

BlackRock

The new environment for cash investing

Liquid Environmentally
Aware Fund (LEAF[®])



BlackRock was founded on the premise of understanding and managing investment risk, anticipating client needs, and working with clients to achieve their investment goals.

BlackRock has a 35-year history:

- **Helping clients navigate long-term trends affecting investments and portfolios**
- **Using analytics to help clients analyze and assess the whole portfolio**
- **Growing our product suite to meet demand, in partnership with clients**

The BlackRock Liquid Environmentally Aware Fund (“LEAF” or the “Fund”) seeks to provide investors an opportunity to achieve the stability, liquidity and yield potential of a 2a-7¹ money market fund through investment in securities issued or guaranteed by entities that meet the Fund’s environmental criteria.

In order to seek to achieve LEAF’s environmental goals, the Fund will consider environmental risk metrics in addition to our standard credit risk assessment process. In evaluating performance in environmental practices, the Fund will use data or other environmental, social, or governance risk metrics including ratings provided by independent research vendors in determining whether to invest (or continue to invest) in securities issued or guaranteed by a particular entity. Considerations may include:

- Issuer or industry exposure to environmentally intensive activities
- Disclosures by an issuer around climate-related issues and environmental matters
- Specific targets or plans by an issuer to manage environmental exposures

How LEAF considers the environment

In addition to LEAF’s environmentally-focused investment strategy, at least 5% of the net revenue from BlackRock’s management fee from the Fund will be used to purchase and retire carbon credits.

In seeking to achieve LEAF’s environmental goals, the Fund may use data or other risk metrics provided by independent research vendors.

Additionally, the Fund is enhancing core credit research through proprietary models that incorporate certain factors into traditional credit analysis to determine an investment’s eligibility for inclusion in LEAF. Our investment approach is informed by three principles:

- **Client choice:** We start with the client.
- **Performance:** We seek the best risk-adjusted returns within the mandates clients give us.
- **Research:** We underpin our work with research, data, and analytics.

A Rule 2a-7 prime money market fund that gives consideration to environmental criteria



Multiple investor access points and settlement options



In addition to environmentally-specific credit analysis, LEAF acts on certain special environmental considerations



Supporting World Wildlife Fund's ("WWF")² conservation efforts

BlackRock is pleased to make an annual contribution of \$185,000 to World Wildlife Fund, a leading environmental non-profit organization with recognized expertise and experience in environmental protection. Through its global climate programs, WWF is working to shape a climate-resilient and zero-carbon world, powered by renewable energy.



LEAF[®] and its underlying investments are not endorsed by WWF. WWF bears no responsibility for, or role in, managing or administering the Fund or choosing any investments thereunder. WWF[®] and ©1986 Panda Symbol are owned by WWF. All rights reserved.

Special environmental considerations

LEAF will not invest in securities that derive more than 5% of their revenue from fossil fuels mining, exploration or refinement.

LEAF will not invest in securities that derive more than 5% of their revenue from thermal coal based power generation.

LEAF may invest in "green" bonds,³ where the use of proceeds from the sale of these bonds will be used to finance projects intended to generate an environmental benefit.⁴

LEAF may invest in securities issued by institutions that have a commitment to support sustainable palm oil.

LEAF is a money market fund

2a-7 prime money market strategy

Pursues as high a level of current income as is consistent with liquidity and preservation of capital while giving consideration to select environmental criteria.

Adheres to the diversification, maturity, and liquidity requirements of Rule 2a-7.

Seeks to achieve this investment objective by investing in a broad range of U.S. dollar-denominated money market instruments, including but not limited to:

- Government securities
- U.S. and foreign bank securities
- Commercial obligations and repurchase agreements
- Mortgage- and asset-backed securities

Under normal circumstances, LEAF will invest at least 80% of the value of its net assets⁵ in securities whose issuer or guarantor meets LEAF's environmental criteria, at the time of purchase.

LEAF is subject to risks, including the risk that LEAF's environmental criteria exclude securities of certain issuers causing LEAF to forego some market opportunities available to other funds.

LEAF is also subject to credit risk, interest rate risk, and market risk among other risks.

Talk to your relationship manager today to learn more about LEAF.

blackrock.com/cash | cashmgmt@blackrock.com | 800-441-7450

1 Rule 2a-7 under the Investment Company Act of 1940, as amended (Rule 2a-7). **2** "WWF" and "World Wildlife Fund" are registered trademarks. **3** A green bond is a type of fixed income instrument that specifically and solely dedicates its proceeds to financing new or existing projects that advance environmental objectives. Issuers set the qualifying criteria for these green projects and have used the bonds to finance initiatives in fields such as renewable energy, green buildings, wastewater management, energy efficiency and public transportation. Source: BlackRock. **4** In the opinion of BlackRock and subject to change. **5** Including the amount of any borrowings for investment purposes.

This material is provided for educational purposes only and is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy.

The Fund's environmental criteria exclude securities of certain issuers for non-financial reasons, and the Fund may forgo some market opportunities available to funds that do not use these criteria. Consequently, the Fund may underperform funds that do not utilize an environmental strategy.

An investor should consider the investment objectives, risks and expenses of the Fund carefully before investing. The Fund's prospectus and, if available summary prospectus, contain this and other information about the Fund and are available by calling our Client Service Center at 800-441-7450. Please read the prospectus carefully before investing.

You could lose money by investing in the Fund. Because the share price of the Fund will fluctuate, when you sell your shares they may be worth more or less than what you originally paid for them. The Fund may impose a fee upon sale of your shares. The Fund generally must impose a fee when net sales of Fund shares exceed certain levels. An investment in the Fund is not a bank account and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor is not required to reimburse the Fund for losses, and you should not expect that the sponsor will provide financial support to the Fund at any time, including during periods of market stress.

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