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13 May 2024

**To:** Shareholders of iShares MSCI ACWI SRI UCITS ETF (the “**Fund**”)  
ISIN(s): IE00013A2XD6, IE000JTPK610

Dear Shareholder,

The Directors of iShares IV plc (the “**Company**”) wish to advise you of certain changes that will be made by the index provider, MSCI Limited (“**MSCI**”), to the MSCI ACWI SRI Select Reduced Fossil Fuel Index, the benchmark index of the Fund (the “**Index**”).

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.

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Registered in Ireland under registration number 472684.

Directors: William McKechnie (Chair); Jessica Irschick (British); Ros O’Shea; Deirdre Somers; Padraig Kenny; Peter Vivian (British).  
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- 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.

## 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](mailto:info@iShares.com) if you have any queries concerning the changes outlined in this letter.

Yours faithfully

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*Ro O'Shea*

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Director  
for and on behalf of iShares IV plc

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## Appendix

**Proposed amendments to the 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:**

<b>Current Investment Objective and Benchmark Description</b>	<b>Proposed Investment Objective and Benchmark Description</b> <b>(changes in bold and underlined)</b>
<p><u>Benchmark Index</u></p> <p>The MSCI ACWI SRI Select Reduced Fossil Fuel Index aims to reflect the performance characteristics of equity securities within the MSCI ACWI Index (the "<b>Parent Index</b>") which are issued by companies with higher environmental, social and governance ("<b>ESG</b>") ratings relative to their sector peers within the Parent Index and excludes issuers from the Parent Index based on the index provider's ESG related exclusionary and ratings based criteria.</p> <p>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 the index provider as engaging in the following activities are excluded if their revenues from such activities (or related activities) exceed the business involvement thresholds set by the index provider for: alcohol, gambling, tobacco, or civilian firearm distribution, nuclear power, adult entertainment, conventional weapons, genetically modified organisms, thermal coal, oil sands and fossil fuel reserves ownership. Companies which are identified by the index provider 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 the index provider. Companies which are identified by the index provider as deriving a proportion of their electricity from oil and gas based power generation above the thresholds set by the index provider 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 ("<b>MSCI ESG Rating</b>") which determines their eligibility for inclusion in 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</p>	<p><u>Benchmark Index</u></p> <p>The MSCI ACWI SRI Select Reduced Fossil Fuel Index aims to reflect the performance characteristics of equity securities within the MSCI ACWI Index (the "<b>Parent Index</b>") which are issued by companies with higher environmental, social and governance ("<b>ESG</b>") ratings relative to their sector peers within the Parent Index and excludes issuers from the Parent Index based on the index provider's ESG related exclusionary and ratings based criteria.</p> <p>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 the index provider as engaging in the following activities are excluded if their revenues from such activities (or related activities) exceed the business involvement thresholds set by the index provider for: alcohol, gambling, tobacco, or civilian firearm distribution, nuclear power, adult entertainment, conventional weapons, genetically modified organisms, thermal coal, oil sands and fossil fuel reserves ownership. Companies which are identified by the index provider 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 the index provider. Companies which are identified by the index provider as deriving a proportion of their electricity from oil and gas based power generation above the thresholds set by the index provider are also excluded.</p> <p>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 ("<b>MSCI ESG Rating</b>") which determines their eligibility for inclusion in 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</p>

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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. Companies are also assessed based on their involvement in very serious controversies that have an ESG impact on their operations and/or products and services and are excluded from the Benchmark Index 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 index provider to be considered eligible for inclusion as new constituents in the Benchmark Index at each annual review of the Benchmark Index. Existing constituents are also required to maintain a minimum MSCI ESG Rating and MSCI ESG Controversy Score 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 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

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.

Companies are also assessed based on their involvement in very serious controversies that have an ESG impact on their operations and/or products and services and are excluded from the Benchmark Index 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 index provider to be considered eligible for inclusion as new constituents in the Benchmark Index at each annual review of the Benchmark Index. Existing constituents are also required to maintain a minimum MSCI ESG Rating and MSCI ESG Controversy Score 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 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

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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 markets in the European Economic and Monetary Union (EMU) 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>.

coverage that is higher than the **Target Representation**.

The Parent Index measures the performance of large and mid capitalisation stocks across developed markets in the European Economic and Monetary Union (EMU) 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>

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