iShares II plc is an umbrella type open ended investment company with variable capital and having segregated liability between its funds.

Regulated by the Central Bank of Ireland.

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 / SRI perspective (based on the ESG and SRI 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 and SRI criteria of the Benchmark Index. For FDI, any such analyses will apply only to the underlying securities. As a result of the application of the ESG and SRI criteria of the Benchmark Index, the Fund applies the selectivity approach for the purposes of the AMF ESG Rules which means that the portfolio of the Fund is reduced by at least 20% compared to the Parent Index (as defined below), calculated either (i) by number of issuers or (ii) by the relative weighting of the worst performers in the Benchmark Index.

The Base Currency of iShares MSCI Europe SRI UCITS ETF is Euro (€).

Benchmark Index

The MSCI Europe SRI Select Reduced Fossil Fuel Index aims to reflect the performance characteristics of a subset of equity securities across developed European markets within the MSCI Europe Index (the "Parent Index") which are issued by companies with higher environmental, social and governance ("ESG") ratings than other sector peers within the Parent Index, and excludes issuers from the Parent Index based on the index provider's exclusionary and ratings based criteria.

Firstly, companies are excluded if they are identified by the index provider, MSCI, to have any tie to controversial weapons, to be manufacturers of nuclear weapons or related equipment or providers of services auxiliary to nuclear weapons, or to be producers of civilian firearms or tobacco. Companies which are identified by MSCI as engaging in the following activities are excluded if their revenues from such activities (or related activities) exceed the business involvement thresholds set by MSCI for: alcohol, gambling, tobacco, or civilian firearm distribution, nuclear power, adult entertainment, conventional weapons, genetically modified organisms, thermal coal, oil sands, unconventional oil and gas extraction and fossil fuel reserves ownership. Companies which are identified by MSCI as deriving revenue from conventional oil and gas extraction are also excluded, but only if they also derive a lower proportion of their revenues from renewable energy and alternative fuels than the threshold set by MSCI. Companies which are identified by MSCI as deriving a proportion of their

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 and SRI criteria of the Benchmark Index. For FDI, any such analyses will apply only to the underlying securities. As a result of the application of the ESG and SRI criteria of the Benchmark Index, the Fund applies the selectivity approach for the purposes of the AMF ESG Rules which means that the portfolio of the Fund is reduced by at least 20% compared to the Parent Index (as defined below), calculated either (i) by number of issuers or (ii) by the relative weighting of the worst performers in the Benchmark Index.

The Base Currency of iShares MSCI Europe SRI UCITS ETF is Euro (€).

Benchmark Index

The MSCI Europe SRI Select Reduced Fossil Fuel Index aims to reflect the performance characteristics of a sub-set of equity securities across developed European markets within the MSCI Europe Index (the "Parent Index") which are issued by companies with higher environmental, social and governance ("ESG") ratings than other sector peers within the Parent Index, and excludes issuers from the Parent Index based on the index provider's exclusionary and ratings based criteria.

Firstly, companies are excluded if they are identified by the index provider, MSCI, to have any tie to controversial weapons, to be manufacturers of nuclear weapons or related equipment or providers of services auxiliary to nuclear weapons, or to be producers of civilian firearms or tobacco. Companies which are identified by MSCI as engaging in the following activities are excluded if their revenues from such activities (or related activities) exceed the business involvement thresholds set by MSCI for: alcohol, gambling, tobacco, or civilian firearm distribution, nuclear power, adult entertainment, conventional weapons, genetically modified organisms, thermal coal, oil sands, unconventional oil and gas extraction and fossil fuel reserves ownership. Companies which are identified by MSCI as deriving revenue from conventional oil and gas extraction are also excluded, but only if they also derive a lower proportion of their revenues from renewable energy and alternative fuels than the threshold set by MSCI. Companies which are identified by MSCI as deriving a proportion of their electricity from oil and gas based power generation above the thresholds set by MSCI are also excluded.

The remaining companies are rated by the index provider based on their ability to manage their ESG risks and opportunities and are given a MSCI ESG

iShares II public limited company

1st Floor, 2 Ballsbridge Park, Ballsbridge, Dublin 4, D04 YW83, Ireland | www.ishares.com

iShares II public limited company

Registered Office: 200 Capital Dock, 79 Sir John Rogerson's Quay, Dublin 2, D02 RK57, Ireland.

Registered in Ireland under registration number 317171.

Directors: William McKechnie (Chair); Ros O'Shea; Deirdre Somers; Pdraig Kenny; Peter Vivian (British).

iShares II plc is an umbrella type open ended investment company with variable capital and having segregated liability between its funds.

Regulated by the Central Bank of Ireland.

electricity from oil and gas based power generation above the thresholds set by MSCI are also excluded.

The remaining companies are rated by the index provider based on their ability to manage their ESG risks and opportunities and are given a MSCI ESG rating ("MSCI ESG Rating") which determines their eligibility for inclusion. 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 provides greater transparency and understanding of the ESG characteristics of issuers, identifying issuers with a strong MSCI ESG Ratings as issuers that may be better positioned for future ESG-related challenges and that may experience fewer ESG-related controversies. Companies which are identified by MSCI as being involved in very serious controversies that have an ESG impact on their operations and/or products and services are excluded based on an MSCI ESG controversy score ("MSCI ESG Controversy Score"). Companies must have a minimum MSCI ESG Rating and MSCI ESG Controversy Score set by MSCI to be considered eligible for inclusion as new constituents in the Benchmark Index at the annual review of the Benchmark Index. Existing constituents are also required to maintain a minimum MSCI ESG Rating and MSCI ESG Controversy Score (which are lower than the requirements for inclusion) to remain in the Benchmark Index at each rebalance as well as complying with the exclusionary criteria above. The minimum MSCI ESG Ratings and MSCI ESG Controversy Scores set by the index provider can be found at the index provider's website <https://www.msci.com/index-methodology>.

The Benchmark Index also seeks to 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 targets 25% cumulative coverage of the free float adjusted market capitalisation for each Global Industry Classification Standard ("GICS") sector within the Parent Index with a minimum cumulative coverage set at 22.5%. This is achieved for each sector by ranking the eligible companies in each sector by the following criteria (in order): (1) each company's MSCI ESG Rating, (2) ESG Trend, which is defined as the latest change in ESG Rating over the previous 12 months. A security without any change in ESG Rating over the previous 12 months will have a neutral ESG Trend (positive ESG Trend preferred to neutral ESG Trend and neutral ESG Trend preferred to negative ESG Trend), (3) current index

rating ("**MSCI ESG Rating**") which determines their eligibility for inclusion. 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 provides greater transparency and understanding of the ESG characteristics of issuers, identifying issuers with a strong MSCI ESG Ratings as issuers that may be better positioned for future ESG-related challenges and that may experience fewer ESG-related controversies. Companies which are identified by MSCI as being involved in very serious controversies that have an ESG impact on their operations and/or products and services are excluded based on an MSCI ESG controversy score ("MSCI ESG Controversy Score"). Companies must have a minimum MSCI ESG Rating and MSCI ESG Controversy Score set by MSCI to be considered eligible for inclusion as new constituents in the Benchmark Index at the annual review of the Benchmark Index. Existing constituents are also required to maintain a minimum MSCI ESG Rating and MSCI ESG Controversy Score (which are lower than the requirements for inclusion) to remain in the Benchmark Index at each rebalance as well as complying with the exclusionary criteria above. The minimum MSCI ESG Ratings and MSCI ESG Controversy Scores set by the index provider can be found at the index provider's website <https://www.msci.com/indexes/ishares>.

The Benchmark Index also seeks to 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 targets 25% cumulative coverage of the free float adjusted market capitalisation **as well as a 25% coverage by number of eligible companies** for each Global Industry Classification Standard ("GICS") sector within the Parent Index (**collectively the "Target Representation"**). This is achieved for each sector by ranking the eligible companies in each sector by the following criteria (in order): (1) each company's MSCI ESG Rating, (2) current index membership (existing constituents are preferred over non-constituents), (3) industry adjusted ESG scores, and (4) decreasing free float-adjusted market capitalisation. Eligible companies from each sector are then included in the Benchmark Index in **a specific order, as defined by the index provider in the index methodology, until the Target Representation** has been met or there are no more eligible companies to include

iShares II public limited company

1st Floor, 2 Ballsbridge Park, Ballsbridge, Dublin 4, D04 YW83, Ireland | www.ishares.com

iShares II public limited company

Registered Office: 200 Capital Dock, 79 Sir John Rogerson's Quay, Dublin 2, D02 RK57, Ireland.

Registered in Ireland under registration number 317171.

Directors: William McKechnie (Chair); Ros O'Shea; Deirdre Somers; Pdraig Kenny; Peter Vivian (British).

iShares II plc is an umbrella type open ended investment company with variable capital and having segregated liability between its funds.

Regulated by the Central Bank of Ireland.

membership (existing constituents are preferred over non-constituents), (4) industry adjusted ESG scores, and (5) decreasing free float-adjusted market capitalisation.

Eligible companies from each sector are then included in the Benchmark Index in the order of such rankings and weighted based on their free float adjusted market capitalisation, until either the 25% target cumulative sector coverage has been met or there are no more eligible companies to include from that sector. In the event that there are insufficient eligible companies within a sector, the cumulative target sector coverage for that sector will not be met. In order to preserve index stability and reduce turnover, eligible companies are only added to the Benchmark Index if cumulative sector coverage is less than 22.5% until the 25% target is reached and may be retained in the Benchmark Index even if this results in a cumulative sector coverage that is higher than the 25% target.

The Parent Index measures the performance of large and mid capitalisation stocks across developed European markets which comply with MSCI's size, liquidity and free-float criteria. Companies are included in the Parent Index based on the proportion of their shares in issue that are available for purchase by international investors. 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 smaller number of securities compared to the Parent Index and such securities are likely to have different GICS sector weightings and factor weightings compared to the Parent Index.

The Benchmark Index is free float adjusted market capitalisation weighted and targets 5% issuer exposure capping. In order to reduce the risk of non-compliance with the 5% threshold due to market movements, the weight of each issuer is capped at 4.5% at the point of index construction and at each rebalancing. The Benchmark Index rebalances on a quarterly basis to take into account changes to the Parent Index in addition to applying exclusionary and ratings based criteria described above to existing constituents. Companies from the Parent Index are assessed for inclusion in the Benchmark Index applying the above criteria on an annual basis. Further details regarding the Benchmark Index (including its constituents) and ESG screening criteria are available on the index provider's website at <https://www.msci.com/constituents>

from that sector. **Any company that marginally increases the sector coverage over a minimum threshold defined by the index provider will be added to the Benchmark Index even if this results in a cumulative sector coverage that is higher than the Target Representation.**

The Parent Index measures the performance of large and mid capitalisation stocks across developed European markets which comply with MSCI's size, liquidity and free-float criteria. Companies are included in the Parent Index based on the proportion of their shares in issue that are available for purchase by international investors. 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 smaller number of securities compared to the Parent Index and such securities are likely to have different GICS sector weightings and factor weightings compared to the Parent Index.

The Benchmark Index is free float adjusted market capitalisation weighted. **Constraints to limit deviation from the issuer and sector weights of the Parent Index are applied in accordance with the Benchmark Index's methodology.**

The Benchmark Index rebalances on a quarterly basis to take into account changes to the Parent Index in addition to applying exclusionary and ratings based criteria described above to existing constituents. Companies from the Parent Index are assessed for inclusion in the Benchmark Index applying the above criteria on an annual basis. **In addition, companies which have been identified as having a 'red' MSCI ESG controversy flag, or which have been classified as violating United Nations Global Compact principles, may also be removed from the Benchmark Index in between index rebalances, in accordance with the index methodology.** Further details regarding the Benchmark Index (including its constituents) and ESG screening criteria are available on the index provider's website at <https://www.msci.com/indexes/ishares>.

iShares II public limited company

1st Floor, 2 Ballsbridge Park, Ballsbridge, Dublin 4, D04 YW83, Ireland | www.ishares.com

iShares II public limited company

Registered Office: 200 Capital Dock, 79 Sir John Rogerson's Quay, Dublin 2, D02 RK57, Ireland.

Registered in Ireland under registration number 317171.

Directors: William McKechnie (Chair); Ros O'Shea; Deirdre Somers; Pdraig Kenny; Peter Vivian (British).

iShares II plc is an umbrella type open ended investment company with variable capital and having segregated liability between its funds.

Regulated by the Central Bank of Ireland.