

UNLOCKING SUSTAINABLE & TRANSITION INDICES

iShares
by BlackRock

Drivers of sustainable and low-carbon transition index sentiment in Q1 2024

Quick read

Know your beta

It is important for investors who are seeking to allocate sustainably to dig deeper into sustainable and transition index methodologies, to select those that are best aligned to their investment goals. Differences in methodologies can lead to significant variations in performance and in the factors driving such variations.

Negative factor and stock-specific effects outweigh boost from sector weights in equities

Sustainable and transition equity index performance fell in Q1, on the whole. Active sector weights broadly added to relative returns compared to parent benchmarks, but factors and stock-specific effects detracted by a larger amount.

Quality and duration drive IG returns, with sectors, countries and issuer-specific news key in HY

In sustainable and transition fixed income indices, the quality factor detracted from active returns in investment grade (IG) SRI but was additive in high yield (HY). Duration was additive in IG but detracted in HY, and the impact of sectors increased in HY.

Setting the scene: central bank data-dependency sees investors push out rate cut expectations

Q1 was characterised by data dependency: rates markets reacted to every data release by repricing expectations for developed market (DM) central bank rate paths, largely pushing them out. While front-end rate volatility persisted, equities continued to grind higher, with the 'everything' rally of Q4 dissipating into a slower pace of gains. The prospect of improving economic growth, supported by a solid jobs market in the US and a bottoming out of manufacturing activity across the world, helped underpin risk sentiment across the quarter. The tech sector remained popular, with solid Q4 earnings backing up the price action, while the energy sector became more popular towards the end of the quarter amid a rise in global commodities. Japan remained in focus: the exit from negative interest rate policy was a landmark move, which we consider to be a normalisation of policy not a tightening of financial conditions. Corporate and shareholder reform also keep us positive on the region. Sustainable and transition UCITS ETP flows fell to \$8.8B in Q1, in line with Q3 2023 levels (\$10.1B) after a jump in Q4 (\$25.2B). Equities accounted for 56% of flows (\$5.0B) – a marked drop from Q4 (90%) and Q3 (75%) – with a pickup in fixed income flows to \$3.8B (from \$2.3B in Q4). On a regional level, global strategies led equity flows, while eurozone exposures again dominated fixed income flows.¹

Sustainable and transition equity indices: a slight drop in sentiment in Q1

Across the 27 equity indices we analysed,² 33% outperformed their non-sustainable parent benchmarks in Q1, down from 74% in Q4 2023 and more in line with the results we saw in Q3 (14%) and Q2 (44%). Active returns fell back into negative territory, averaging -1.17% in Q1 versus 0.50% in Q4.

In line with 2023, active sector weights broadly added to returns in Q1, with overweights to IT and financials and underweights to the energy sector again having a positive impact on the whole. Health care and materials overweights were instead the main driver of positive performance for the SRI exposures, which were dragged down by underweights to IT and overweights to consumer discretionary.

Factor weights generally had a negative impact on active returns in Q1: in the MSCI World indices we analysed, the average contribution was -58bps. Underweights to the value and size factors were the main detractors overall amid a broadly risk-on quarter. This composition, however, is aligned to our preference for larger companies and a quality tilt, which could offer some resilience against muted growth in developed market economies.

Stock-specific effects also turned negative for the majority of exposures, with the only exception coming in the ESG Screened range. Underweights and exclusions of Meta overall detracted across the range, while in the SRI indices, exclusions of Nvidia combined with an overweight to Tesla detracted 286bps on average.

The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. Source: BlackRock, as of 31 March 2024. Full performance data is available on pages 3 and 4.

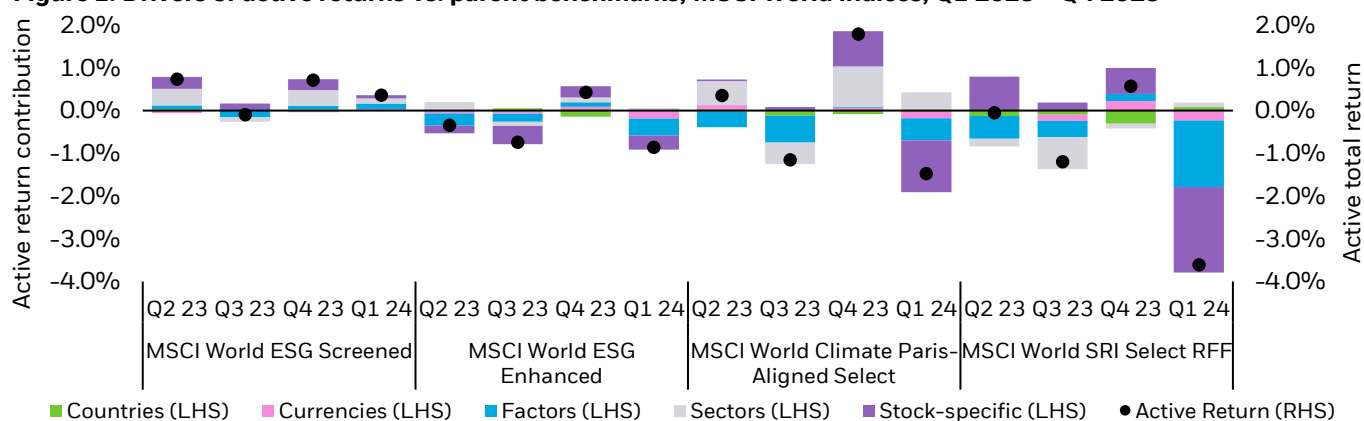
¹ Source: BlackRock and Markit, as at 31 March 2024. All figures in USD. ² See page 3 for a full list of indices used in this analysis.

Digging deeper: analysing index exposures



Figures 1 and 2 overleaf show how differences in methodologies across sustainable and transition index strategies can lead to significant variations in index composition and performance, helping to shed light on the drivers of active returns. **For more detailed analysis, please contact your relationship manager.**

Figure 1: Drivers of active returns vs. parent benchmarks, MSCI World indices, Q1 2023 – Q4 2023



The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. Source: BlackRock, as of 31 March 2024. See page 3 for full performance data.

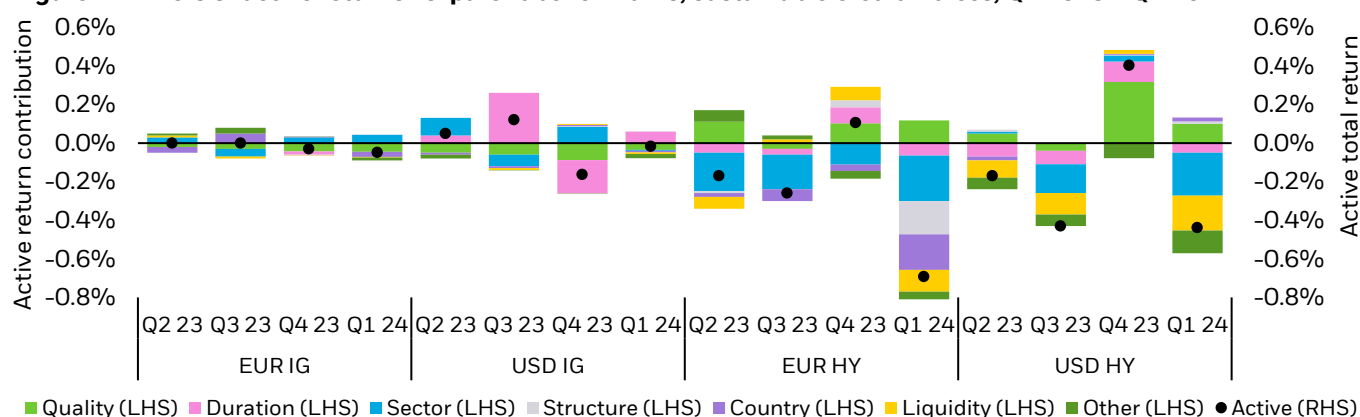
Sustainable and transition fixed income indices: quality and duration drive IG returns; sectors, countries and issuer-specific news key in HY

Of the 19 fixed income indices we analysed,³ 37% outperformed their parent benchmarks in Q1, versus 68% in Q4 2023. Average active returns fell from 0.20% in Q4 to -0.18% in Q1, driven largely by underperformance of sustainable and transition strategies in HY, broad hard currency emerging market (EM), and global climate government indices.

Traditional fixed income factors remained key in explaining active returns versus parent indices for USD and EUR IG and HY sustainable SRI credit indices. In EUR IG, quality was the main driver of the slightly negative active returns. Our research shows that sustainable and transition indices tend to display a higher credit quality tilt than their parent benchmarks, as a by-product of the index methodology. Amid tightening credit spreads over Q1, the quality factor detracted from the relative performance of EUR IG sustainable indices. We saw a similar effect from quality in USD IG, however it was offset by a positive return contribution from the duration factor, as the USD IG sustainable index has a shorter duration profile than its parent, which was beneficial given the hawkish repricing of US rates over Q1.

In HY, negative active returns were driven by duration, sector and liquidity factors, as well as country and issuer-specific effects in EUR HY. Unlike in USD IG, the HY sustainable indices have slightly longer duration than their parent indices, detracting from returns as developed market yields rose. Underweights to energy and consumer cyclicals in USD and EUR HY sustainable indices were detractors. In EUR HY, single issuer news on ATOFP (a French technology company and an overweight in the sustainable index) was a key detractor. The issuer saw its credit spreads widen as it was downgraded from BB credit rating to B and then to CCC. An underweight to Germany also detracted from EUR HY active returns. Unlike in IG, quality added to active returns in HY, as credit spreads in the CC bucket and below widened.

Figure 2: Drivers of active returns vs. parent benchmarks, sustainable credit indices, Q2 2023 – Q1 2024



The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. Source: BlackRock, as of 31 March 2024. Active return is defined as the total return difference between ESG and non-ESG index. For each Total return component theoretical Dxs tilt return is calculated, except for the duration return: $[Active\ Dxs / Parent\ Dxs * Excess\ Return\ of\ Parent]$. Components are additive and their ordering matters as previous tilt returns are subtracted from any additional tilt return. E.g. sector tilt will be calculated by combining quality and sector partitions and subtracting quality return (duration already being accounted for, as outlined above). See page 4 for full performance data. USD IG: Bloomberg MSCI US Corporate Sustainable SRI Index. EUR IG: Bloomberg MSCI Euro Corporate Sustainable SRI Index. USD HY: Bloomberg MSCI US Corporate High Yield Sustainable BB+ SRI Bond Index. EUR HY: Bloomberg MSCI Euro Corporate High Yield Sustainable BB+ SRI Bond Index.

³ See page 4 for a full list of indices used in this analysis.

Figure 3: Performance of equity indices used in this analysis

| | Index | 2019 | 2020 | 2021 | 2022 | 2023 | Q1 2024 |
|--------------------------|---------------------------------------------------------------------------------------------------------------------------|--------|--------|--------|---------|--------|---------|
| Global equities | MSCI World | 27.67% | 15.90% | 21.82% | -18.14% | 23.79% | 8.88% |
| | MSCI World ESG Screened | 28.15% | 17.56% | 22.16% | -19.61% | 26.23% | 9.24% |
| | MSCI World ESG Enhanced Focus CTB | 28.36% | 17.59% | 22.34% | -20.19% | 22.78% | 8.02% |
| | MSCI World SRI Select RFF | 30.14% | 21.20% | 25.05% | -21.37% | 24.96% | 5.27% |
| | MSCI World Climate Paris-Aligned Select | 29.36% | 18.35% | 22.01% | -21.88% | 25.48% | 7.40% |
| | Dow Jones Global Index | 26.06% | 16.21% | 17.70% | -18.63% | 21.32% | 7.67% |
| | Dow Jones Sustainability World Enlarged Index ex Alcohol, Tobacco, Gambling, Armaments & Firearms and Adult Entertainment | 26.75% | 13.94% | 21.67% | -16.89% | 26.84% | 6.58% |
| | MSCI World Small Cap | 26.19% | 15.96% | 15.75% | -18.76% | 15.76% | 4.39% |
| | MSCI World Small Cap ESG Enhanced Focus CTB | 27.12% | 16.08% | 15.45% | -18.95% | 14.07% | 4.57% |
| US equities | MSCI USA | 30.88% | 20.73% | 26.45% | -19.85% | 26.49% | 10.30% |
| | MSCI USA ESG Screened | 31.29% | 22.20% | 27.14% | -21.14% | 29.64% | 10.67% |
| | MSCI USA ESG Enhanced Focus CTB | 31.82% | 22.27% | 26.70% | -21.58% | 25.38% | 9.64% |
| | MSCI USA SRI Select RFF | 31.80% | 26.28% | 30.49% | -18.80% | 23.88% | 5.99% |
| | S&P 500 | 30.70% | 17.75% | 28.16% | -18.51% | 25.67% | 10.44% |
| | S&P 500 ESG Net USD | 32.54% | 19.13% | 31.22% | -18.08% | 27.36% | 10.07% |
| | S&P 500 Paris-Aligned Climate Sustainability Screened | 33.48% | 23.56% | 31.42% | -22.86% | 30.14% | 10.80% |
| | MSCI USA Small Cap | 26.74% | 18.32% | 19.11% | -17.55% | 17.86% | 5.56% |
| | MSCI USA Small Cap ESG Enhanced Focus CTB | 27.21% | 19.12% | 19.01% | -17.53% | 15.53% | 5.92% |
| European equities | MSCI Europe | 26.05% | -3.32% | 25.13% | -9.49% | 15.83% | 7.63% |
| | MSCI Europe ESG Screened | 25.99% | -1.70% | 24.77% | -11.60% | 17.67% | 7.83% |
| | MSCI Europe ESG Enhanced Focus CTB | 26.41% | -1.57% | 25.26% | -12.62% | 15.87% | 6.97% |
| | MSCI Europe SRI Select RFF | 31.37% | 3.80% | 26.67% | -15.38% | 16.99% | 7.70% |
| | MSCI Europe Climate Paris-Aligned Select | 28.97% | 2.20% | 25.14% | -13.88% | 16.44% | 6.36% |
| Eurozone equities | MSCI EMU | 25.47% | -1.02% | 22.16% | -12.47% | 18.78% | 10.25% |
| | MSCI EMU ESG Screened | 24.89% | -0.08% | 22.46% | -13.42% | 19.71% | 10.26% |
| | MSCI EMU ESG Enhanced Focus CTB | 25.59% | 0.90% | 22.39% | -13.32% | 18.28% | 9.50% |
| | MSCI EMU SRI Select RFF | 32.10% | 1.49% | 20.93% | -15.31% | 15.07% | 7.91% |
| | MSCI EMU Climate Paris-Aligned Select | 27.72% | 2.92% | 21.95% | -15.38% | 17.15% | 8.19% |
| Japanese equities | MSCI Japan | 19.61% | 14.48% | 1.71% | -16.65% | 20.32% | 11.01% |
| | MSCI Japan ESG Screened | 21.02% | 15.18% | 1.58% | -17.04% | 19.90% | 10.64% |
| | MSCI Japan ESG Enhanced Focus CTB | 21.95% | 15.26% | 1.35% | -17.47% | 19.82% | 9.05% |
| | MSCI Japan SRI Select RFF | 25.63% | 15.69% | 1.68% | -17.93% | 13.28% | 3.76% |
| Emerging market equities | MSCI EM | 18.42% | 18.31% | -2.54% | -20.09% | 9.83% | 2.37% |
| | MSCI EM ESG Enhanced Focus CTB | 17.86% | 19.62% | -2.09% | -21.82% | 8.93% | 0.94% |
| | MSCI EM SRI Select RFF | 12.12% | 19.00% | -0.44% | -18.33% | 2.53% | -1.14% |
| | MSCI EM IMI | 17.64% | 18.39% | -0.28% | -19.83% | 11.67% | 2.17% |
| | MSCI EM IMI ESG Screened | 18.23% | 19.25% | -0.82% | -20.72% | 11.38% | 2.33% |
| Pacific ex. Japan | MSCI Pacific ex Japan | 18.36% | 6.55% | 4.68% | -5.94% | 6.44% | -1.73% |
| | MSCI Pacific ex Japan ESG Enhanced Focus CTB | 20.81% | 5.31% | 4.86% | -6.49% | 4.28% | -1.20% |

The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results.

Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. Source: BlackRock, as of 31 March 2024.

Figure 4: Performance of fixed income indices used in this analysis

| | Index | 2019 | 2020 | 2021 | 2022 | 2023 | Q1 2024 |
|------------------------------|--------------------------------------------------------------------------------|--------|--------|--------|---------|--------|---------|
| Ultrashort bonds | iBoxx GBP Liquid Investment Grade Ultrashort Index | 1.20% | 0.92% | 0.19% | 1.23% | 4.80% | 1.43% |
| | iBoxx MSCI ESG GBP Liquid Investment Grade Ultrashort Index | 1.17% | 0.89% | 0.19% | 1.21% | 4.79% | 1.43% |
| | iBoxx EUR Liquid Investment Grade Ultrashort Index | 0.24% | 0.14% | -0.28% | -0.28% | 3.39% | 1.03% |
| | iBoxx MSCI ESG EUR Liquid Investment Grade Ultrashort Index | 0.15% | 0.20% | -0.31% | -0.30% | 3.39% | 1.03% |
| | iBoxx USD Liquid Investment Grade Ultrashort Index | 3.16% | 1.41% | 0.23% | 1.43% | 5.67% | 1.34% |
| | iBoxx MSCI ESG USD Liquid Investment Grade Ultrashort Index | 3.11% | 1.64% | 0.22% | 1.40% | 5.68% | 1.35% |
| Investment grade (IG) credit | Bloomberg EUR Corporate 0-3 Year Index | 1.00% | 0.62% | -0.03% | -3.53% | 4.66% | 0.72% |
| | Bloomberg MSCI Euro Corporate 0-3 Sustainable SRI Index | 0.95% | 0.62% | -0.04% | -3.61% | 4.61% | 0.69% |
| | Bloomberg Euro Corporate Index | 6.24% | 2.77% | -0.97% | -13.65% | 8.19% | 0.47% |
| | Bloomberg MSCI Euro Corporate Sustainable SRI Index | 5.92% | 2.70% | -0.99% | -13.48% | 8.00% | 0.42% |
| | Bloomberg MSCI EUR Corporate Climate Paris Aligned ESG Select Index | - | 2.59% | -0.95% | -13.88% | 8.16% | 0.47% |
| | Bloomberg US Corporate 0-3 Year Index | 4.65% | 3.18% | -0.01% | -2.07% | 5.47% | 0.94% |
| | Bloomberg MSCI US Corporate 0-3 Sustainable SRI Index | 4.56% | 3.32% | -0.06% | -2.14% | 5.48% | 0.94% |
| | Bloomberg US Corporate Index | 14.54% | 9.89% | -1.04% | -15.76% | 8.52% | -0.40% |
| | Bloomberg MSCI US Corporate Sustainable SRI Index | 13.81% | 9.98% | -1.28% | -15.03% | 8.40% | -0.42% |
| | Bloomberg MSCI US Corporate Climate Paris Aligned ESG Select Index | - | 10.94% | -1.09% | -16.10% | 8.51% | -0.43% |
| High yield (HY) credit | Bloomberg Pan-European High Yield (Euro) Index | 11.33% | 2.29% | 3.43% | -10.64% | 12.12% | 1.54% |
| | Bloomberg MSCI Euro Corporate HY Sustainable BB+ SRI Bond Index | - | 1.74% | 2.76% | -10.76% | 11.02% | 0.84% |
| | Bloomberg Euro High Yield 3% Issuer Capped Index | 11.27% | 2.25% | 3.44% | -10.64% | 12.12% | 1.54% |
| | Bloomberg MSCI EUR Corporate High Yield Climate Paris Aligned ESG Select Index | - | - | 3.19% | -11.08% | 11.05% | 0.93% |
| | Bloomberg US Corporate High Yield Index | 14.32% | 7.11% | 5.28% | -11.19% | 13.45% | 1.47% |
| | Bloomberg MSCI US Corporate HY Sustainable BB+ SRI Bond Index | - | 7.13% | 4.81% | -11.98% | 12.77% | 1.03% |
| | Bloomberg US High Yield 3% Issuer Capped Bond Index | 14.32% | 7.10% | 5.28% | -11.19% | 13.44% | 1.47% |
| | Bloomberg MSCI US Corporate High Yield Climate Paris Aligned ESG Select Index | - | - | 4.46% | -13.09% | 12.31% | 1.13% |
| Emerging market debt | JP Morgan EMBI Global Diversified Index | 15.04% | 5.26% | -1.80% | -17.78% | 11.09% | 2.04% |
| | JP Morgan ESG EMBI Global Diversified Index | 15.94% | 5.78% | -2.35% | -18.92% | 10.26% | 1.53% |
| | JP Morgan EMBI Global Diversified IG Only Index | 16.57% | 8.92% | -1.93% | -19.76% | 7.08% | -0.77% |
| | JP Morgan ESG EMBI Global Diversified IG Index | 16.36% | 10.12% | -2.29% | -20.43% | 7.18% | -0.89% |
| Aggregate indices | Bloomberg Global Aggregate Index | 6.84% | 9.20% | -4.71% | -16.25% | 5.72% | -2.08% |
| | Bloomberg MSCI Global Aggregate Sustainable and Green Bond SRI Index | 6.74% | 9.24% | -4.83% | -16.41% | 5.76% | -2.11% |
| | Bloomberg EUR Aggregate Index | 5.98% | 4.05% | -2.85% | -17.18% | 7.19% | -0.33% |
| | Bloomberg MSCI EUR Aggregate Sustainable and Green Bond SRI Index | 5.84% | 4.11% | -2.87% | -17.21% | 7.26% | -0.33% |
| Government bonds | FTSE EMU Government Bond Index | 6.72% | 5.03% | -3.54% | -18.52% | 7.16% | -0.59% |
| | FTSE Advanced Climate Risk-Adjusted EMU Government Bond Index | 6.77% | 5.57% | -3.47% | -18.26% | 7.29% | -0.50% |
| | FTSE World Government Bond Index | 5.90% | 10.11% | -6.97% | -18.26% | 5.19% | -2.42% |
| | FTSE Advanced Climate Risk-Adjusted World Government Bond Index | 6.11% | 11.91% | -8.05% | -22.08% | 6.60% | -3.14% |

The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results.

Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index. Source: BlackRock, as of 31 March 2024.

This document is marketing material: Before investing please read the Prospectus and the PRIIPs KID available on www.ishares.com/it, which contain a summary of investors' rights.

Risk Warnings

Capital at risk. The value of investments and the income from them can fall as well as rise and are not guaranteed. Investors may not get back the amount originally invested.

Past performance is not a reliable indicator of current or future results and should not be the sole factor of consideration when selecting a product or strategy.

Changes in the rates of exchange between currencies may cause the value of investments to diminish or increase. Fluctuation may be particularly marked in the case of a higher volatility fund and the value of an investment may fall suddenly and substantially. Levels and basis of taxation may change from time to time.

Regulatory Information

This material is for distribution to Professional Clients (as defined by the Financial Conduct Authority or MiFID Rules) only and should not be relied upon by any other persons.

In the UK and Non-European Economic Area (EEA) countries: this is issued by BlackRock Advisors (UK) Limited, which is authorised and regulated by the Financial Conduct Authority. Registered office: 12 Throgmorton Avenue, London, EC2N 2DL, Tel: +44 (0)20 7743 3000. Registered in England and Wales No. 00796793. For your protection, calls are usually recorded. Please refer to the Financial Conduct Authority website for a list of authorised activities conducted by BlackRock.

In the European Economic Area (EEA): this is issued by BlackRock (Netherlands) B.V. is authorised and regulated by the Netherlands Authority for the Financial Markets. Registered office Amstelplein 1, 1096 HA, Amsterdam, Tel: 020 – 549 5200, Tel: 31-20-549-5200. Trade Register No. 17068311. For your protection telephone calls are usually recorded.

In Italy: For information on investor rights and how to raise complaints please go to <https://www.blackrock.com/corporate/compliance/investor-right> available in Italian.

In Israel and South Africa: this is issued by BlackRock Investment Management (UK) Limited, authorised and regulated by the Financial Conduct Authority. Registered office: 12 Throgmorton Avenue, London, EC2N 2DL. Tel: + 44 (0)20 7743 3000. Registered in England and Wales No. 02020394. For your protection telephone calls are usually recorded. Please refer to the Financial Conduct Authority website for a list of authorised activities conducted by BlackRock.

For investors in Bahrain

The information contained in this document is intended strictly for sophisticated institutions.

The information contained in this document, does not constitute and should not be construed as an offer of, invitation or proposal to make an offer for,

recommendation to apply for or an opinion or guidance on a financial product, service and/or strategy. Whilst great care has been taken to ensure that the information contained in this document is accurate, no responsibility can be accepted for any errors, mistakes or omissions or for any action taken in reliance thereon. You may only reproduce, circulate and use this document (or any part of it) with the consent of BlackRock.

The information contained in this document is for information purposes only. It is not intended for and should not be distributed to, or relied upon by, members of the public.

The information contained in this document, may contain statements that are not purely historical in nature but are “forward looking statements”. These include, amongst other things, projections, forecasts or estimates of income. These forward looking statements are based upon certain assumptions, some of which are described in other relevant documents or materials. If you do not understand the contents of this document, you should consult an authorised financial adviser.

For investors in Dubai (DIFC)

BlackRock Advisors (UK) Limited -Dubai Branch is a DIFC Foreign Recognised Company registered with the DIFC Registrar of Companies (DIFC Registered Number 546), with its office at Unit L15 - 01A, ICD Brookfield Place, Dubai International Financial Centre, PO Box 506661, Dubai, UAE, and is regulated by the DFSA to engage in the regulated activities of ‘Advising on Financial Products’ and ‘Arranging Deals in Investments’ in or from the DIFC, both of which are limited to units in a collective investment fund (DFSA Reference Number F000738).

The information contained in this document is intended strictly for Professional Clients as defined under the Dubai Financial Services Authority (“DFSA”) Conduct of Business (COB) Rules.

The information contained in this document, does not constitute and should not be construed as an offer of, invitation or proposal to make an offer for, recommendation to apply for or an opinion or guidance on a financial product, service and/or strategy. Whilst great care has been taken to ensure that the information contained in this document is accurate, no responsibility can be accepted for any errors, mistakes or omissions or for any action taken in reliance thereon. You may only reproduce, circulate and use this document (or any part of it) with the consent of BlackRock.

The information contained in this document is for information purposes only. It is not intended for and should not be distributed to, or relied upon by, members of the public.

The information contained in this document, may contain statements that are not purely historical in nature but are “forward-looking statements”. These include, amongst other things, projections, forecasts or estimates of income. These forward-looking statements are based upon certain assumptions, some of which are described in other relevant documents or materials. If you do not understand the contents of this document, you should consult an authorised financial adviser.

For investors in Israel

BlackRock Investment Management (UK) Limited is not licensed under Israel's Regulation of Investment Advice, Investment Marketing and Portfolio Management Law, 5755-1995 (the "Advice Law"), nor does it carry insurance thereunder.

For investors in Kuwait

The information contained in this document is intended strictly for sophisticated institutions that are 'Professional Clients' as defined under the Kuwait Capital Markets Law and its Executive Bylaws.

The information contained in this document, does not constitute and should not be construed as an offer of, invitation or proposal to make an offer for, recommendation to apply for or an opinion or guidance on a financial product, service and/or strategy. Whilst great care has been taken to ensure that the information contained in this document is accurate, no responsibility can be accepted for any errors, mistakes or omissions or for any action taken in reliance thereon. You may only reproduce, circulate and use this document (or any part of it) with the consent of BlackRock.

The information contained in this document is for information purposes only. It is not intended for and should not be distributed to, or relied upon by, members of the public.

The information contained in this document, may contain statements that are not purely historical in nature but are "forward-looking statements". These include, amongst other things, projections, forecasts or estimates of income. These forward-looking statements are based upon certain assumptions, some of which are described in other relevant documents or materials. If you do not understand the contents of this document, you should consult an authorised financial adviser.

For investors in Oman

The information contained in this document is intended strictly for sophisticated institutions.

The information contained in this document, does not constitute and should not be construed as an offer of, invitation or proposal to make an offer for, recommendation to apply for or an opinion or guidance on a financial product, service and/or strategy. Whilst great care has been taken to ensure that the information contained in this document is accurate, no responsibility can be accepted for any errors, mistakes or omissions or for any action taken in reliance thereon. You may only reproduce, circulate and use this document (or any part of it) with the consent of BlackRock.

The information contained in this document is for information purposes only. It is not intended for and should not be distributed to, or relied upon by, members of the public.

The information contained in this document, may contain statements that are not purely historical in nature but are "forward-looking statements". These include, amongst other things, projections, forecasts or estimates of income. These forward-looking statements are based upon certain assumptions, some of which are described in other relevant documents or materials. If you do not understand the contents of this document, you should consult an authorised financial adviser.

For investors in Qatar

The information contained in this document is intended strictly for sophisticated institutions.

The information contained in this document, does not constitute and should not be construed as an offer of, invitation or proposal to make an offer for, recommendation to apply for or an opinion or guidance on a financial product, service and/or strategy. Whilst great care has been taken to ensure that the information contained in this document is accurate, no responsibility can be accepted for any errors, mistakes or omissions or for any action taken in reliance thereon. You may only reproduce, circulate and use this document (or any part of it) with the consent of BlackRock.

The information contained in this document is for information purposes only. It is not intended for and should not be distributed to, or relied upon by, members of the public.

The information contained in this document, may contain statements that are not purely historical in nature but are "forward-looking statements". These include, amongst other things, projections, forecasts or estimates of income. These forward-looking statements are based upon certain assumptions, some of which are described in other relevant documents or materials. If you do not understand the contents of this document, you should consult an authorised financial adviser.

For investors in Saudi Arabia

The information contained in this document is intended strictly for sophisticated institutions.

The information contained in this document, does not constitute and should not be construed as an offer of, invitation or proposal to make an offer for, recommendation to apply for or an opinion or guidance on a financial product, service and/or strategy. Whilst great care has been taken to ensure that the information contained in this document is accurate, no responsibility can be accepted for any errors, mistakes or omissions or for any action taken in reliance thereon. You may only reproduce, circulate and use this document (or any part of it) with the consent of BlackRock.

The information contained in this document is for information purposes only. It is not intended for and should not be distributed to, or relied upon by, members of the public.

The information contained in this document, may contain statements that are not purely historical in nature but are "forward looking statements". These include, amongst other things, projections, forecasts or estimates of income. These forward-looking statements are based upon certain assumptions, some of which are described in other relevant documents or materials. If you do not understand the contents of this document, you should consult an authorised financial adviser.

For investors in Switzerland

This document is marketing material.

This document shall be exclusively made available to, and directed at, qualified investors as defined in Article 10 (3) of the CISA of 23 June 2006, as amended, at the exclusion of qualified investors with an opting-out pursuant to Art. 5 (1) of the Swiss Federal Act on Financial Services ("FinSA").

For information on art. 8 / 9 Financial Services Act (FinSA) and on your client segmentation under art. 4 FinSA, please see the following website: www.blackrock.com/finsa.

For investors in United Arab Emirates

The information contained in this document is intended strictly for non-natural Qualified Investors as defined in the UAE Securities and Commodities Authority's Board Decision No. 3/R.M of 2017 concerning Promoting and Introducing Regulations.

The information contained in this document, does not constitute and should not be construed as an offer of, invitation or proposal to make an offer for, recommendation to apply for or an opinion or guidance on a financial product, service and/or strategy. Whilst great care has been taken to ensure that the information contained in this document is accurate, no responsibility can be accepted for any errors, mistakes or omissions or for any action taken in reliance thereon. You may only reproduce, circulate and use this document (or any part of it) with the consent of BlackRock.

The information contained in this document is for information purposes only. It is not intended for and should not be distributed to, or relied upon by, members of the public. The information contained in this document, may contain statements that are not purely historical in nature but are "forward-looking statements". These include, amongst other things, projections, forecasts or estimates of income. These forward-looking statements are based upon certain assumptions, some of which are described in other relevant documents or materials. If you do not understand the contents of this document, you should consult an authorised financial adviser.

For investors in South Africa

Please be advised that BlackRock Investment Management (UK) Limited is an authorised Financial Services provider with the South African Financial Services Conduct Authority, FSP No. 43288.

For investors in South Africa and Mauritius

The information contained in this document is intended strictly for Sophisticated Investors.

The information contained in this document, does not constitute and should not be construed as an offer of, invitation or proposal to make an offer for, recommendation to apply for or an opinion or guidance on a financial product, service and/or strategy. Whilst great care has been taken to ensure that the information contained in this document is accurate, no responsibility can be accepted for any errors, mistakes or omissions or for any action taken in reliance thereon. You may only

reproduce, circulate and use this document (or any part of it) with the consent of BlackRock.

The information contained in this document is for information purposes only. It is not intended for and should not be distributed to, or relied upon by, members of the public. The information contained in this document, may contain statements that are not purely historical in nature but are "forward looking statements". These include, amongst other things, projections, forecasts or estimates of income. These forward-looking statements are based upon certain assumptions, some of which are described in other relevant documents or materials. If you do not understand the contents of this document, you should consult an authorised financial adviser.

For investors in Botswana, Namibia, and Kenya

The information contained in this document is intended strictly for Central Banks and Sovereign Investors.

The information contained in this document, does not constitute and should not be construed as an offer of, invitation or proposal to make an offer for, recommendation to apply for or an opinion or guidance on a financial product, service and/or strategy. Whilst great care has been taken to ensure that the information contained in this document is accurate, no responsibility can be accepted for any errors, mistakes or omissions or for any action taken in reliance thereon. You may only reproduce, circulate and use this document (or any part of it) with the consent of BlackRock.

The information contained in this document is for information purposes only. It is not intended for and should not be distributed to, or relied upon by, members of the public. The information contained in this document, may contain statements that are not purely historical in nature but are "forward looking statements". These include, amongst other things, projections, forecasts or estimates of income. These forward-looking statements are based upon certain assumptions, some of which are described in other relevant documents or materials. If you do not understand the contents of this document, you should consult an authorised financial adviser.

For investors in Egypt

The information contained in this document is intended strictly for Central Banks and Sovereign clients.

The information contained in this document, does not constitute and should not be construed as an offer of, invitation or proposal to make an offer for, recommendation to apply for or an opinion or guidance on a financial product, service and/or strategy. Whilst great care has been taken to ensure that the information contained in this document is accurate, no responsibility can be accepted for any errors, mistakes or omissions or for any action taken in reliance thereon. You may only reproduce, circulate and use this document (or any part of it) with the consent of BlackRock. The information contained in this document is for information purposes only. It is not intended for and should not be distributed to, or relied upon by, members of the public.

The information contained in this document, may contain statements that are not purely historical in nature but are “forward looking statements”. These include, amongst other things, projections, forecasts or estimates of income. These forward looking statements are based upon certain assumptions, some of which are described in other relevant documents or materials. If you do not understand the contents of this document, you should consult an authorised financial adviser.

For investors in Azerbaijan, Jordan, Kazakhstan, and Pakistan

The information contained in this document is intended strictly for Central Banks and Sovereign Investors.

The information contained in this document, does not constitute and should not be construed as an offer of, invitation or proposal to make an offer for, recommendation to apply for or an opinion or guidance on a financial product, service and/or strategy. Whilst great care has been taken to ensure that the information contained in this document is accurate, no responsibility can be accepted for any errors, mistakes or omissions or for any action taken in reliance thereon. You may only reproduce, circulate and use this document (or any part of it) with the consent of BlackRock.

The information contained in this document is for information purposes only. It is not intended for and should not be distributed to, or relied upon by, members of the public. The information contained in this document, may contain statements that are not purely historical in nature but are “forward looking statements”. These include, amongst other things, projections, forecasts or estimates of income. These forward looking statements are based upon certain assumptions, some of which are described in other relevant documents or materials. If you do not understand the contents of this document, you should consult an authorised financial adviser.

The information contained in this document is intended for the exclusive use of Central Banks and Sovereign Investors and is not for redistribution or further dissemination.

The information contained in this document, does not constitute and should not be construed as an offer of, invitation or proposal to make an offer for, recommendation to apply for or an opinion or guidance on a financial product, service and/or strategy. Whilst great care has been taken to ensure that the information contained in this document is accurate, no responsibility can be accepted for any errors, mistakes or omissions or for any action taken in reliance thereon. You may only reproduce, circulate and use this document (or any part of it) with the consent of BlackRock. The information contained in this document is for information purposes only. It is not intended for and should not be distributed to, or relied upon by, members of the public. The information contained in this document, may contain statements that are not purely historical in nature but are “forward looking statements”. These include, amongst other things, projections, forecasts or estimates of income. These forward looking statements are based upon certain assumptions, some of which are described in other relevant documents or materials. If you do not understand the contents of this document, you should consult an authorised financial adviser.

BlackRock does not hold any regulatory licenses or registrations in **Egypt, Azerbaijan, Jordan, Kazakhstan, and Pakistan** and is therefore not licensed to conduct any regulated business activity under the relevant laws and regulations as they apply to any entity intending to carry on business in MEA, nor does BlackRock purport to carry on, any regulated activity in any country in MEA. BlackRock funds, and/or services shall not be offered or sold to any person in any jurisdiction in which such an offer, solicitation, purchase, or sale would be deemed unlawful under the securities laws or any other relevant laws of such jurisdiction(s).

This material is provided to the recipient on a strictly confidential basis and is intended for informational or educational purposes only. Nothing in this document, directly or indirectly, represents to you that BlackRock will provide, or is providing BlackRock products or services to the recipient, or is making available, inviting, or offering for subscription or purchase, or invitation to subscribe for or purchase, or sale, of any BlackRock fund, or interests therein. This material neither constitutes an offer to enter into an investment agreement with the recipient of this document, nor is it an invitation to respond to it by making an offer to enter into an investment agreement.

The distribution of the information contained herein may be restricted by law and any person who accesses it is required to comply with any such restrictions. By reading this information you confirm that you are aware of the laws in your own jurisdiction regarding the provision and sale of funds and related financial services or products, and you warrant and represent that you will not pass on or utilize the information contained herein in a manner that could constitute a breach of such laws by BlackRock, its affiliates or any other person.

Latin America

In Latin America, for institutional investors and financial intermediaries only (not for public distribution). This material is for educational purposes only and does not constitute investment advice or an offer or solicitation to sell or a solicitation of an offer to buy any shares of any fund or security and it is your responsibility to inform yourself of, and to observe, all applicable laws and regulations of your relevant jurisdiction. If any funds are mentioned or inferred in this material, such funds may not be registered with the securities regulators of Argentina, Chile, Colombia, Mexico, Panama, Peru, Uruguay or any other securities regulator in any Latin American country and thus, may not be publicly offered in any such countries. The securities regulators of any country within Latin America have not confirmed the accuracy of any information contained herein. No information discussed herein can be provided to the general public in Latin America. The contents of this material are strictly confidential and must not be passed to any third party.

In Argentina, only for use with Qualified Investors under the definition as set by the Comisión Nacional de Valores (CNV).

In Brazil, this private offer does not constitute a public offer, and is not registered with the Brazilian Securities and Exchange Commission, for use only with professional investors as such term is defined by the *Comissão de Valores Mobiliários*.

In Chile, the sale of each fund not registered with the CMF is subject to General Rule No. 336 issued by the SVS (now the CMF). The subject matter of this sale may include securities not registered with the CMF; therefore, such securities are not subject to the supervision of the CMF. Since the securities are not registered in Chile, there is no obligation of the issuer to make publicly available information about the securities in Chile. The securities shall not be subject to public offering in Chile unless registered with the relevant registry of the CMF.

In Colombia, the sale of each fund discussed herein, if any, is addressed to less than one hundred specifically identified investors, and such fund may not be promoted or marketed in Colombia or to Colombian residents unless such promotion and marketing is made in compliance with Decree 2555 of 2010 and other applicable rules and regulations related to the promotion of foreign financial and/or securities related products or services in Colombia. With the receipt of these materials, and unless the Client contacts BlackRock with additional requests for information, the Client agrees to have been provided the information for due advisory required by the marketing and promotion regulatory regime applicable in Colombia.

IN MEXICO, FOR INSTITUTIONAL AND QUALIFIED INVESTORS USE ONLY. INVESTING INVOLVES RISK, INCLUDING POSSIBLE LOSS OF PRINCIPAL. THIS MATERIAL IS PROVIDED FOR EDUCATIONAL AND INFORMATIONAL PURPOSES ONLY AND DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SHARES OF ANY FUND OR SECURITY. This information does not consider the investment objectives, risk tolerance or the financial circumstances of any specific investor. This information does not replace the obligation of financial advisor to apply his/her best judgment in making investment decisions or investment recommendations. It is your responsibility to inform yourself of, and to observe, all applicable laws and regulations of Mexico. If any funds, securities or investment strategies are mentioned or inferred in this material, such funds, securities or strategies have not been registered with the Mexican National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores, the "CNBV") and thus, may not be publicly offered in Mexico. The CNBV has not confirmed the accuracy of any information contained herein. The provision of investment management and investment advisory services ("Investment Services") is a regulated activity in Mexico, subject to strict rules, and performed under the supervision of the CNBV. These materials are shared for information purposes only, do not constitute investment advice, and are being shared in the understanding that the addressee is an Institutional or Qualified investor as defined under Mexican Securities (*Ley del Mercado de Valores*). Each potential investor shall make its own investment decision based on their own analysis of the available information. Please note that by receiving these materials, it shall be construed as a representation by the receiver that it is an Institutional or Qualified investor as defined under Mexican law. BlackRock México Operadora, S.A. de C.V., Sociedad Operadora de Fondos de Inversión ("BlackRock México Operadora") is a Mexican subsidiary of BlackRock, Inc., authorized by the CNBV as a Mutual Fund Manager (Operadora de Fondos), and as such, authorized to manage Mexican mutual funds, ETFs and

provide Investment Advisory Services. For more information on the Investment Services offered by BlackRock Mexico, please review our Investment Services Guide available in www.blackrock.com/mx. This material represents an assessment at a specific time and its information should not be relied upon by you as research or investment advice regarding the funds, any security or investment strategy in particular. Reliance upon information in this material is at your sole discretion. BlackRock México is not authorized to receive deposits, carry out intermediation activities, or act as a broker dealer, or bank in Mexico. For more information on BlackRock México, please visit: www.blackrock.com/mx. BlackRock receives revenue in the form of advisory fees for our advisory services and management fees for our mutual funds, exchange traded funds and collective investment trusts. Any modification, change, distribution or inadequate use of information of this document is not responsibility of BlackRock or any of its affiliates. Pursuant to the Mexican Data Privacy Law (Ley Federal de Protección de Datos Personales en Posesión de Particulares), to register your personal data you must confirm that you have read and understood the Privacy Notice of BlackRock México Operadora. For the full disclosure, please visit www.blackrock.com/mx and accept that your personal information will be managed according with the terms and conditions set forth therein.

In Peru, this private offer does not constitute a public offer, and is not registered with the Securities Market Public Registry of the Peruvian Securities Market Commission, for use only with institutional investors as such term is defined by the *Superintendencia de Banca, Seguros y AFP*.

In Uruguay, the securities are not and will not be registered with the Central Bank of Uruguay. The Securities are not and will not be offered publicly in or from Uruguay and are not and will not be traded on any Uruguayan stock exchange. This offer has not been and will not be announced to the public and offering materials will not be made available to the general public except in circumstances which do not constitute a public offering of securities in Uruguay, in compliance with the requirements of the Uruguayan Securities Market Law (Law N° 18.627 and Decree 322/011).

For investors in Central America, these securities have not been registered before the Securities Superintendence of the Republic of Panama, nor did the offer, sale or their trading procedures. The registration exemption has made according to numeral 3 of Article 129 of the Consolidated Text containing of the Decree-Law No. 1 of July 8, 1999 (institutional investors). Consequently, the tax treatment set forth in Articles 334 to 336 of the Unified Text containing Decree-Law No. 1 of July 8, 1999, does not apply to them. These securities are not under the supervision of the Securities Superintendence of the Republic of Panama. The information contained herein does not describe any product that is supervised or regulated by the National Banking and Insurance Commission (CNBS) in Honduras. Therefore any investment described herein is done at the investor's own risk. In Costa Rica, any securities or services mentioned herein constitute an individual and private offer made through reverse solicitation upon reliance on an exemption from

registration before the General Superintendence of Securities (“SUGEVAL”), pursuant to articles 7 and 8 of the Regulations on the Public Offering of Securities (“Reglamento sobre Oferta Pública de Valores”). This information is confidential, and is not to be reproduced or distributed to third parties as this is NOT a public offering of securities in Costa Rica. The product being offered is not intended for the Costa Rican public or market and neither is registered or will be registered before the SUGEVAL, nor can be traded in the secondary market. If any recipient of this documentation receives this document in El Salvador, such recipient acknowledges that the same has been delivered upon their request and instructions, and on a private placement basis. In Guatemala, this communication and any accompanying information (the “Materials”) are intended solely for informational purposes and do not constitute (and should not be interpreted to constitute) the offering, selling, or conducting of business with respect to such securities, products or services in the jurisdiction of the addressee (this “Jurisdiction”), or the conducting of any brokerage, banking or other similarly regulated activities (“Financial Activities”) in the Jurisdiction. Neither BlackRock, nor the securities, products and services described herein, are registered (or intended to be registered) in the Jurisdiction. Furthermore, neither BlackRock, nor the securities, products, services or activities described herein, are regulated or supervised by any governmental or similar authority in the Jurisdiction. The Materials are private, confidential and are sent by BlackRock only for the exclusive use of the addressee. The Materials must not be publicly distributed and any use of the Materials by anyone other than the addressee is not authorized. The addressee is required to comply with all applicable laws in the Jurisdiction, including, without limitation, tax laws and exchange control regulations, if any.

For investors in the Caribbean, any funds mentioned or inferred in this material have not been registered under the provisions of the Investment Funds Act of 2003 of the Bahamas, nor have they been registered with the securities regulators of Bermuda, Dominica, the Cayman Islands, the British Virgin Islands, Grenada, Trinidad & Tobago or any jurisdiction in the Organisation of Eastern Caribbean States, and thus, may not be publicly offered in any such jurisdiction. The shares of any fund mentioned herein may only be marketed in Bermuda by or on behalf of the fund or fund manager only in compliance with the provision of the Investment Business Act 2003 of Bermuda and the Companies Act of 1981. Engaging in marketing, offering or selling any fund from within the Cayman Islands to persons or entities in the Cayman Islands may be deemed carrying on business in the Cayman Islands. As a non-Cayman Islands person, BlackRock may not carry on or engage in any trade or business unless it properly registers and obtains a license for such activities in accordance with the applicable Cayman Islands law. In the Dominican Republic, any securities mentioned or inferred in this material may only be offered in a private character according to the laws of the Dominican Republic, falling beyond the scope of articles 1 numeral (31), 46 et al of

Law 249-17 dated 19 December 2017, as amended and its Regulations. Since no governmental authorizations are required in such offering, any “securities” mentioned or inferred in this material have not been and will not be registered with the Stock Market Superintendency of the Dominican Republic (Superintendencia de Mercado de Valores de la República Dominicana), and these “securities” may only be circulated, offered and sold in the Dominican Republic in a private manner based on the criteria established under Dominican laws and regulations.

For Offshore Wealth Investors, for institutional investors and financial intermediaries only (not for public distribution). The information contained herein is for informational purposes only and is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. An assessment should be made as to whether the information is appropriate for you having regard to your objectives, financial situation, and needs.

This information does not consider the investment objectives, risk tolerance, or the financial circumstances of any specific investor. This information does not replace the obligation of financial advisor to apply his/her best judgment in making investment decisions or investment recommendations.

This material is restricted to distribution to non-U.S. Persons outside the United States within the meaning of Regulation S under the U.S. Securities Act of 1933, as amended (the “Securities Act”). Any securities described herein may not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction and may not be offered, sold, pledged or otherwise transferred except to persons outside the U.S. in accordance with Regulation S under the Securities Act pursuant to the terms of such securities. In particular, any UCITS funds mentioned herein are not available to investors in the U.S. and this material cannot be construed as an offer of any UCITS fund to any investor in the U.S.

Any research in this document has been procured and may have been acted on by BlackRock for its own purpose. The results of such research are being made available only incidentally. The views expressed do not constitute investment or any other advice and are subject to change. They do not necessarily reflect the views of any company in the BlackRock Group or any part thereof and no assurances are made as to their accuracy.

This document is for information purposes only and does not constitute an offer or invitation to anyone to invest in any BlackRock funds and has not been prepared in connection with any such offer.

© 2024 BlackRock, Inc. All Rights reserved. **BLACKROCK, BLACKROCK SOLUTIONS and iSHARES are trademarks of BlackRock, Inc. or its subsidiaries in the United States and elsewhere. All other trademarks are those of their respective owners.**