

21 November 2024

IMPORTANT INFORMATION

This document is important and requires your immediate attention.

If you are unsure as to the contents of this document, please call the BlackRock Client Services Team on 0800 445522* or +44 (0)207 743 5024* if outside the UK, or consult your financial adviser.

Dear unitholder,

Amendments to the name, investment objective and ESG policy of certain funds within the BlackRock Collective Investment Funds range. ISINs are set out in Schedule I to this letter.

BlackRock continually reviews its fund ranges to ensure that the investment characteristics and positioning of our funds remain both relevant to and consistent with the current investment environment and expectations of our clients.

Background

We are writing to notify you that updates will be made to:

1. the name and ESG policy of the following funds:

iShares UK Equity ESG Index Fund (UK)
iShares US Equity ESG Index Fund (UK)
iShares Japan Equity ESG Index Fund (UK)
iShares Pacific ex Japan Equity ESG Index Fund (UK)
iShares ESG Sterling Corporate Bond Index Fund (UK)
iShares Emerging Markets Equity ESG Index Fund (UK)
iShares Continental European Equity ESG Index Fund (UK)
iShares ESG Overseas Corporate Bond Index Fund (UK)
("Name and ESG Policy Change Funds")

2. the ESG policy of the following funds:

iShares Developed World Fossil Fuel Screened Equity Index Fund (UK)
iShares Environment & Low Carbon Tilt Real Estate Index Fund (UK)
 (“**ESG Policy Change Funds**”)
(each a “**Fund**” and together the “**Funds**”); and

3. the investment objective and ESG policy of the BlackRock Global Corporate ESG Insights Bond Fund.

Last November, the Financial Conduct Authority (FCA) issued its Policy Statement PS23/16, ‘Sustainability Disclosure Requirements (SDR) and investment labels’ (the “**Policy Statement**”) which, among other things, contained new rules and guidance applicable to fund managers in relation to the marketing of funds using sustainability-related terms, as well as the introduction of labels for funds seeking to achieve positive sustainability outcomes, if they meet the qualifying criteria. These regulatory changes were implemented by way of updated rules and guidance. The purpose of these new rules generally is to increase transparency on the sustainability goals and features of funds and firms.

In light of the Policy Statement and the FCA’s requirements and expectations more generally, we, in consultation with the Investment Manager of the Funds (Blackrock Investment Management (UK) Limited), have determined to make a number of clarifications and additions to each Fund’s ESG policy and to the investment objective and ESG policy of the BlackRock Global Corporate ESG Insights Bond Fund.

Details of the updates to be made to the ESG policy of each Fund are set out in Schedule II.

Updates to the BlackRock Global Corporate ESG Insights Bond Fund

As part of its investment process for the BlackRock Global Corporate ESG Insights Bond Fund, the Investment Manager seeks to balance the aims it has for the risk and return profile of the Fund (as set out in its investment objective) whilst also seeking to achieve a set of ESG related aims. We are making amendments to the investment objective and ESG policy of the Fund to enhance the information we provide you regarding the Fund’s ESG criteria.

We will also include a statement in the prospectus to clarify that, whilst the Fund applies ESG commitments within its investment process, it does not have a specific sustainability goal and the investment strategy of the Fund means it is not able to meet the criteria of any sustainability label.

Details of the updates to be made this fund are set out in Schedule II.

Amendments to the Funds

ESG Policy

Each Fund aims to track the performance of a specific benchmark index chosen by the Investment Manager. Each benchmark index excludes issuers based on their involvement in certain activities deemed to have negative environmental or social outcomes. We are making amendments to the ESG policy of each Fund set out in the prospectus to enhance the information we provide you regarding these ESG commitments.

We will also include a statement in the prospectus to clarify that, whilst each Fund tracks an index which applies ESG criteria, it does not have a specific sustainability goal and will not use a sustainability label. This is because the Funds follow passive strategies and the Benchmark Indexes which the Funds track may not meet the criteria of any sustainability label.

Names

For those Funds listed below, in addition to the amendments to the ESG policy of each Fund as described above, we will also be updating the name of the Fund, as detailed in the table below. These updates are being made to provide you with more information regarding the Fund's ESG criteria in the name of the Fund itself.

Current Name	New Name
iShares UK Equity ESG Index Fund (UK)	iShares UK Equity ESG Screened and Optimised Index Fund (UK)
iShares US Equity ESG Index Fund (UK)	iShares US Equity ESG Screened and Optimised Index Fund (UK)
iShares Japan Equity ESG Index Fund (UK)	iShares Japan Equity ESG Screened and Optimised Index Fund (UK)
iShares Pacific ex Japan Equity ESG Index Fund (UK)	iShares Pacific ex Japan Equity ESG Screened and Optimised Index Fund (UK)
iShares ESG Sterling Corporate Bond Index Fund (UK)	iShares ESG Screened Sterling Corporate Bond Index Fund (UK)
iShares Emerging Markets Equity ESG Index Fund (UK)	iShares Emerging Markets Equity ESG Screened and Optimised Index Fund (UK)
iShares Continental European Equity ESG Index Fund (UK)	iShares Continental European Equity ESG Screened and Optimised Index Fund (UK)
iShares ESG Overseas Corporate Bond Index Fund (UK)	iShares ESG Screened Overseas Corporate Bond Index Fund (UK)

Details of the updates to be made to the ESG policy (and, where applicable, the name) of each Fund are set out in Schedule II.

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As detailed above, these amendments are being made to reflect regulatory requirements and expectations and are not intended to reflect any change to the Funds or how they are managed.

Effective Dates

The revised prospectus of BlackRock Collective Investment Funds reflecting these updates is expected to be published in two stages. The prospectus reflecting the changes for the ESG Policy Change Funds and the BlackRock Global Corporate ESG Insights Bond Fund is expected to be published on or around 29 November 2024. The prospectus reflecting the changes for the Name and ESG Policy Change Funds is expected to be published on or around 17 December 2024 (the “**Effective Dates**”).

Costs

BlackRock will pay the costs of the unitholder notification. Legal costs as a result of the updates set out in this notice shall be borne by the funds. For the avoidance of doubt, there are not expected to be any portfolio realignment costs or other transaction costs in connection with these updates.

Action to be taken by you

You do not need take any action as a result of this communication.

If you would rather not remain invested in the fund, you can redeem your units as normal, or alternatively, you can switch your holding into an equivalent unit class (or another unit class which you are eligible to hold) in another fund managed by BlackRock Fund Managers Limited (a “**BlackRock Fund**”). Information on switching can be obtained from our Client Services Team on 0800 445522* or +44 (0)207 743 5024* if outside the UK.

Please note that if you decide to switch your investment to another BlackRock Fund this will constitute a ‘disposal of units’ for capital gains tax purposes and depending on your individual circumstances, may give rise to a tax liability. If you are unsure how this may affect you then you should contact your financial adviser.

IF YOU ARE UNSURE AS TO THE CONTENT OF THIS DOCUMENT, YOU SHOULD CONTACT YOUR FINANCIAL ADVISER.

Further information

A revised prospectus and Key Information Documents will be available from the BlackRock website www.blackrock.com on or around the Effective Dates.

If, after reading this letter, you would like any further information then please speak to your financial adviser, email us at enquiry@ukclientservices.blackrock.com or call our Client Services Team on 0800 445522* or +44 (0)207 743 5024* if outside the UK. Telephone lines are open from 8.30am to 5.30pm, UK time, Monday to Friday.

Yours sincerely



Tom Hale
Director

BlackRock Fund Managers Limited

*For your protection, telephone calls are usually recorded.

SCHEDULE I

Fund ISINs

Fund (as currently named, where applicable)	ISINs
iShares UK Equity ESG Index Fund (UK)	GB00BN08ZV03 GB00BN08ZW10 GB00BN08ZX27 GB00BN08ZY34
iShares US Equity ESG Index Fund (UK)	GB00BN090C90 GB00BN090D08 GB00BN090F22 GB00BN090G39 GB00BRTCQZ23
iShares Japan Equity ESG Index Fund (UK)	GB00BN090745 GB00BN090851 GB00BN091T33 GB00BN090968 GB00BN090B83
iShares Pacific ex Japan Equity ESG Index Fund (UK)	GB00BN090H46 GB00BN090J69 GB00BN090K74 GB00BN090L81
iShares ESG Sterling Corporate Bond Index Fund (UK)	GB00BN08YZ75 GB00BN08Z092 GB00BN08Z100 GB00BN08Z217 GB00BN08Z324 GB00BN08Z431 GB00BN08Z548 GB00BN08Z654
iShares Emerging Markets Equity ESG Index Fund (UK)	GB00BN090307 GB00BN090414 GB00BN090521 GB00BN090638
iShares Continental European Equity ESG Index Fund (UK)	GB00BN091V54 GB00BN08ZZ41 GB00BN090075 GB00BN090182 GB00BN090299
iShares Developed World Fossil Fuel Screened Equity Index Fund (UK)	GB00BFK3MT61 GB00BFK3MV83 GB00BFK3MW90 GB00BFK3MY15

iShares ESG Overseas Corporate Bond Index Fund (UK)	GB00BN091N70 GB00B58YKH53 GB00BNB74B95 GB00BPFJD529 GB00BPFJD743 GB00B58Z2382 GB00BN091487 GB00BN091370 GB00B5W76K51 GB00B7Z14D76 GB00BN091594
iShares Environment & Low Carbon Tilt Real Estate Index Fund (UK)	GB00B5BFJG71 GB00B848DD97 GB00BPFJCF57 GB00BPFJCN32 GB00B64FQP94 GB00BN091933 GB00BN091719 GB00B653WK99 GB00BFBFXN29
BlackRock Global Corporate ESG Insights Bond Fund	GB00BN091263

SCHEDULE II

Amended ESG policy (additions in underline and deletions in ~~strikeout~~):

iShares UK Equity ESG Screened and Optimised Index Fund (UK):

The Fund is a sub-fund of BlackRock Collective Investment Funds (previously known as BlackRock Qualified Investor Schemes (1)), a UK UCITS scheme under the COLL Sourcebook. The Fund was established on 28 October 2021. The Fund's FCA product reference number is 970235.

This Fund does not have a UK sustainable investment label. Sustainable investment labels help investors find products that have a specific sustainability goal. The Fund does not use a sustainability label because whilst the Fund tracks an index which applies ESG criteria (as described below), the Fund does not have a specific sustainability goal. This is because the Fund follows a passive strategy and the index which the Fund tracks may not meet the criteria of any sustainability label.

Investment Objective

The aim of the Fund is to provide a return (gross of charges) on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) by tracking closely the performance of the Morningstar UK ESG Enhanced Index (the "**Benchmark Index**").

Although the Fund aims to achieve its investment objective, there is no guarantee that this will be achieved. The Fund's capital is at risk meaning that the Fund could suffer a decrease in value and the value of your investment would decrease as a result.

Investment Policy

In seeking to achieve its investment objective, the Fund will invest directly into the equities (i.e. shares) of companies in the Benchmark Index and at times invest indirectly via other equity-related investments (i.e. other investments whose value is related to equities) giving exposure to such companies.

In seeking to achieve its investment objective and/or for liquidity purposes, the Fund may also invest in other asset classes. These other asset classes include money market instruments (i.e. debt securities with short-term maturities), deposits (i.e. cash) and units in collective investment schemes (i.e. other investment funds, which may be Associated Funds).

Derivatives (i.e. investments the prices of which are based on one or more underlying assets) may be used to seek to reduce risk (relevant to the investment objective) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as "**efficient portfolio management**" or "**EPM**").

The ESG criteria described in the section below, which are applied by the index provider, may not apply to investments held by the Fund for EPM and liquidity purposes which are not included in the Benchmark Index (including derivatives,

money market instruments, deposits and units in collective investment schemes).
However, exposure to such assets will not exceed 20% of the Fund's total assets.

Fund Benchmark

The Fund's aim is to track the performance of the Benchmark Index, but not to outperform it. The Benchmark Index has been chosen by the Investment Manager because it forms part of the investment objective of the Fund (i.e. a target benchmark), and should be used by unitholders to compare the performance of the Fund.

Benchmark Index Description

The Benchmark Index aims to reflect the performance of a sub-set of equity securities within the Morningstar UK Index (the "**Parent Index**") which remain after the index provider has excluded securities using pre-defined ESG screens and criteria weighted securities using an optimisation process, as determined by the index provider and further described below.

The Parent Index measures the performance of large and mid-cap stocks which comply with the index provider's size, liquidity and free-float criteria, in the United Kingdom. The Parent Index is a free float-adjusted market capitalisation weighted index. Free float-adjusted means that only shares readily available in the market rather than all of a company's issued shares are used in calculating the Benchmark Parent Index. Free float-adjusted market capitalisation is the share price of a company multiplied by the number of shares readily available in the market.

~~The pre-defined ESG screens set Benchmark Index excludes issuers based on their involvement in certain activities deemed by the index provider seek to limit and/or exclude have negative environmental or social outcomes. Issuers are excluded from the Benchmark Index corporate issuers within the Parent Index which are determined by the index provider (often by reference to specific revenue thresholds or to any connection to an activity regardless of any revenue received) as having exposure to, or other ties with, certain based on their involvement in the following business lines/activities (or related activities including but not limited to controversial weapons, tobacco, nuclear weapons,):~~

- ~~• civilian firearms~~;~~~~
- ~~• thermal coal~~;~~~~
- ~~• oil sands~~;~~~~
- ~~• tobacco;~~
- ~~• controversial weapons (including nuclear weapons);~~
- ~~• adult entertainment~~;~~~~
- ~~• alcohol~~;~~ gaming; and UN global compact violators. 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 a certain controversy score. In addition, the index provider also applies~~
- ~~• gambling.~~

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 which are classified as violating the United Nations Global Compact ("**UNGC**") Principles.

The Benchmark Index also excludes issuers with a 'severe' Sustainalytics controversy rating. A controversy rating measures an issuer's involvement (or alleged involvement) in serious controversies based on an assessment of an issuer's operations and/or products which are deemed to have a negative ESG impact. An ESG controversy rating may consider involvement in adverse impact activities in relation to environmental issues such as biodiversity and land use, energy use and greenhouse gas and other emissions, water use and waste issues. An ESG controversy rating may also consider involvement in adverse impact activities in relation to social and governance issues such as bribery and corruption and workplace discrimination. A "severe" controversy rating indicates that an issuer's activities are having a severe impact on the environment and society, posing serious business risks to the company.

Where data is unavailable in respect of an issuer's controversy rating or its involvement in the restricted activities described above, that issuer will be excluded from the Benchmark Index.

Once the exclusion screens are applied, the Benchmark Index is constructed using an optimisation process to the Benchmark Index which seeks aims to: (a) minimise the ESG risk rating of the portfolio and at a minimum, create an index a portfolio which has, overall, a has an ESG risk rating which is lower than or equal to the ESG risk rating (as defined by Sustainalytics) and of the Parent Index; and (b) create a portfolio with at least a 30% lower carbon intensity (defined as Scope 1 and 2 emissions in tonnes of greenhouse gases equivalent, divided by revenue in millions (USD)), in each case relative to the Parent Index; subject to, in each case, a turnover budget (i.e. a limit on the trading activity), a tracking error budget and the other optimisation parameters applicable to the portfolio. Please refer to the Benchmark Index methodology set out below and the risk factor set out in section 20 (Use of optimisers in Benchmark Indices) for more information. Unitholders should note that these are outcomes sought at the portfolio-level and accordingly, following the application of the optimisation process, there may still be constituents in the Benchmark Index, and the Fund's portfolio, with high carbon intensity scores and high ESG risk ratings.

The index provider is responsible for determining the composition of the Benchmark Index and screening its constituent holdings.

The ESG risk rating is defined by Sustainalytics and it evaluates the degree of a company's unmanaged material ESG risk by assessing a company's exposure to, and management of, the ESG issues that are considered most material for that company

from a financial perspective. Where data is unavailable in respect of an issuer's ESG risk rating, that issuer will be excluded from the Benchmark Index.

Carbon intensity is a measurement of issuers' carbon emissions, in tonnes of greenhouse gases equivalent, divided by revenue in millions (USD). The calculation of carbon intensity includes Scope 1 GHG emissions and Scope 2 GHG emissions but excludes Scope 3 GHG emissions. This means that the calculation includes: (i) direct emissions from sources that the reporting company owns or controls; and (ii) indirect emissions that a reporting company causes from the generation of energy that it purchases or uses, but (iii) does not include any other emissions produced by other companies or parties involved in the reporting company's value chain, which can be complicated to calculate and estimate. Scope 3 emissions may represent a significant proportion of a company's carbon footprint and, as a result, the Fund's carbon emission intensity score may not be fully representative of the GHG emissions of the Fund's underlying issuers. Please refer to the risk factor set out in section 20 (*Carbon emission intensity calculations and greenhouse gas (GHG) emissions data*) for more information on GHG emissions. Where data is unavailable in respect of an issuer's carbon emissions, the carbon intensity of that issuer will be estimated as the Morningstar industry group average.

The Benchmark Index is valued daily at midday and rebalances on a quarterly basis. Further details regarding the Benchmark Index and the Parent Index (including their constituents and the ESG screening methodology for the Benchmark Index (including any specific revenue thresholds)) are available on the index provider's website at https://assets.contentstack.io/v3/assets/bltabf2a7413d5a8f05/blt472195e990301852/6188fdb3b23afd586010746e/20211108_Morningstar_ESG_Enhanced_Index_Family.pdf <https://indexes.morningstar.com/indexes/screener>.

The equities of companies in the Benchmark Index in which the Fund invests will, at the time of purchase, comply with the ESG requirements of the Benchmark Index. The Fund may continue to hold securities which no longer comply with the ESG requirements of the 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. Please refer to the risk factor set out in section 20 (*ESG Benchmark Index Screening*) for more information. The constituents, ESG requirements and selection methodology of the Benchmark Index, as described above, may change over time.

The Investment Manager will report to investors on the level of the Fund's performance in relation to various ESG considerations against the Parent Index. These may include, but are not limited to, disclosures on (i) the ESG risk rating of the Fund compared to the Parent Index; (ii) the carbon intensity of the Fund compared to the Parent Index; (iii) the percentage market value exposure to excluded issuers in the Fund compared to the Parent Index; (iv) the percentage market value exposure to excluded issuers classified as violating UNGC Principles in the Fund compared to the Parent Index; and (v) the percentage market value exposure to excluded issuers involved in ESG controversies in the Fund compared to the Parent Index.

iShares US Equity ESG Screened and Optimised Index Fund (UK):

The Fund is a sub-fund of BlackRock Collective Investment Funds (previously known as BlackRock Qualified Investor Schemes (1)), a UK UCITS scheme under the COLL Sourcebook. The Fund was established on 28 October 2021. The Fund's FCA product reference number is 970236.

This Fund does not have a UK sustainable investment label. Sustainable investment labels help investors find products that have a specific sustainability goal. The Fund does not use a sustainability label because whilst the Fund tracks an index which applies ESG criteria (as described below), the Fund does not have a specific sustainability goal. This is because the Fund follows a passive strategy and the index which the Fund tracks may not meet the criteria of any sustainability label.

Investment Objective

The aim of the Fund is to provide a return (gross of charges) on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) by tracking closely the performance of the Morningstar US Markets ESG Enhanced Index (the "**Benchmark Index**").

Although the Fund aims to achieve its investment objective, there is no guarantee that this will be achieved. The Fund's capital is at risk meaning that the Fund could suffer a decrease in value and the value of your investment would decrease as a result.

Investment Policy

In seeking to achieve its investment objective, the Fund will invest directly into the equities (i.e. shares) of companies in the Benchmark Index and at times invest indirectly via other equity-related investments (i.e. other investments whose value is related to equities) giving exposure to such companies.

In seeking to achieve its investment objective and/or for liquidity purposes, the Fund may also invest in other asset classes. These other asset classes include money market instruments (i.e. debt securities with short-term maturities), deposits (i.e. cash) and units in collective investment schemes (i.e. other investment funds, which may be Associated Funds).

Derivatives (i.e. investments the prices of which are based on one or more underlying assets) may be used to seek to reduce risk (relevant to the investment objective) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as "**efficient portfolio management**" or "**EPM**").

The ESG criteria described in the section below, which are applied by the index provider, may not apply to investments held by the Fund for EPM and liquidity purposes which are not included in the Benchmark Index (including derivatives, money market instruments, deposits and units in collective investment schemes). However, exposure to such assets will not exceed 20% of the Fund's total assets.

Fund Benchmark

The Fund's aim is to track the performance of the Benchmark Index, but not to outperform it. The Benchmark Index has been chosen by the Investment Manager because it forms part of the investment objective of the Fund (i.e. a target benchmark), and should be used by unitholders to compare the performance of the Fund.

Benchmark Index Description

The Benchmark Index aims to reflect the performance of a sub-set of equity securities within the Morningstar US Target Market Exposure Index (the "**Parent Index**") which remain after the index provider has excluded securities using pre-defined ESG screens and criteria weighted securities using an optimisation process, as determined by the index provider and further described below.

The Parent Index measures the performance of large and mid-cap US stocks, which comply with the index provider's size, liquidity and free-float criteria. The Parent Index is a free float-adjusted market capitalisation weighted index. Free float-adjusted means that only shares readily available in the market rather than all of a company's issued shares are used in calculating the Benchmark Parent Index. Free float-adjusted market capitalisation is the share price of a company multiplied by the number of shares readily available in the market.

~~The pre-defined ESG screens set by the index provider seek to limit and/or exclude from the Benchmark Index corporate issuers within the Parent Index which are determined by the index provider (often by reference to specific revenue thresholds or to any connection to an activity regardless of any revenue received) as having exposure to, or other ties with, certain activities including but not limited to controversial weapons, tobacco, nuclear weapons, civilian firearms, thermal coal, oil sands, adult entertainment, alcohol, gaming and UN global compact violators. 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 a certain controversy score. In addition, the index provider also applies an optimisation process to the Benchmark Index which seeks to create an index portfolio which has, overall, a lower ESG risk rating (as defined by Sustainalytics) and at least a 30% lower carbon intensity (defined as Scope 1 and 2 emissions in tonnes of greenhouse gases equivalent, divided by revenue in millions (USD)), in each case relative to the Parent Index. Benchmark Index excludes issuers based on their involvement in certain activities deemed by the index provider 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):~~

~~The index provider is responsible for determining the composition of the Benchmark Index and screening its constituent holdings.~~

- ~~• civilian firearms;~~
- ~~• thermal coal;~~
- ~~• oil sands;~~

- tobacco;
- controversial weapons (including nuclear weapons);
- adult entertainment;
- alcohol; and
- gambling.

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 which are classified as violating the United Nations Global Compact ("UNGC") Principles.

The Benchmark Index also excludes issuers with a 'severe' Sustainalytics controversy rating. A controversy rating measures an issuer's involvement (or alleged involvement) in serious controversies based on an assessment of an issuer's operations and/or products which are deemed to have a negative ESG impact. An ESG controversy rating may consider involvement in adverse impact activities in relation to environmental issues such as biodiversity and land use, energy use and greenhouse gas and other emissions, water use and waste issues. An ESG controversy rating may also consider involvement in adverse impact activities in relation to social and governance issues such as bribery and corruption and workplace discrimination. A "severe" controversy rating indicates that an issuer's activities are having a severe impact on the environment and society, posing serious business risks to the company.

Where data is unavailable in respect of an issuer's controversy rating or its involvement in the restricted activities described above, that issuer will be excluded from the Benchmark Index.

Once the exclusion screens are applied, the Benchmark Index is constructed using an optimisation process which aims to: (a) minimise the ESG risk rating of the portfolio and at a minimum, create a portfolio which, overall, has an ESG risk rating which is lower than or equal to the ESG risk rating of the Parent Index; and (b) create a portfolio with at least a 30% lower carbon intensity relative to the Parent Index; subject to, in each case, a turnover budget (i.e. a limit on the trading activity), a tracking error budget and the other optimisation parameters applicable to the portfolio. Please refer to the Benchmark Index methodology set out below and the risk factor set out in section 20 (Use of optimisers in Benchmark Indices) for more information. Unitholders should note that these are outcomes sought at the portfolio-level and accordingly, following the application of the optimisation process, there may still be constituents in the Benchmark Index, and the Fund's portfolio, with high carbon intensity scores and high ESG risk ratings.

The ESG risk rating is defined by Sustainalytics and it evaluates the degree of a company's unmanaged material ESG risk by assessing a company's exposure to, and management of, the ESG issues that are considered most material for that company

from a financial perspective. Where data is unavailable in respect of an issuer's ESG risk rating, that issuer will be excluded from the Benchmark Index.

Carbon intensity is a measurement of issuers' carbon emissions, in tonnes of greenhouse gases equivalent, divided by revenue in millions (USD). The calculation of carbon intensity includes Scope 1 GHG emissions and Scope 2 GHG emissions but excludes Scope 3 GHG emissions. This means that the calculation includes: (i) direct emissions from sources that the reporting company owns or controls; and (ii) indirect emissions that a reporting company causes from the generation of energy that it purchases or uses, but (iii) does not include any other emissions produced by other companies or parties involved in the reporting company's value chain, which can be complicated to calculate and estimate. Scope 3 emissions may represent a significant proportion of a company's carbon footprint and, as a result, the Fund's carbon emission intensity score may not be fully representative of the GHG emissions of the Fund's underlying issuers. Please refer to the risk factor set out in section 20 (Carbon emission intensity calculations and greenhouse gas (GHG) emissions data) for more information on GHG emissions. Where data is unavailable in respect of an issuer's carbon emissions, the carbon intensity of that issuer will be estimated as the Morningstar industry group average.

The Benchmark Index is valued daily at midday and rebalances on a quarterly basis. Further details regarding the Benchmark Index and the Parent Index (including their constituents and the ESG screening methodology for the Benchmark Index (including any specific revenue thresholds)) are available on the index provider's website at https://assets.contentstack.io/v3/assets/bltabf2a7413d5a8f05/blt472195e990301852/6188fdb3b23afd586010746e/20211108_Morningstar_ESG_Enhanced_Index_Family.pdf <https://indexes.morningstar.com/indexes/screener>.

The equities of companies in the Benchmark Index in which the Fund invests will, at the time of purchase, comply with the ESG requirements of the Benchmark Index. The Fund may continue to hold securities which no longer comply with the ESG requirements of the 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. Please refer to the risk factor set out in section 20 (ESG Benchmark Index Screening) for more information. The constituents, ESG requirements and selection methodology of the Benchmark Index, as described above, may change over time.

The Investment Manager will report to investors on the level of the Fund's performance in relation to various ESG considerations against the Parent Index. These may include, but are not limited to, disclosures on (i) the ESG risk rating of the Fund compared to the Parent Index; (ii) the carbon intensity of the Fund compared to the Parent Index; (iii) the percentage market value exposure to excluded issuers in the Fund compared to the Parent Index; (iv) the percentage market value exposure to excluded issuers classified as violating UNGC Principles in the Fund compared to the Parent Index; and (v) the percentage market value exposure to excluded issuers involved in ESG controversies in the Fund compared to the Parent Index.

iShares Japan Equity ESG Screened and Optimised Index Fund (UK):

The Fund is a sub-fund of BlackRock Collective Investment Funds (previously known as BlackRock Qualified Investor Schemes (1)), a UK UCITS scheme under the COLL Sourcebook. The Fund was established on 28 October 2021. The Fund's FCA product reference number is 970232.

This Fund does not have a UK sustainable investment label. Sustainable investment labels help investors find products that have a specific sustainability goal. The Fund does not use a sustainability label because whilst the Fund tracks an index which applies ESG criteria (as described below), the Fund does not have a specific sustainability goal. This is because the Fund follows a passive strategy and the index which the Fund tracks may not meet the criteria of any sustainability label.

Investment Objective

The aim of the Fund is to provide a return (gross of charges) on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) by tracking closely the performance of the Morningstar Japan ESG Enhanced Index (the "**Benchmark Index**").

Although the Fund aims to achieve its investment objective, there is no guarantee that this will be achieved. The Fund's capital is at risk meaning that the Fund could suffer a decrease in value and the value of your investment would decrease as a result.

Investment Policy

In seeking to achieve its investment objective, the Fund will invest directly into the equities (i.e. shares) of companies in the Benchmark Index and at times invest indirectly via other equity-related investments (i.e. other investments whose value is related to equities) giving exposure to such companies.

In seeking to achieve its investment objective and/or for liquidity purposes, the Fund may also invest in other asset classes. These other asset classes include money market instruments (i.e. debt securities with short-term maturities), deposits (i.e. cash) and units in collective investment schemes (i.e. other investment funds, which may be Associated Funds).

Derivatives (i.e. investments the prices of which are based on one or more underlying assets) may be used to seek to reduce risk (relevant to the investment objective) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as "**efficient portfolio management**" or "**EPM**").

The ESG criteria described in the section below, which are applied by the index provider, may not apply to investments held by the Fund for EPM and liquidity purposes which are not included in the Benchmark Index (including derivatives, money market instruments, deposits and units in collective investment schemes). However, exposure to such assets will not exceed 20% of the Fund's total assets.

Fund Benchmark

The Fund's aim is to track the performance of the Benchmark Index, but not to outperform it. The Benchmark Index has been chosen by the Investment Manager because it forms part of the investment objective of the Fund (i.e. a target benchmark), and should be used by unitholders to compare the performance of the Fund.

Benchmark Index Description

The Benchmark Index aims to reflect the performance of a sub-set of equity securities within the Morningstar Japan Target Market Exposure Index (the "**Parent Index**") which remain after the index provider has excluded securities using pre-defined ESG screens and criteria weighted securities using an optimisation process, as determined by the index provider and further described below.

The Parent Index measures the performance of large and mid-cap Japanese stocks, which comply with the index provider's size, liquidity and free-float criteria. The Parent Index is a free float-adjusted market capitalisation weighted index. Free float-adjusted means that only shares readily available in the market rather than all of a company's issued shares are used in calculating the Benchmark Parent Index. Free float-adjusted market capitalisation is the share price of a company multiplied by the number of shares readily available in the market.

~~The pre-defined ESG screens set Benchmark Index excludes issuers based on their involvement in certain activities deemed by the index provider seek to limit and/or exclude have negative environmental or social outcomes. Issuers are excluded from the Benchmark Index corporate issuers within the Parent Index which are determined by the index provider (often by reference to specific revenue thresholds or to any connection to an activity regardless of any revenue received) as having exposure to, or other ties with, certain based on their involvement in the following business lines/activities (or related activities including but not limited to controversial weapons, tobacco, nuclear weapons,):~~

- ~~• civilian firearms₇;~~
- ~~• thermal coal₇;~~
- ~~• oil sands₇;~~
- ~~• tobacco;~~
- ~~• controversial weapons (including nuclear weapons);~~
- ~~• adult entertainment₇;~~
- ~~• alcohol₇, gaming₇ and UN global compact violators. 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 a certain controversy score. In addition, the index provider also applies~~
- ~~• gambling.~~

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 which are classified as violating the United Nations Global Compact ("**UNGC**") Principles.

The Benchmark Index also excludes issuers with a 'severe' Sustainalytics controversy rating. A controversy rating measures an issuer's involvement (or alleged involvement) in serious controversies based on an assessment of an issuer's operations and/or products which are deemed to have a negative ESG impact. An ESG controversy rating may consider involvement in adverse impact activities in relation to environmental issues such as biodiversity and land use, energy use and greenhouse gas and other emissions, water use and waste issues. An ESG controversy rating may also consider involvement in adverse impact activities in relation to social and governance issues such as bribery and corruption and workplace discrimination. A "severe" controversy rating indicates that an issuer's activities are having a severe impact on the environment and society, posing serious business risks to the company.

Where data is unavailable in respect of an issuer's controversy rating or its involvement in the restricted activities described above, that issuer will be excluded from the Benchmark Index.

Once the exclusion screens are applied, the Benchmark Index is constructed using an optimisation process to the Benchmark Index which seeks aims to: (a) minimise the ESG risk rating of the portfolio and at a minimum, create an index a portfolio which has, overall, a has an ESG risk rating which is lower than or equal to the ESG risk rating (as defined by Sustainalytics) and of the Parent Index; and (b) create a portfolio with at least a 30% lower carbon intensity (defined as Scope 1 and 2 emissions in tonnes of greenhouse gases equivalent, divided by revenue in millions (USD)), in each case relative to the Parent Index; subject to, in each case, a turnover budget (i.e. a limit on the trading activity), a tracking error budget, and the other optimisation parameters applicable to the portfolio. Please refer to the Benchmark Index methodology set out below and the risk factor set out in section 20 (Use of optimisers in Benchmark Indices) for more information. Unitholders should note that these are outcomes sought at the portfolio-level and accordingly, following the application of the optimisation process, there may still be constituents in the Benchmark Index, and the Fund's portfolio, with high carbon intensity scores and high ESG risk ratings.

The index provider is responsible for determining the composition of the Benchmark Index and screening its constituent holdings.

The ESG risk rating is defined by Sustainalytics and it evaluates the degree of a company's unmanaged material ESG risk by assessing a company's exposure to, and management of, the ESG issues that are considered most material for that company

from a financial perspective. Where data is unavailable in respect of an issuer's ESG risk rating, that issuer will be excluded from the Benchmark Index.

Carbon intensity is a measurement of issuers' carbon emissions, in tonnes of greenhouse gases equivalent, divided by revenue in millions (USD). The calculation of carbon intensity includes Scope 1 GHG emissions and Scope 2 GHG emissions but excludes Scope 3 GHG emissions. This means that the calculation includes: (i) direct emissions from sources that the reporting company owns or controls; and (ii) indirect emissions that a reporting company causes from the generation of energy that it purchases or uses, but (iii) does not include any other emissions produced by other companies or parties involved in the reporting company's value chain, which can be complicated to calculate and estimate. Scope 3 emissions may represent a significant proportion of a company's carbon footprint and, as a result, the Fund's carbon emission intensity score may not be fully representative of the GHG emissions of the Fund's underlying issuers. Please refer to the risk factor set out in section 20 (*Carbon emission intensity calculations and greenhouse gas (GHG) emissions data*) for more information on GHG emissions. Where data is unavailable in respect of an issuer's carbon emissions, the carbon intensity of that issuer will be estimated as the Morningstar industry group average.

The Benchmark Index is valued daily at midday and rebalances on a quarterly basis. Further details regarding the Benchmark Index and the Parent Index (including their constituents and the ESG screening methodology for the Benchmark Index (including any specific revenue thresholds)) are available on the index provider's website at https://assets.contentstack.io/v3/assets/bltabf2a7413d5a8f05/blt472195e990301852/6188fdb3b23afd586010746e/20211108_Morningstar_ESG_Enhanced_Index_Family.pdf <https://indexes.morningstar.com/indexes/screener>.

The equities of companies in the Benchmark Index in which the Fund invests will, at the time of purchase, comply with the ESG requirements of the Benchmark Index. The Fund may continue to hold securities which no longer comply with the ESG requirements of the 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. Please refer to the risk factor set out in section 20 (*ESG Benchmark Index Screening*) for more information. The constituents, ESG requirements and selection methodology of the Benchmark Index, as described above, may change over time.

The Investment Manager will report to investors on the level of the Fund's performance in relation to various ESG considerations against the Parent Index. These may include, but are not limited to, disclosures on (i) the ESG risk rating of the Fund compared to the Parent Index; (ii) the carbon intensity of the Fund compared to the Parent Index; (iii) the percentage market value exposure to excluded issuers in the Fund compared to the Parent Index; (iv) the percentage market value exposure to excluded issuers classified as violating UNGC Principles in the Fund compared to the Parent Index; and (v) the percentage market value exposure to excluded issuers involved in ESG controversies in the Fund compared to the Parent Index.

iShares Pacific ex Japan Equity ESG Screened and Optimised Index Fund (UK):

The Fund is a sub-fund of BlackRock Collective Investment Funds (previously known as BlackRock Qualified Investor Schemes (1)), a UK UCITS scheme under the COLL Sourcebook. The Fund was established on 28 October 2021. The Fund's FCA product reference number is 970234.

This Fund does not have a UK sustainable investment label. Sustainable investment labels help investors find products that have a specific sustainability goal. The Fund does not use a sustainability label because whilst the Fund tracks an index which applies ESG criteria (as described below), the Fund does not have a specific sustainability goal. This is because the Fund follows a passive strategy and the index which the Fund tracks may not meet the criteria of any sustainability label.

Investment Objective

The aim of the Fund is to provide a return (gross of charges) on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) by tracking closely the performance of the Morningstar Developed Markets Asia Pacific ex-Japan ESG Enhanced Index (the "**Benchmark Index**").

Although the Fund aims to achieve its investment objective, there is no guarantee that this will be achieved. The Fund's capital is at risk meaning that the Fund could suffer a decrease in value and the value of your investment would decrease as a result.

Investment Policy

In seeking to achieve its investment objective, the Fund will invest directly into the equities (i.e. shares) of companies in the Benchmark Index and at times invest indirectly via other equity-related investments (i.e. other investments whose value is related to equities) giving exposure to such companies.

In seeking to achieve its investment objective and/or for liquidity purposes, the Fund may also invest in other asset classes. These other asset classes include money market instruments (i.e. debt securities with short-term maturities), deposits (i.e. cash) and units in collective investment schemes (i.e. other investment funds, which may be Associated Funds).

Derivatives (i.e. investments the prices of which are based on one or more underlying assets) may be used to seek to reduce risk (relevant to the investment objective) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as "**efficient portfolio management**" or "**EPM**").

The ESG criteria described in the section below, which are applied by the index provider, may not apply to investments held by the Fund for EPM and liquidity

purposes which are not included in the Benchmark Index (including derivatives, money market instruments, deposits and units in collective investment schemes). However, exposure to such assets will not exceed 20% of the Fund's total assets.

Fund Benchmark

The Fund's aim is to track the performance of the Benchmark Index, but not to outperform it. The Benchmark Index has been chosen by the Investment Manager because it forms part of the investment objective of the Fund (i.e. a target benchmark), and should be used by unitholders to compare the performance of the Fund.

Benchmark Index Description

The Benchmark Index aims to reflect the performance of a sub-set of equity securities within the Morningstar Developed Markets Asia-Pacific ex-Japan Target Market Exposure Index (the "**Parent Index**") which remain after the index provider has excluded securities using pre-defined ESG screens and criteria weighted securities using an optimisation process, as determined by the index provider and further described below.

The Parent Index measures the performance of large and mid-cap stocks, which comply with the index provider's size, liquidity and free-float criteria, across the Pacific region (excluding Japan). The Parent Index is a free float-adjusted market capitalisation weighted index. Free float-adjusted means that only shares readily available in the market rather than all of a company's issued shares are used in calculating the Benchmark Parent Index. Free float-adjusted market capitalisation is the share price of a company multiplied by the number of shares readily available in the market.

~~The pre-defined ESG screens set Benchmark Index excludes issuers based on their involvement in certain activities deemed by the index provider seek to limit and/or exclude have negative environmental or social outcomes. Issuers are excluded from the Benchmark Index corporate issuers within the Parent Index which are determined by the index provider (often by reference to specific revenue thresholds or to any connection to an activity regardless of any revenue received) as having exposure to, or other ties with, certain based on their involvement in the following business lines/activities (or related activities including but not limited to controversial weapons, tobacco, nuclear weapons):~~

- ~~• civilian firearms;~~
- ~~• thermal coal;~~
- ~~• oil sands;~~
- ~~• tobacco;~~
- ~~• controversial weapons (including nuclear weapons);~~
- ~~• adult entertainment;~~
- ~~• alcohol, gaming; and UN global compact violators. 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 a certain controversy score. In addition, the index provider also applies~~

- ~~• gambling.~~

~~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 which are classified as violating the United Nations Global Compact ("UNGC") Principles.~~

~~The Benchmark Index also excludes issuers with a 'severe' Sustainalytics controversy rating. A controversy rating measures an issuer's involvement (or alleged involvement) in serious controversies based on an assessment of an issuer's operations and/or products which are deemed to have a negative ESG impact. An ESG controversy rating may consider involvement in adverse impact activities in relation to environmental issues such as biodiversity and land use, energy use and greenhouse gas and other emissions, water use and waste issues. An ESG controversy rating may also consider involvement in adverse impact activities in relation to social and governance issues such as bribery and corruption and workplace discrimination. A "severe" controversy rating indicates that an issuer's activities are having a severe impact on the environment and society, posing serious business risks to the company.~~

~~Where data is unavailable in respect of an issuer's controversy rating or its involvement in the restricted activities described above, that issuer will be excluded from the Benchmark Index.~~

~~Once the exclusion screens are applied, the Benchmark Index is constructed using an optimisation process to the Benchmark Index which seeks aims to: (a) minimise the ESG risk rating of the portfolio and at a minimum, create an index a portfolio which has, overall, a has an ESG risk rating which is lower than or equal to the ESG risk rating (as defined by Sustainalytics) and of the Parent Index; and (b) create a portfolio with at least a 30% lower carbon intensity (defined as Scope 1 and 2 emissions in tonnes of greenhouse gases equivalent, divided by revenue in millions (USD)), in each case relative to the Parent Index; subject to, in each case, a turnover budget (i.e. a limit on the trading activity), a tracking error budget, and the other optimisation parameters applicable to the portfolio. Please refer to the Benchmark Index methodology set out below and the risk factor set out in section 20 (*Use of optimisers in Benchmark Indices*) for more information. Unitholders should note that these are outcomes sought at the portfolio-level and accordingly, following the application of the optimisation process, there may still be constituents in the Benchmark Index, and the Fund's portfolio, with high carbon intensity scores and high ESG risk ratings.~~

~~The index provider is responsible for determining the composition of the Benchmark Index and screening its constituent holdings.~~

The ESG risk rating is defined by Sustainalytics and it evaluates the degree of a company's unmanaged material ESG risk by assessing a company's exposure to, and management of, the ESG issues that are considered most material for that company from a financial perspective. Where data is unavailable in respect of an issuer's ESG risk rating, that issuer will be excluded from the Benchmark Index.

Carbon intensity is a measurement of issuers' carbon emissions, in tonnes of greenhouse gases equivalent, divided by revenue in millions (USD). The calculation of carbon intensity includes Scope 1 GHG emissions and Scope 2 GHG emissions but excludes Scope 3 GHG emissions. This means that the calculation includes: (i) direct emissions from sources that the reporting company owns or controls; and (ii) indirect emissions that a reporting company causes from the generation of energy that it purchases or uses, but (iii) does not include any other emissions produced by other companies or parties involved in the reporting company's value chain, which can be complicated to calculate and estimate. Scope 3 emissions may represent a significant proportion of a company's carbon footprint and, as a result, the Fund's carbon emission intensity score may not be fully representative of the GHG emissions of the Fund's underlying issuers. Please refer to the risk factor set out in section 20 (*Carbon emission intensity calculations and greenhouse gas (GHG) emissions data*) for more information on GHG emissions. Where data is unavailable in respect of an issuer's carbon emissions, the carbon intensity of that issuer will be estimated as the Morningstar industry group average.

The Benchmark Index is valued daily at midday and rebalances on a quarterly basis. Further details regarding the Benchmark Index and the Parent Index (including their constituents and the ESG screening methodology for the Benchmark Index (including any specific revenue thresholds)) are available on the index provider's website at https://assets.contentstack.io/v3/assets/bltabf2a7413d5a8f05/blt472195e990301852/6188fdb3b23afd586010746e/20211108_Morningstar_ESG_Enhanced_Index_Family.pdf <https://indexes.morningstar.com/indexes/screener>.

The equities of companies in the Benchmark Index in which the Fund invests will, at the time of purchase, comply with the ESG requirements of the Benchmark Index. The Fund may continue to hold securities which no longer comply with the ESG requirements of the 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. Please refer to the risk factor set out in section 20 (*ESG Benchmark Index Screening*) for more information. The constituents, ESG requirements and selection methodology of the Benchmark Index, as described above, may change over time.

The Investment Manager will report to investors on the level of the Fund's performance in relation to various ESG considerations against the Parent Index. These may include, but are not limited to, disclosures on (i) the ESG risk rating of the Fund compared to the Parent Index; (ii) the carbon intensity of the Fund compared to the Parent Index; (iii) the percentage market value exposure to excluded issuers in the Fund compared to the Parent Index; (iv) the percentage market value exposure to excluded issuers classified as violating UNGC Principles in

the Fund compared to the Parent Index; and (v) the percentage market value exposure to excluded issuers involved in ESG controversies in the Fund compared to the Parent Index.

iShares ESG Screened Sterling Corporate Bond Index Fund (UK)

The Fund is a sub-fund of BlackRock Collective Investment Funds (previously known as BlackRock Qualified Investor Schemes (1)), a UK UCITS scheme under the COLL Sourcebook. The Fund was established on 6 September 2021 and was authorised by the FCA on 6 August 2021. The Fund's FCA product reference number is 958346.

This Fund does not have a UK sustainable investment label. Sustainable investment labels help investors find products that have a specific sustainability goal. The Fund does not use a sustainability label because whilst the Fund tracks an index which applies ESG criteria (as described below), the Fund does not have a specific sustainability goal. This is because the Fund follows a passive strategy and the index which the Fund tracks may not meet the criteria of any sustainability label.

Investment Objective

The aim of the Fund is to provide a return (gross of charges) on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) by tracking closely the performance of the iBoxx MSCI ESG GBP Non-Gilts Index (the "**Benchmark Index**").

Although the Fund aims to achieve its investment objective, there is no guarantee that this will be achieved. The Fund's capital is at risk meaning that the Fund could suffer a decrease in value and the value of your investment would decrease as a result.

Investment Policy

In seeking to achieve its investment objective, the Fund will invest directly into the fixed income securities (i.e. bonds) in the Benchmark Index and at times invest indirectly via other fixed income-related investments (i.e. other investments whose value is related to debt) giving exposure to such fixed income securities, or in other fixed income securities not in the Benchmark Index.

In seeking to achieve its investment objective and/or for liquidity purposes, the Fund may also invest in other asset classes. These other asset classes include money market instruments (i.e. debt securities with short-term maturities), deposits (i.e. cash) and units in collective investment schemes (i.e. other investment funds, which may be Associated Funds but such indirect investment is expected to be limited).

Derivatives (i.e. investments the prices of which are based on one or more underlying assets) may be used to seek to reduce risk (relevant to the investment objective) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as "**efficient portfolio management**" or "**EPM**").

The ESG criteria described in the section below, which are applied by the index provider, may not apply to investments held by the Fund for EPM and liquidity purposes which are not included in the Benchmark Index (including derivatives, money market instruments, deposits and units in collective investment schemes). However, exposure to such assets will not exceed 20% of the Fund's total assets.

Fund Benchmark

The Fund's aim is to track the performance of the, iBoxx MSCI ESG GBP Non-Gilts Index but not to outperform it. This ~~benchmark~~ Benchmark Index has been chosen by the Investment Manager because it forms part of the investment objective of the Fund (i.e. a target benchmark), and should be used by unitholders to compare the performance of the Fund.

Benchmark Index Description

The Benchmark Index aims to reflect the performance of a sub-set of fixed-income securities within the iBoxx MSCI ESG GBP Non-Gilts Index (the "Parent Index") which remain after the index provider has excluded securities using pre-defined ESG screens, as determined by the index provider and further described below. The Parent Index measures the performance of fixed income securities denominated in Pound Sterling issued by governments, government agencies, companies and supranationals (e.g. the International Bank for Reconstruction and Development) but excludes gilts (i.e. bonds) issued by the UK government. These may include fixed income securities which pay income according to a fixed rate of interest and will be investment grade (i.e. meet a specified level of credit worthiness) at the time of inclusion in the ~~Benchmark~~ Parent Index. To be eligible for inclusion in the Benchmark Index the bonds must also have a minimum time to maturity (i.e. the time until they become due for repayment) and a minimum amount outstanding, based on thresholds determined by the index provider.

~~The Benchmark Index applies certain ESG related screens to the iBoxx GBP Non-Gilts Index (the "Parent Index") as set by the index provider which seek to limit and/or exclude from the Benchmark Index corporate issuers within the Parent Index which are determined by the index provider (often by reference to specific revenue thresholds or to any connection to an activity regardless of any revenue received) as having exposure to, or other ties with, certain activities including but not limited to: controversial weapons, tobacco, nuclear weapons, civilian firearms, excludes issuers based on their involvement in certain activities deemed by the index provider 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
- nuclear weapons;
- civilian firearms
- thermal coal;
- oil sands;
- fossil fuel reserves;

- oil and gas equipment and services; and
- oil and gas extraction and production and UN global compact violators.

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 which are classified as violating the United Nations Global Compact ("UNGC") Principles.

The Benchmark Index also excludes companies from the Parent Index which score below a certain threshold based on MSCI ESG Ratings and 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 a certain MSCI ESG Controversy Score. An MSCI controversy score measures an issuer's involvement (or alleged involvement) in very serious controversies relating to their operations and/or products 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.

The index provider is responsible for determining the composition of the Benchmark Index and screening its constituent holdings.

Where data is unavailable in respect of an issuer's ESG risk rating, that issuer will also be excluded from the Benchmark Index. Where data is unavailable in respect of an issuer's controversy rating or its involvement in the restricted activities described above, that issuer is still eligible for inclusion in the Benchmark Index.

The Benchmark Index is valued at the close of each day though a midday valuation is used for performance purposes to match the timing of the Fund's valuation point. The Benchmark Index rebalances on a monthly basis. Further details regarding the Benchmark Index and the Parent Index (including its constituents and the ESG screening methodology for the Benchmark Index (including any specific revenue thresholds)) are available on the index provider's website at www.markit.com/indices.

The fixed income securities in the Benchmark Index in which the Fund invests will, at the time of purchase, comply with the ESG requirements of the Benchmark Index. The Fund may continue to hold securities which no longer comply with the ESG requirements of the 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. Please refer to the risk factor set out in section 20 (ESG Benchmark Index Screening) for more information. The

constituents, ESG requirements and selection methodology of the Benchmark Index, as described above, may change over time.

The Investment Manager will report to investors on the level of the Fund's performance in relation to various ESG considerations against the Parent Index. These may include, but are not limited to, disclosures on (i) the percentage market value exposure to excluded issuers in the Fund compared to the Parent Index; and (ii) the percentage market value exposure to excluded issuers classified as violating UNGC Principles in the Fund compared to the Parent Index.

iShares Emerging Markets Equity ESG Screened and Optimised Index Fund (UK):

The Fund is a sub-fund of BlackRock Collective Investment Funds (previously known as BlackRock Qualified Investor Schemes (1)), a UK UCITS scheme under the COLL Sourcebook. The Fund was established on 28 October 2021. The Fund's FCA product reference number is 974599.

This Fund does not have a UK sustainable investment label. Sustainable investment labels help investors find products that have a specific sustainability goal. The Fund does not use a sustainability label because whilst the Fund tracks an index which applies ESG criteria (as described below), the Fund does not have a specific sustainability goal. This is because the Fund follows a passive strategy and the index which the Fund tracks may not meet the criteria of any sustainability label.

Investment Objective

The aim of the Fund is to provide a return (gross of charges) on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) by tracking closely the performance of the Morningstar Emerging Markets ESG Enhanced Index (the "**Benchmark Index**").

Although the Fund aims to achieve its investment objective, there is no guarantee that this will be achieved. The Fund's capital is at risk meaning that the Fund could suffer a decrease in value and the value of your investment would decrease as a result.

Investment Policy

In seeking to achieve its investment objective, the Fund will invest directly into the equities (i.e. shares) of companies in the Benchmark Index and at times invest indirectly via other equity-related investments (i.e. other investments whose value is related to equities) giving exposure to such companies.

In seeking to achieve its investment objective and/or for liquidity purposes, the Fund may also invest in other asset classes. These other asset classes include money market instruments (i.e. debt securities with short-term maturities), deposits (i.e. cash) and units in collective investment schemes (i.e. other investment funds, which may be Associated Funds).

Derivatives (i.e. investments the prices of which are based on one or more underlying assets) may be used to seek to reduce risk (relevant to the investment

objective) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as "**efficient portfolio management**" or "**EPM**").

The ESG criteria described in the section below, which are applied by the index provider, may not apply to investments held by the Fund for EPM and liquidity purposes which are not included in the Benchmark Index (including derivatives, money market instruments, deposits and units in collective investment schemes). However, exposure to such assets will not exceed 20% of the Fund's total assets.

Fund Benchmark

The Fund's aim is to track the performance of the Benchmark Index, but not to outperform it. The Benchmark Index has been chosen by the Investment Manager because it forms part of the investment objective of the Fund (i.e. a target benchmark), and should be used by unitholders to compare the performance of the Fund.

Benchmark Index Description

The Benchmark Index aims to reflect the performance of a sub-set of equity securities within the Morningstar Emerging Markets Target Market Exposure Index (the "Parent Index") which remain after the index provider has excluded securities using pre-defined ESG screens and criteria weighted securities using an optimisation process, as determined by the index provider and further described below.

The Parent Index measures the performance of large and mid-cap stocks, which comply with the index provider's size, liquidity and free-float criteria, across emerging market countries globally. The Parent Index is a free float-adjusted market capitalisation weighted index. Free float-adjusted means that only shares readily available in the market rather than all of a company's issued shares are used in calculating the Benchmark Parent Index. Free float-adjusted market capitalisation is the share price of a company multiplied by the number of shares readily available in the market.

~~The pre-defined ESG screens set by the index provider seek to limit and/or exclude from the Benchmark Index corporate issuers within the Parent Index which are determined by the index provider (often by reference to specific revenue thresholds~~
Benchmark Index excludes issuers based on their involvement in certain activities deemed by the index provider 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):

- civilian firearms;
- thermal coal;
- oil sands;
- tobacco;
- controversial weapons (including nuclear weapons);
- adult entertainment
- alcohol; and
- gambling.

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 to any connection to an a restricted activity regardless of any the amount of revenue received) as having exposure to, or other ties with, certain activities including but not limited to controversial weapons, tobacco, nuclear weapons, civilian firearms, thermal coal, oil sands, adult entertainment, alcohol, gaming and UN global compact violators.

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 a certain controversy score. In addition, the index provider also applies issuers which are classified as violating the United Nations Global Compact (**UNGC**) Principles.

The Benchmark Index also excludes issuers with a 'severe' Sustainalytics controversy rating. A controversy rating measures an issuer's involvement (or alleged involvement) in serious controversies based on an assessment of an issuer's operations and/or products which are deemed to have a negative ESG impact. An ESG controversy rating may consider involvement in adverse impact activities in relation to environmental issues such as biodiversity and land use, energy use and greenhouse gas and other emissions, water use and waste issues. An ESG controversy rating may also consider involvement in adverse impact activities in relation to social and governance issues such as bribery and corruption and workplace discrimination. A "severe" controversy rating indicates that an issuer's activities are having a severe impact on the environment and society, posing serious business risks to the company.

Where data is unavailable in respect of an issuer's controversy rating or its involvement in the restricted activities described above, that issuer will be excluded from the Benchmark Index.

Once the exclusion screens are applied, the Benchmark Index is constructed using an optimisation process to the Benchmark Index which seeks aims to: (a) minimise the ESG risk rating of the portfolio and at a minimum, create an index a portfolio which has, overall, a has an ESG risk rating which is lower than or equal to the ESG risk rating (as defined by Sustainalytics) and of the Parent Index; and (b) create a portfolio with at least a 30% lower carbon intensity (defined as Scope 1 and 2 emissions in tonnes of greenhouse gases equivalent, divided by revenue in millions (USD)), in each case relative to the Parent Index. The index provider is responsible for determining the composition of the Benchmark Index and screening its constituent holdings relative to the Parent Index; subject to, in each case, a turnover budget (i.e. a limit on the trading activity), a tracking error budget, and the other optimisation parameters applicable to the portfolio. Please refer to the Benchmark Index methodology set out below and the risk factor set out in section 20 (*Use of optimisers in Benchmark Indices*) for more information. Unitholders should note that these are outcomes sought at the portfolio-level and accordingly, following the application of the optimisation process, there may still be constituents in the

Benchmark Index, and the Fund's portfolio, with high carbon intensity scores and high ESG risk ratings.

The ESG risk rating is defined by Sustainalytics and it evaluates the degree of a company's unmanaged material ESG risk by assessing a company's exposure to, and management of, the ESG issues that are considered most material for that company from a financial perspective. Where data is unavailable in respect of an issuer's ESG risk rating, that issuer will be excluded from the Benchmark Index.

Carbon intensity is a measurement of issuers' carbon emissions, in tonnes of greenhouse gases equivalent, divided by revenue in millions (USD). The calculation of carbon intensity includes Scope 1 GHG emissions and Scope 2 GHG emissions but excludes Scope 3 GHG emissions. This means that the calculation includes: (i) direct emissions from sources that the reporting company owns or controls; and (ii) indirect emissions that a reporting company causes from the generation of energy that it purchases or uses, but (iii) does not include any other emissions produced by other companies or parties involved in the reporting company's value chain, which can be complicated to calculate and estimate. Scope 3 emissions may represent a significant proportion of a company's carbon footprint and, as a result, the Fund's carbon emission intensity score may not be fully representative of the GHG emissions of the Fund's underlying issuers. Please refer to the risk factor set out in section 20 (*Carbon emission intensity calculations and greenhouse gas (GHG) emissions data*) for more information on GHG emissions. Where data is unavailable in respect of an issuer's carbon emissions, the carbon intensity of that issuer will be estimated as the Morningstar industry group average.

The Benchmark Index is valued daily at midday and rebalances on a quarterly basis. Further details regarding the Benchmark Index and the Parent Index (including their constituents and the ESG screening methodology for the Benchmark Index (including any specific revenue thresholds)) are available on the index provider's website at https://assets.contentstack.io/v3/assets/bltabf2a7413d5a8f05/blt472195e990301852/6188fdb3b23afd586010746e/20211108_Morningstar_ESG_Enhanced_Index_Family.pdf <https://indexes.morningstar.com/indexes/screener>.

The equities of companies in the Benchmark Index in which the Fund invests will, at the time of purchase, comply with the ESG requirements of the Benchmark Index. The Fund may continue to hold securities which no longer comply with the ESG requirements of the 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. Please refer to the risk factor set out in section 20 (*ESG Benchmark Index Screening*) for more information. The constituents, ESG requirements and selection methodology of the Benchmark Index, as described above, may change over time.

The Investment Manager will report to investors on the level of the Fund's performance in relation to various ESG considerations against the Parent Index. These may include, but are not limited to, disclosures on (i) the ESG risk rating of the Fund compared to the Parent Index; (ii) the carbon intensity of the Fund

compared to the Parent Index; (iii) the percentage market value exposure to excluded issuers in the Fund compared to the Parent Index; (iv) the percentage market value exposure to excluded issuers classified as violating UNGC Principles in the Fund compared to the Parent Index; and (v) the percentage market value exposure to excluded issuers involved in ESG controversies in the Fund compared to the Parent Index.

iShares Continental European Equity ESG Screened and Optimised Index Fund (UK):

The Fund is a sub-fund of BlackRock Collective Investment Funds (previously known as BlackRock Qualified Investor Schemes (1)), a UCITS scheme under the COLL Sourcebook. The Fund was established on 28 October 2021. The Fund's FCA product reference number is 970233.

This Fund does not have a UK sustainable investment label. Sustainable investment labels help investors find products that have a specific sustainability goal. The Fund does not use a sustainability label because whilst the Fund tracks an index which applies ESG criteria (as described below), the Fund does not have a specific sustainability goal. This is because the Fund follows a passive strategy and the index which the Fund tracks may not meet the criteria of any sustainability label.

Investment Objective

The aim of the Fund is to provide a return (gross of charges) on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) by tracking closely the performance of the Morningstar Developed Europe ex-UK ESG Enhanced Index (the "Benchmark Index").

Although the Fund aims to achieve its investment objective, there is no guarantee that this will be achieved. The Fund's capital is at risk meaning that the Fund could suffer a decrease in value and the value of your investment would decrease as a result.

Investment Policy

In seeking to achieve its investment objective, the Fund will invest directly into the equities (i.e. shares) of companies in the Benchmark Index and at times invest indirectly via other equity-related investments (i.e. other investments whose value is related to equities) giving exposure to such companies.

In seeking to achieve its investment objective and/or for liquidity purposes, the Fund may also invest in other asset classes. These other asset classes include money market instruments (i.e. debt securities with short-term maturities), deposits (i.e. cash) and units in collective investment schemes (i.e. other investment funds, which may be Associated Funds).

Derivatives (i.e. investments the prices of which are based on one or more underlying assets) may be used to seek to reduce risk (relevant to the investment objective) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as "efficient portfolio management" or "EPM").

The ESG criteria described in the section below, which are applied by the index provider, may not apply to investments held by the Fund for EPM and liquidity purposes which are not included in the Benchmark Index (including derivatives, money market instruments, deposits and units in collective investment schemes). However, exposure to such assets will not exceed 20% of the Fund's total assets.

Fund Benchmark

The Fund's aim is to track the performance of the Benchmark Index, but not to outperform it. The Benchmark Index has been chosen by the Investment Manager because it forms part of the investment objective of the Fund (i.e. a target benchmark), and should be used by unitholders to compare the performance of the Fund.

Benchmark Index Description

The Benchmark Index aims to reflect the performance of a sub-set of equity securities within the Morningstar Developed Markets Europe ex-UK Target Market Exposure Index (the "Parent Index") which remain after the index provider has excluded securities using pre-defined ESG screens and criteria weighted securities using an optimisation process, as determined by the index provider and further described below.

The Parent Index measures the performance of large and mid-cap stocks, which comply with the index provider's size, liquidity and free-float criteria, across developed market European countries (excluding the United Kingdom). The Parent Index is a free float-adjusted market capitalisation weighted index. Free float-adjusted means that only shares readily available in the market rather than all of a company's issued shares are used in calculating the Benchmark Parent Index. Free float-adjusted market capitalisation is the share price of a company multiplied by the number of shares readily available in the market.

~~The pre-defined ESG screens set Benchmark Index excludes issuers based on their involvement in certain activities deemed by the index provider seek to limit and/or exclude have negative environmental or social outcomes. Issuers are excluded from the Benchmark Index corporate issuers within the Parent Index which are determined by the index provider (often by reference to specific revenue thresholds or to any connection to an activity regardless of any revenue received) as having exposure to, or other ties with, certain based on their involvement in the following business lines/activities (or related activities including but not limited to controversial weapons, tobacco, nuclear weapons):~~

- civilian firearms;
- thermal coal;
- oil sands;
- tobacco;

- controversial weapons (including nuclear weapons);
- adult entertainment;
- alcohol, gaming; and UN global compact violators. 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 a certain controversy score. In addition, the index provider also applies
- gambling.

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 which are classified as violating the United Nations Global Compact ("UNGC") Principles.

The Benchmark Index also excludes issuers with a 'severe' Sustainalytics controversy rating. A controversy rating measures an issuer's involvement (or alleged involvement) in serious controversies based on an assessment of an issuer's operations and/or products which are deemed to have a negative ESG impact. An ESG controversy rating may consider involvement in adverse impact activities in relation to environmental issues such as biodiversity and land use, energy use and greenhouse gas and other emissions, water use and waste issues. An ESG controversy rating may also consider involvement in adverse impact activities in relation to social and governance issues such as bribery and corruption and workplace discrimination. A "severe" controversy rating indicates that an issuer's activities are having a severe impact on the environment and society, posing serious business risks to the company.

Where data is unavailable in respect of an issuer's controversy rating or its involvement in the restricted activities described above, that issuer will be excluded from the Benchmark Index.

Once the exclusion screens are applied, the Benchmark Index is constructed using an optimisation process to the Benchmark Index which seeks aims to: (a) minimise the ESG risk rating of the portfolio and at a minimum, create an index a portfolio which has, overall, a has an ESG risk rating which is lower than or equal to the ESG risk rating (as defined by Sustainalytics) and of the Parent Index; and (b) create a portfolio with at least a 30% lower carbon intensity (defined as Scope 1 and 2 emissions in tonnes of greenhouse gases equivalent, divided by revenue in millions (USD)), in each case relative to the Parent Index.; subject to, in each case, a turnover budget (i.e. a limit on the trading activity), a tracking error budget, and the other optimisation parameters applicable to the portfolio. Please refer to the Benchmark Index methodology set out below and the risk factor set out in section 20 (Use of optimisers in Benchmark Indices) for more information. Unitholders should note that these are outcomes sought at the portfolio-level and accordingly, following the application of the optimisation process, there may still be constituents

in the Benchmark Index, and the Fund's portfolio, with high carbon intensity scores and high ESG risk ratings.

The index provider is responsible for determining the composition of the Benchmark Index and screening its constituent holdings.

The ESG risk rating is defined by Sustainalytics and it evaluates the degree of a company's unmanaged material ESG risk by assessing a company's exposure to, and management of, the ESG issues that are considered most material for that company from a financial perspective. Where data is unavailable in respect of an issuer's ESG risk rating, that issuer will be excluded from the Benchmark Index.

Carbon intensity is a measurement of issuers' carbon emissions, in tonnes of greenhouse gases equivalent, divided by revenue in millions (USD). The calculation of carbon intensity includes Scope 1 GHG emissions and Scope 2 GHG emissions but excludes Scope 3 GHG emissions. This means that the calculation includes: (i) direct emissions from sources that the reporting company owns or controls; and (ii) indirect emissions that a reporting company causes from the generation of energy that it purchases or uses, but (iii) does not include any other emissions produced by other companies or parties involved in the reporting company's value chain, which can be complicated to calculate and estimate. Scope 3 emissions may represent a significant proportion of a company's carbon footprint and, as a result, the Fund's carbon emission intensity score may not be fully representative of the GHG emissions of the Fund's underlying issuers. Please refer to the risk factor set out in section 20 (Carbon emission intensity calculations and greenhouse gas (GHG) emissions data) for more information on GHG emissions. Where data is unavailable in respect of an issuer's carbon emissions, the carbon intensity of that issuer will be estimated as the Morningstar industry group average.

The Benchmark Index is valued daily at midday and rebalances on a quarterly basis. Further details regarding the Benchmark Index and the Parent Index (including their constituents and the ESG screening methodology for the Benchmark Index (including any specific revenue thresholds)) are available on the index provider's website at https://assets.contentstack.io/v3/assets/bltabf2a7413d5a8f05/blt472195e990301852/6188fdb3b23afd586010746c/20211108_Morningstar_ESG_Enhanced_Index_Family.pdf <https://indexes.morningstar.com/indexes/screener>.

The equities of companies in the Benchmark Index in which the Fund invests will, at the time of purchase, comply with the ESG requirements of the Benchmark Index. The Fund may continue to hold securities which no longer comply with the ESG requirements of the 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. Please refer to the risk factor set out in section 20 (ESG Benchmark Index Screening) for more information. The constituents, ESG requirements and selection methodology of the Benchmark Index, as described above, may change over time.

The Investment Manager will report to investors on the level of the Fund's performance in relation to various ESG considerations against the Parent Index. These may include, but are not limited to, disclosures on (i) the ESG risk rating of the Fund compared to the Parent Index; (ii) the carbon intensity of the Fund compared to the Parent Index; (iii) the percentage market value exposure to excluded issuers in the Fund compared to the Parent Index; (iv) the percentage market value exposure to excluded issuers classified as violating UNGC Principles in the Fund compared to the Parent Index; and (v) the percentage market value exposure to excluded issuers involved in ESG controversies in the Fund compared to the Parent Index.

iShares Developed World Fossil Fuel Screened Equity Index Fund (UK):

The Fund is a sub-fund of BlackRock Collective Investment Funds (previously known as BlackRock Qualified Investor Schemes (1)), a UK UCITS scheme under the COLL Sourcebook. The Fund was authorised by the FCA on 26 October 2020. The Fund's FCA product reference number is 938664.

This Fund does not have a UK sustainable investment label. Sustainable investment labels help investors find products that have a specific sustainability goal. The Fund does not use a sustainability label because whilst the Fund tracks an index which applies ESG criteria (as described below), the Fund does not have a specific sustainability goal. This is because the Fund follows a passive strategy and the index which the Fund tracks may not meet the criteria of any sustainability label.

Investment Objective

The aim of the Fund is to provide a return (gross of charges) on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) by tracking closely the performance of the MSCI World Select Fossil Fuel Screened Index (the "Benchmark Index").

Although the Fund aims to achieve its investment objective, there is no guarantee that this will be achieved. The Fund's capital is at risk meaning that the Fund could suffer a decrease in value and the value of your investment would decrease as a result.

Investment Policy

In seeking to achieve its investment objective, the Fund will invest directly into the equities (i.e. shares) of companies in the Benchmark Index and at times invest indirectly via other equity-related investments (i.e. other investments whose value is related to equities) giving exposure to such companies (though it is expected that such indirect investment will be limited).

In seeking to achieve its investment objective and/or for liquidity purposes, the Fund may also invest in other asset classes. These other asset classes include money market instruments (i.e. debt securities with short-term maturities), deposits (i.e.

cash) and units in collective investment schemes (i.e. other investment funds, which may be Associated Funds).

Derivatives (i.e. investments the prices of which are based on one or more underlying assets) may be used to seek to reduce risk (relevant to the investment objective) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as "efficient portfolio management" or "EPM").

The ESG criteria described in the section below, which are applied by the index provider, may not apply to investments held by the Fund for EPM and liquidity purposes which are not included in the Benchmark Index (including derivatives, money market instruments, deposits and units in collective investment schemes). However, exposure to such assets will not exceed 20% of the Fund's total assets.

Fund Benchmark

The Fund's aim is to track the performance of the MSCI World Select Fossil Fuel Screened Index, but not to outperform it. This Benchmark Index has been chosen by the Investment Manager because it forms part of the investment objective of the Fund (i.e. a target benchmark), and should be used by unitholders to compare the performance of the Fund.

Benchmark Index Description

~~The MSCI World Select Fossil Fuel Screened~~ Benchmark Index aims to reflect the performance of a sub-set of equity securities within the MSCI World Index (the "Parent Index") which remain after the index provider has excluded securities using pre-defined ESG screens, as determined by the index provider and further described below.

The Parent Index measures the performance of large and mid-cap stocks, which comply with the index provider's size, liquidity and free-float criteria, across developed market countries globally. The Parent Index is a free float-adjusted market capitalisation weighted index. Free float-adjusted means that only shares readily available in the market rather than all of a company's issued shares are used in calculating the Benchmark Parent Index. Free float-adjusted market capitalisation is the share price of a company multiplied by the number of shares readily available in the market.

~~The pre-defined ESG screens set by the index provider seek to limit and/or exclude from the Benchmark Index corporate issuers within the Parent Index which are determined by the index provider (often by reference to specific revenue thresholds or to any connection to an activity regardless of any revenue received) as having exposure to, or other ties with, certain activities including but not limited to:~~
(i) issuers engaged in the extraction of thermal coal and its sale to external parties or the generation of power from Benchmark Index excludes issuers based on their involvement in certain activities deemed by the index provider 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):

- ~~(i) thermal coal;~~
- ~~(ii) issuers that are engaged in the extraction of oil sands, own oil sands reserves and disclose evidence of deriving revenue from oil sands extraction~~
- ~~(ii) oil sands;~~
- ~~(iii) issuers that own~~
- ~~(iii) fossil fuel reserves and derive revenue from oil and gas or the extraction and/or generation of power from thermal coal;~~
- ~~(iv) issuers engaged in providing equipment and services for the exploration and production of~~
- ~~(iv) oil and natural gas;~~
- ~~(v) issuers engaged in the extraction and production of oil and gas (unless the revenue share from conventional oil and gas exceeds that from unconventional oil and gas and the issuer derives at least half of its revenue from renewable energy and alternative fuels);~~
- ~~(vi) issuers with ties to certain types of~~
- ~~(v) controversial weapons or which manufacture nuclear weapons or related equipment or provide services auxiliary to ;~~
- ~~(vi) nuclear weapons;~~
- ~~(vii) issuers involved in the distribution or production of firearms or small arms ammunition intended for civilians;~~
- ~~(vii) civilian firearms; and~~
- ~~(viii) tobacco.~~

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.

- ~~(viii) issuers which produce tobacco products or are engaged in certain activities in relation tobacco related products; and~~
- ~~(ix) The Benchmark Index also excludes issuers which have been deemed to have failed to comply with UN are classified as violating the United Nations Global Compact ("UNGC") Principles.~~

~~The index provider is responsible for determining the composition of the Benchmark Index and screening its constituent holdings.~~

Where data is unavailable in respect of an issuer's involvement in the restricted activities described above, that issuer will be excluded from the Benchmark Index.

The Benchmark Index is valued daily at midday and rebalances on a quarterly basis. Further details regarding the Benchmark Index and the Parent Index (including their constituents and the ESG screening methodology for the Benchmark Index (including any specific revenue thresholds)) are available on the index provider's website at <https://www.msci.com/constituents>.

The equities of companies in the Benchmark Index in which the Fund invests will, at the time of purchase, comply with the ESG requirements of the Benchmark Index. The Fund may continue to hold securities which no longer comply with the ESG

requirements of the 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. Please refer to the risk factor set out in section 20 (ESG Benchmark Index Screening) for more information. The constituents, ESG requirements and selection methodology of the Benchmark Index, as described above, may change over time.

The Investment Manager will report to investors on the level of the Fund's performance in relation to various ESG considerations against the Parent Index. These may include, but are not limited to, disclosures on (i) the percentage market value exposure to excluded issuers in the Fund compared to the Parent Index; and (ii) the percentage market value exposure to excluded issuers classified as violating UNGC Principles in the Fund compared to the Parent Index.

iShares ESG Screened Overseas Corporate Bond Index Fund (UK):

The Fund is a sub-fund of BlackRock Collective Investment Funds (previously known as BlackRock Qualified Investor Schemes (1)), a UK UCITS scheme under the COLL Sourcebook. The Fund was established on 28 January 2011 and was authorised by the FCA on 28 April 2010. The Fund's FCA product reference number is 645678.

This Fund does not have a UK sustainable investment label. Sustainable investment labels help investors find products that have a specific sustainability goal. The Fund does not use a sustainability label because whilst the Fund tracks an index which applies ESG criteria (as described below), the Fund does not have a specific sustainability goal. This is because the Fund follows a passive strategy and the index which the Fund tracks may not meet the criteria of any sustainability label.

Investment Objective

The aim of the Fund is to provide a return (gross of charges) on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) by tracking closely the performance of the ICE ESG Global Corporate Ex GBP Index (the "Benchmark Index").

Although the Fund aims to achieve its investment objective, there is no guarantee that this will be achieved. The Fund's capital is at risk meaning that the Fund could suffer a decrease in value and the value of your investment would decrease as a result.

Investment Policy

In seeking to achieve its investment objective, the Fund will invest directly into the fixed income securities (i.e. bonds) in the Benchmark Index and at times invest indirectly via other fixed income-related investments (i.e. other investments whose value is related to debt) giving exposure to such fixed income securities, or in other fixed income securities not in the Benchmark Index.

In seeking to achieve its investment objective and/or for liquidity purposes, the Fund may also invest in other asset classes. These other asset classes include money market instruments (i.e. debt securities with short-term maturities), deposits (i.e.

cash) and units in collective investment schemes (i.e. other investment funds, which may be Associated Funds).

Derivatives (i.e. investments the prices of which are based on one or more underlying assets) may be used to seek to reduce risk (relevant to the investment objective) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as "efficient portfolio management" or "EPM").

The ESG criteria described in the section below, which are applied by the index provider, may not apply to investments held by the Fund for EPM and liquidity purposes which are not included in the Benchmark Index (including derivatives, money market instruments, deposits and units in collective investment schemes). However, exposure to such assets will not exceed 20% of the Fund's total assets.

Fund Benchmark

The Fund's aim is to track the performance of the Benchmark Index, but not to outperform it. This benchmark Benchmark Index has been chosen by the Investment Manager because it forms part of the investment objective of the Fund (i.e. a target benchmark), and should be used by unitholders to compare the performance of the Fund.

Benchmark Index Description

The Benchmark Index tracks the performance of investment grade corporate debt publicly issued in the major domestic and eurobond markets. aims to reflect the performance of a sub-set of fixed-income securities within the ICE Global Corporate Excluding British Pound Index (the "Parent Index") which remain after the index provider has excluded securities using pre-defined ESG screens, as determined by the index provider and further described below. The Parent Index measures the performance of fixed income securities issued by companies in global markets, excluding issues denominated in Pound Sterling. The fixed income securities will pay income according to a fixed rate of interest and will be investment grade (i.e. meet a specified level of credit worthiness) at the time of inclusion in the Parent Index.

The Benchmark Index excludes issuers based on their involvement in certain activities deemed by the index provider 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):

- thermal coal;
- oil sands;
- oil and gas;
- tobacco;
- cluster weapons;
- depleted uranium;
- biological and chemical weapons;
- white phosphorus;
- small arms; and
- nuclear weapons.

The Benchmark Index also excludes issuers which are classified as violating the United Nations Global Compact (UNGC) Principles.

The Benchmark Index also excludes issuers with a 'severe' Sustainability controversy rating. A controversy rating measures an issuer's involvement (or alleged involvement) in serious controversies based on an assessment of an issuer's operations and/or products which are deemed to have a negative ESG impact. An ESG controversy rating may consider involvement in adverse impact activities in relation to environmental issues such as biodiversity and land use, energy use and greenhouse gas and other emissions, water use and waste issues. An ESG controversy rating may also consider involvement in adverse impact activities in relation to social and governance issues such as bribery and corruption and workplace discrimination. A "severe" controversy rating indicates that an issuer's activities are having a severe impact on the environment and society, posing serious business risks to the company.

The Benchmark Index also excludes issuers which have a 'high' ESG risk rating. The ESG risk rating evaluates the degree of a company's unmanaged material ESG risk by assessing a company's exposure to, and management of, the ESG issues that are considered most material for that company from a financial perspective.

Where data is unavailable in respect of an issuer's ESG risk rating, that issuer will also be excluded from the Benchmark Index. Where data is unavailable in respect of an issuer's controversy rating or its involvement in the restricted activities described above, that issuer is still eligible for inclusion in the Benchmark Index.

Due to its size it, the Benchmark Index contains some small sized securities as well as some which can only be traded in minimum size increments. This combined with the sheer size of the Benchmark Index means that it is not practical for the Fund to invest in every security in the Benchmark Index but instead the Investment Manager uses an investment technique known as stratified sampling. This means that the Fund will hold a subset of the bonds that make up the Benchmark Index. This should result in the Fund being able to closely track the performance of the Benchmark Index but without incurring the costs of holding every single bond.

~~The Benchmark Index measures the performance of fixed income securities issued by companies in global markets, excluding issues denominated in Pound Sterling. The fixed income securities will pay income according to a fixed rate of interest and will be investment grade (i.e. meet a specified level of credit worthiness) at the time of inclusion in the Benchmark Index. For further information on the selection criteria of the Benchmark Index please refer to the index rules and methodology available from the index provider's website.~~

~~The Benchmark Index applies certain ESG related screens as set by the index provider which seek to limit and/or exclude from the Benchmark Index corporate issuers which are determined by the index provider (often by reference to specific revenue thresholds or to any connection to an activity regardless of any revenue received) as having exposure to, or other ties with, certain activities including but~~

~~not limited to: controversial weapons, tobacco, nuclear weapons, civilian firearms, thermal coal, oil sands, fossil fuel reserves, oil and gas equipment and services, oil and gas extraction and production. Issuers that 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) are also excluded from the Benchmark Index.~~

~~The Benchmark Index excludes companies which score below a certain Sustainalytics ESG Rating 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 a Sustainalytics ESG controversy score.~~

~~The index provider is responsible for determining the composition of the Benchmark Index and screening its constituent holdings.~~

~~The Benchmark Index rebalances on a monthly basis. Further details regarding the Benchmark Index and the Parent Index (including ~~its~~ their constituents and the ESG screening methodology for the Benchmark Index (including any specific revenue thresholds)) are available on the index provider's website at: <https://indices.theice.com/>~~

~~The fixed income securities in the Benchmark Index in which the Fund invests will, at the time of purchase, comply with the ESG requirements of the Benchmark Index. The Fund may continue to hold securities which no longer comply with the ESG requirements of the 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. Please refer to the risk factor set out in section 20 (ESG Benchmark Index Screening) for more information. The constituents, ESG requirements and selection methodology of the Benchmark Index, as described above, may change over time.~~

~~The Investment Manager will report to investors on the level of the Fund's performance in relation to various ESG considerations against the Parent Index. These may include, but are not limited to, disclosures on (i) the percentage market value exposure to excluded issuers in the Fund compared to the Parent Index; (ii) the percentage market value exposure to excluded issuers classified as violating UNGC Principles in the Fund compared to the Parent Index; and (iii) the percentage market value exposure to excluded issuers involved in ESG controversies in the Fund compared to the Parent Index.~~

iShares Environment & Low Carbon Tilt Real Estate Index Fund (UK):

The Fund is a sub-fund of BlackRock Collective Investment Funds (previously known as BlackRock Qualified Investor Schemes (1)), a UK UCITS scheme under the COLL Sourcebook. The Fund was established on 15 November 2010 and was authorised by the FCA on 3 June 2010. The Fund's FCA product reference number is 645677.

This Fund does not have a UK sustainable investment label. Sustainable investment labels help investors find products that have a specific sustainability goal. The Fund does not use a sustainability label because whilst the Fund tracks an index which applies ESG criteria (as described below), the Fund does not have a specific sustainability goal. This is because the Fund follows a passive strategy and the index which the Fund tracks may not meet the criteria of any sustainability label.

Investment Objective

The aim of the Fund is to provide a return on your investment (generated through an increase in the value of the assets held by the Fund) by tracking closely the performance of the FTSE EPRA NAREIT Developed Green Low Carbon Target Index (the "Benchmark Index").

Although the Fund aims to achieve its investment objective, there is no guarantee that this will be achieved. The Fund's capital is at risk meaning that the Fund could suffer a decrease in value and the value of your investment would decrease as a result.

Investment Policy

In seeking to achieve its investment objective, the Fund will invest directly into the equities (i.e. shares) of companies in the Benchmark Index and at times invest indirectly via other equity-related investments (i.e. other investments whose value is related to equities) giving exposure to such companies, or in other equities not in the Benchmark Index.

In seeking to achieve its investment objective and/or for liquidity purposes, the Fund may also invest in other asset classes. These other asset classes include money market instruments (i.e. debt securities with short-term maturities), deposits (i.e. cash) and units in collective investment schemes (i.e. other investment funds, which may be Associated Funds).

Derivatives (i.e. investments the prices of which are based on one or more underlying assets) may be used to seek to reduce risk (relevant to the investment objective) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as "efficient portfolio management" or "EPM").

The ESG criteria described in the section below, which are applied by the index provider, may not apply to investments held by the Fund for EPM and liquidity purposes which are not included in the Benchmark Index (including derivatives, money market instruments, deposits and units in collective investment schemes), however, exposure to such assets will not exceed 20% of the Fund's total assets.

Fund Benchmark

The Fund's aim is to track the performance of the ~~FTSE EPRA NAREIT Developed Green Low Carbon Target~~ Benchmark Index, but not to outperform it. This ~~benchmark~~ Benchmark Index has been chosen by the Investment Manager because it forms part of the investment objective of the Fund (i.e. a target benchmark), and should be used by unitholders to compare the performance of the Fund.

Benchmark Index Description

The Benchmark Index aims to reflect the performance of a sub-set of equity securities in the FTSE EPRA NAREIT Developed Index (the "Parent Index") which remain after the index provider has excluded securities using pre-defined ESG screens and ~~criteria~~ weighted securities using an optimisation process, as determined by the index provider and ~~reweighted based on its sustainability criteria~~ further described below.

The Parent Index measures the performance of global listed real estate/property securities which comply with the index provider's size, liquidity and free-float criteria. The Parent Index is a free float-adjusted market capitalisation weighted index. Free float-adjusted means that only shares readily available in the market rather than all of a company's issued shares are used in calculating the Benchmark Parent Index. Free float-adjusted market capitalisation is the share price of a company multiplied by the number of shares readily available in the market.

~~The pre-defined ESG screens set~~ Benchmark Index excludes issuers based on their involvement in certain activities deemed by the index provider seek to limit and/or exclude have negative environmental or social outcomes. Issuers are excluded from the Benchmark Index corporate issuers within the Parent Index which are determined by the index provider (often by reference to specific revenue thresholds based on their involvement in the following business lines/activities (or related activities):

- small arms;
- thermal coal;
- oil sands;
- tobacco; and
- controversial weapons (chemical and biological weapons, cluster weapons, anti-personnel mines, nuclear weapons, white phosphorus and depleted uranium).

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 to any connection to an a restricted activity regardless of any the amount of revenue received) as having exposure to, or other ties with, certain activities including but not limited to non-renewable energy (including extraction of oil sands, thermal coal and thermal coal power generation), tobacco (including related to the manufacture, supply and distribution of tobacco), weapons (including chemical and biological, cluster bombs and nuclear weapons) and controversies (including human rights, labour, environmental and anti-corruption controversies). Remaining.

Where data is unavailable in respect of an issuer's involvement in the restricted activities described above, that issuer will be excluded from the Benchmark Index.

The Benchmark Index also excludes issuers which are classified as violating the United Nations Global Compact (UNGC) Principles.

Once the exclusion screens are applied, the remaining constituent weights are then adjusted (tilted) based on targeted percentage improvements (in each case relative to the Parent Index) across three sustainable investment considerations: green building certification (the share of total net leasable area owned and/or managed by a company that is certified as part of an eligible green certification scheme) (target 30% improvement), energy usage (the average ~~modeled~~ modelled energy consumption per square metre of net leasable area owned and/or managed by a company) (target 10% improvement); and carbon emissions intensity (which is the total operational emissions scaled by company value including cash) (target 20% improvement) . If, at a Benchmark Index rebalance, the index provider is unable to achieve all targets of the Benchmark Index, the index provider may, subject to, in each case, certain circumstances, reduce these sustainable investment consideration targets if it is not feasible to achieve them all (with the reduction being implemented incrementally until a feasible solution is reached).

The index provider is responsible for determining the composition of optimisation parameters applicable to the portfolio. Please refer to the Benchmark Index and screening its constituent holdings and adjusting for the sustainable investment considerations methodology set out below and the risk factor set out in section 20 (Use of optimisers in Benchmark Indices) for more information.

The calculation of carbon emission intensity includes Scope 1 GHG emissions and Scope 2 GHG emissions but excludes Scope 3 GHG emissions. This means that the calculation includes: (i) direct emissions from sources that the reporting company owns or controls; and (ii) indirect emissions that a reporting company causes from the generation of energy that it purchases or uses, but (iii) does not include any other emissions produced by other companies or parties involved in the reporting company's value chain, which can be complicated to calculate and estimate. Scope 3 emissions may represent a significant proportion of a company's carbon footprint and, as a result, the Fund's carbon emission intensity score may not be fully representative of the GHG emissions of the Fund's underlying issuers. Please refer to the risk factor set out in section 20 (Carbon emission intensity calculations and greenhouse gas (GHG) emissions data) for more information on GHG emissions.

Where data is unavailable for an issuer's green building certification or energy usage, that issuer is allocated a score of zero. Where data is unavailable for an issuer's carbon emissions intensity, that issuer is allocated the average score of its REIT sector or zero if the sector average score is not available.

The Benchmark Index is valued daily at midday and rebalances on a quarterly basis. Further details regarding the Benchmark Index and the Parent Index (including its constituents and the ESG methodology for the Benchmark Index (including any

specific revenue thresholds)) are available on the index provider's website at: <https://www.ftserussell.com/products/indices/epra-nareit-green>.

The equities of companies in the Benchmark Index in which the Fund invests will, at the time of purchase, comply with the ESG requirements of the Benchmark Index. The Fund may continue to hold securities which no longer comply with the ESG requirements of the 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. Please refer to the risk factor set out in section 20 (ESG Benchmark Index Screening) for more information. The constituents, ESG requirements and selection methodology of the Benchmark Index, as described above, may change over time.

The Investment Manager will report to investors on the level of the Fund's performance in relation to various ESG considerations against the Parent Index. These may include, but are not limited to, disclosures on (i) the tilts applied to the constituent weights across each of the three sustainable investment considerations described above, in each case compared to the Parent Index; (ii) the percentage market value exposure to excluded issuers in the Fund compared to the Parent Index; and (iii) the percentage market value exposure to excluded issuers classified as violating UNGC Principles in the Fund compared to the Parent Index.

BlackRock Global Corporate ESG Insights Bond Fund

The Fund is a sub-fund of BlackRock Collective Investment Funds (previously known as BlackRock Qualified Investor Schemes (1)), a UK UCITS scheme under the COLL Sourcebook. The Fund was authorised by the FCA on 25 August 2022 and was established on 3 October 2022. The Fund's FCA product reference number is 984847.

This Fund does not have a UK sustainable investment label. Sustainable investment labels help investors find products that have a specific sustainability goal. The Fund does not use a sustainability label because whilst the Fund applies ESG commitments within its investment process (as described below), the Fund does not have a specific sustainability goal and the investment strategy of the Fund means it is not able to meet the criteria of any sustainability label.

Investment Objective

The Fund aims to (i) provide a gross return on your investment (generated through the value of the assets held and/or income received from those assets) which, in ordinary circumstances, is broadly similar to the return profile of the Bloomberg Global Aggregate Corporate Index GBP Hedged (the "Index"), and (ii) maintain a risk profile (i.e. an evaluation of the risks associated with the portfolio) which is broadly similar to the risk profile of the Index (save for the mitigation of potential ESG risks through where the application of the Fund's ESG Policy criteria, as

described below, results in a deviation of the return profile or risk profile from the Index).

The Fund seeks to balance these aims for its risk and return profiles whilst also seeking to achieve a set of ESG related aims. The Fund aims to provide exposure to a portfolio of fixed income securities (i.e. bonds) within the Index that is managed, through the application of the Fund's ESG Policy criteria and in particular its use of a proprietary ESG framework of the Investment Manager (as described in the Fund's ESG Policy criteria below), and aims to:

(a) have no exposure or a reduced exposure (relative to the Index) to certain business activities for ESG related reasons, as further detailed below;

(b) have achieve a higher weighted average exposure (reduction in the carbon emission intensity score of the Fund relative to the Index) to companies that are scored more highly on certain ESG criteria, as further detailed below; and

(c) achieve (in respect of the corporate issuers in which it invests) a carbon emission intensity score that is 50% less than the carbon emission intensity score of the Index, measured on a quarterly basis a higher weighted exposure to corporate issuers with higher BSI Intel Insights (relative to the Index), whilst meeting the other ESG objectives, complying with the other constraints applicable to the portfolio and maintaining a risk and return profile within the permissible range, as further detailed below.

However, there can be no guarantee that these aims will be met and the carbon emission intensity score of the Fund's portfolio may vary.

~~The carbon emission intensity score is calculated for each of the Fund's portfolio and the Index based on the carbon emission intensity scores attributed to the corporate issuers that they hold where available. Carbon emission intensity scores are a measurement of issuers' carbon emissions relative to their enterprise value including cash (EVIC) but the Investment Manager may use another measure instead if it considers it appropriate or necessary as a result of changes in regulation, market practice or available data. For the purposes of calculating the carbon emission intensity score of the Fund's portfolio, the Investment Manager may use data generated internally by the Investment Manager and/or its affiliates or provided by one or more external ESG research providers.~~

~~The application of the ESG Policy is expected to result in an ex ante tracking error versus the Index that is set out in Part 18(c) of this Prospectus. There may be an increase in the degree of deviation from the Index (and therefore the ex ante tracking error versus the Index) in certain circumstances, including where it may be required for the Fund to meet its ESG related aims.~~

Although the Fund aims to achieve its investment objective, there is no guarantee that this will be achieved. The Fund's capital is at risk meaning that the Fund could

suffer a decrease in value and the value of your investment would decrease as a result.

Investment Policy

In seeking to achieve its investment objective, the Fund will invest directly in the fixed income securities (i.e. bonds) in the Benchmark Index and at times invest indirectly via other fixed income-related investments (i.e. other investments whose value is related to debt) giving exposure to such fixed income securities and in other fixed income securities not in the Index.

The Index measures the performance of fixed income securities issued by corporates, with the performance of those securities not denominated in GBP hedged into GBP. The Index includes securities of both developed market and emerging market issuers. The fixed income securities must pay income according to a fixed rate of interest and, at the time of inclusion in the Index, be investment grade (i.e. meet a specified level of credit worthiness).

The Fund may also invest in other asset classes for liquidity purposes. These other asset classes include money-market instruments (i.e. debt securities with short-term maturities), deposits (i.e. cash), units in collective investment schemes (i.e. other investment funds which may be Associated Funds) held for liquidity purposes or other assets that can be turned into cash quickly.

Derivatives (i.e. investments the prices of which are based on one or more underlying assets) may be used to further the Fund's investment objective, though such usage is expected to be limited. Derivatives may also be used to seek to reduce risk (relevant to the investment objective) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as "**efficient portfolio management**" or "**EPM**"). In particular, the Fund will seek to hedge the investments of the Fund into GBP.

Investment Process and ESG Policy

The ESG criteria used by the Fund when seeking to achieve its investment objective comprises of three core components which are described in more detail below. These are (i) applying the BlackRock EMEA Baseline Screens; (ii) seeking to reduce the carbon emission intensity score of the Fund relative to the Index; and (iii) improving the portfolio's BSI Intel Insights profile.

The BlackRock EMEA Baseline Screens are first applied to the corporate issuers within the Index. For those corporate issuers that remain eligible for investment after the application of the BlackRock EMEA Baseline Screens, the Fund will apply the remaining two ESG criteria to these corporate issuers in order to determine the selection of the Fund's investments.

The ESG criteria described in this section will not apply to collective investment schemes in which the Fund invests for EPM purposes, however this exposure will not exceed 20% of the Fund's total assets.

~~The Fund will apply the BlackRock EMEA Baseline Screens, which seek to~~

The Fund will apply the BlackRock EMEA Baseline Screens as follows:

The Investment Manager will limit and/or exclude (as applicable) direct investment (as applicable) in corporate issuers which, at the time of purchase, in the opinion of the Investment Manager, have exposure to, or ties with, the following sectors:

a) the production of certain sectors (in some cases types of controversial weapons or nuclear weapons;

b) the production or, subject to specific revenue thresholds) including but not limited to controversial weapons, fire arms, distribution of firearms or small arms ammunition intended for civilian use, retail to civilians;

c) subject to specific revenue thresholds, the extraction of certain types of fossil fuels fuel and/or the generation of power from them;

d) the production of tobacco products or companies that are non-compliant, subject to specific revenue thresholds, certain activities in relation to tobacco-related products; and

e) issuers which have been deemed to have failed to comply with the UN Global Compact Principles, as further described in Appendix 8.

Should existing holdings, compliant with the above limits and/or exclusions at the time of investment, subsequently become ineligible ~~with the BlackRock EMEA Baseline Screens~~, they will be divested within a reasonable period of time.

A full list of the limits and/or exclusions being applied by the Investment Manager at any time in accordance with the above BlackRock EMEA Baseline Screens (not expected to exceed 90 days) including any specific threshold criteria) is available at <https://www.blackrock.com/corporate/literature/publication/blackrock-baseline-screens-in-europe-middleeast-and-africa.pdf>. It is the Investment Manager's intention that the BlackRock EMEA Baseline Screens policy will evolve over time as improved data and more research on this subject becomes available. The full list may be amended from time to time at the Investment Manager's discretion and (unless it alters the description in this section) may be implemented without notification to unitholders.

~~For those corporate issuers that remain eligible for investment after the application of these exclusionary screens, the Fund~~

Once the BlackRock EMEA Baseline Screens have been applied, the Fund will then apply the remaining two ESG criteria over the corporate issuers that remain eligible for investment in order to determine the Fund's investments.

Reduction in carbon emission intensity score

The Fund will balance its selection of investments to seek to achieve a carbon emission intensity score that is 50% less than the carbon emission intensity score of the Index, measured on a quarterly basis.

The carbon emission intensity score is calculated for the Fund's portfolio and separately for the Index based on carbon emission intensity scores attributed to the issuers that they hold where such data is available.

Carbon emission intensity scores are a measurement of issuers' carbon emissions relative to their enterprise value including cash (EVIC) but the Fund may use another measure instead if it considers it appropriate or necessary as a result of changes in regulation, market practice or available data. The calculation of carbon emission intensity scores includes Scope 1 GHG emissions, Scope 2 GHG emissions and Scope 3 GHG emissions. This means that the calculation includes: (i) direct emissions from sources that the reporting issuer owns or controls; (ii) indirect emissions that a reporting issuer causes from the generation of energy that it purchases or uses; and (iii) other emissions produced by other corporate issuers or parties involved in the reporting issuer's value chain, which can be complicated to calculate and estimate. Please refer to the risk factor set out in section 20 (Carbon emission intensity calculations and greenhouse gas (GHG) emissions data) for more information on GHG emissions.

BSI Intel framework

The Fund also uses the BlackRock Sustainable Investing Intelligence ("BSI Intel") framework (the "Methodology") to assess ESG considerations as determined by the Investment Manager to be material. The Methodology uses a variety of data inputs (generated by the Investment Manager, its affiliates and/or one or more external research providers) to evaluate and score corporate issuers, based on the following categories:

(i) environmental considerations', which aims to measure a corporate issuer's core business involvement with energy production, clean technology activities and natural resources management, all of which are relevant to assess transition risks and opportunities associated with a low carbon economy;

(ii) 'social issues', which aims to measure how a corporate issuer interacts with both internal and external stakeholders (such as, but not limited to, customer relations, employee conditions and rights, community relations and company culture); and

(iii) 'governance', which aims to measure how a corporate issuer's corporate governance structures and behaviours makes it better positioned to adapt to technological, social, environmental, and regulatory change.

The Investment Manager combines a corporate issuer's scores in each of these categories based on a materiality weighting assessment (placing greater weight on factors that are determined by the Investment Manager to have greater relevance to the industry of each underlying corporate issuer) to create one overall score (the BSI Intel Insight") for each corporate issuer.

~~The Investment Manager will seek to create a portfolio with a higher weighted average exposure (relative to the Index) to corporate issuers with higher BSI Intel Insights (relative to other corporate issuers in the same or similar industries), while also seeking to maintain a return profile which, in ordinary circumstances, is broadly similar to the return profile of the Index and a risk profile which is broadly similar to the risk profile of the Index (i.e. primarily by seeking to maintain, where possible, similar (as determined by the Investment Manager) bond, industry and geographic weightings in the portfolio compared to the Index) (save for the mitigation of potential ESG risks through the application of the ESG Policy). The intention to maintain a return profile and a risk profile as outlined above may, at times, limit the Fund's exposure to certain corporate issuers with higher BSI Intel Insights and/or increase the Fund's exposure to certain corporate issuers with lower BSI Intel Insights. use a combination of (i) the BSI Intel Insights and (ii) the aim to achieve a reduction in the carbon emissions intensity score of the portfolio in order to select the investments for the Fund.~~

~~The Methodology may evolve and advance over time. Furthermore, the Fund may gain indirect exposure (through, including but not limited to, derivatives, deposits and assets that can be turned into cash quickly, shares or units of collective investment schemes (CIS)) to issuers that are inconsistent with the Methodology. Circumstances in which such indirect exposure may arise include, but are not limited to, where a counterparty to a derivative in which the Fund invests posts collateral which is inconsistent with the Fund's ESG criteria or where a CIS in which the Fund invests does not apply any or the same ESG criteria as the Fund and so provides exposure to issuers which are inconsistent with the Fund's ESG criteria.~~

Subject to achieving the required reduction in the carbon emission intensity score, the Fund will also seek to achieve a higher weighted exposure to corporate issuers with higher BSI Intel Insights (relative to the Index), maintaining a risk and return profile which is broadly similar to the Index (i.e. within the tracking error limits described below) and complying with the other constraints applicable to the portfolio. In order to comply with these constraints and the risk and return objective, the

Fund may have exposure to individual corporate issuers which may not have a high BSI Intel Insight and such corporate issuers may therefore have characteristics which the Investment Manager considers negative from an ESG-investing perspective. However, at a minimum, the Fund aims to achieve the same or a higher

weighted average exposure to corporate issuers with higher BSI Intel Insights, relative to the Index.

Tracking error

The application of the Fund's ESG criteria as described above is expected to result, in ordinary circumstances, in an ex ante tracking error versus the Index, which is set out in Part B of Section 19 of this Prospectus. However, as set out in section 20 (Index related Risk) of this Prospectus, there can be no guarantee that the tracking error will fall within these limits at all times and the actual ex ante tracking error at any time may be outside of these limits, including where necessary to achieve the application of the BlackRock EMEA Baseline Screens and the ESG-related objectives with respect to the carbon emission intensity score of the portfolio. With respect of the BSI Intel Insights, the Investment Manager will seek to achieve a higher weighted exposure to corporate issuers with higher BSI Intel Insights, subject to achieving the other ESG-related objectives of the Fund and maintaining the ex ante tracking error limits set out in Part B of Section 19 of this Prospectus.

Use of data

For the purposes of applying the Methodology, the Investment Manager may use data generated internally by the Investment Manager and/or its affiliates or provided by one or more external ESG research providers.

For the purposes of applying the BlackRock EMEA Baseline Screens and calculating the carbon emission intensity score for both the Fund and the Index, the Investment Manager will use data from MSCI, although the Investment Manager may, in the future, change the data provider(s) used to identify such scores where it considers that a better data source is available (and will reflect such change in the quarterly reporting detailed below).

There are certain risks involved with the use of third party data, as further set out in section 20(c) (Risks relating to the application of ESG criteria) above.

Reporting

Quarterly reporting of the carbon emission intensity score and BSI Intel Insights of the Fund's portfolio, including by comparison to the corresponding scores of the Index, will be made available to unitholders on an ongoing basis by the Investment Manager. The BSI Intel Insights of the Fund's portfolio and the Index is based on the BSI Intel Insights attributed to the issuers that they hold.

The ESG criteria used by the Investment Manager (including the Methodology), as described above may evolve and advance over time and in the event of any changes, the Prospectus will be updated at the next available opportunity.

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Fund Benchmark(s)

Target Benchmark: The Fund seeks to maintain return and risk profiles that are broadly similar to the Index (save for the mitigation of potential ESG risks through the application of the ESG Policy criteria). The Fund does not aim to generate alpha returns in excess of the Index return. The Fund is actively managed to meet its ESG related aims. The Index is used by the Investment Manager when constructing the portfolio of the Fund and for risk management purposes. The Investment Manager uses the Index to select the Fund's investments (as set out above). In addition, the carbon emission intensity score of the Fund's portfolio and its BSI Intel Insights are measured against the Index. This Index has been chosen for these purposes because it represents the investment universe of the Fund.