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**This Supplement contains information relating to the Fund which is a separate fund of the Company. This Supplement forms part of and should be read in the context of, and together with, the Prospectus for the Company dated 6 February 2024, and any amending Supplements and Addenda to the Prospectus (the "Prospectus").**

**The distribution of this Supplement and the offering or purchase of the Shares of the Company may be restricted in certain jurisdictions. Accordingly, this Supplement does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful. It is the responsibility of any persons in possession of this Supplement to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction.**

**If you are in any doubt about the action to be taken or the contents of this Supplement please consult your stockbroker, bank manager, lawyer, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000 immediately.**

**Upon issue, the Shares will be admitted to trading on Xetra.**

**Investors should note that the Fund will pursue its investment policy principally through investment in financial derivative instruments.**

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**iShares VI Public Limited Company**  
*(an umbrella open-ended investment company with variable capital  
and having segregated liability between its funds)*

**Supplement relating to**

**iShares MSCI World Swap PEA UCITS ETF**

**MANAGER**

**BlackRock Asset Management Ireland Limited**

**INVESTMENT MANAGER**  
**BlackRock Advisors (UK) Limited**

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Potential investors should consider the risk factors set out in the Prospectus and in this Supplement before investing in the Fund.

The Directors of the Company whose names appear both on the Company's directorship register and under the heading "Management of the Company" in the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of the information.

Save as disclosed in this Supplement, there has been no significant change and no significant new matter has arisen since publication of the Prospectus.

Application has been made for all of the Shares issued and to be issued to be traded on Xetra. The Fund constitutes a new fund of the Company and the Shares will be allocated to the Fund as and when issued.

It is expected that dealings in the Shares will commence on or about 6 September 2024.

The date of this Supplement No. 2 is 7 March 2024.

To the extent that there is any inconsistency between this Supplement and the Prospectus, this Supplement shall prevail.

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## DEFINITIONS

"*Account Opening Form*", such account opening form or application form (as the context requires) as the Directors may prescribe, to be completed by the Authorised Participant for the purposes of opening a Primary Market dealing account in relation to the Fund; or to be completed by the Common Depositary's Nominee for the purposes of applying for Shares to be issued in its name and to include authorisation for the Company to deal with Authorised Participants (as applicable).

"*Accumulating Share Class*", a Share Class designated as being "Accumulating" in the list of Share Classes listed under the heading "Introduction" of this Supplement or "Acc" in the "Current Share Classes" table of this Supplement and in respect of which income and other profits will be accumulated and reinvested.

"*Authorised Participant*", a market maker or broker entity which is registered with the Company as an authorised participant and therefore able to deal on the Primary Market for Shares in the Fund.

"*Base Currency*", the base currency of the Fund, which is Euro (€).

"*Benchmark Index*", the Fund's benchmark index, the MSCI World Index.

"*Benchmarks Regulation*", Regulation (EU) 2016/1011 of the European Parliament and of the Council as amended by Regulation (EU) 2019/2089 of the European Parliament and of the Council of 27 November 2019 as may be amended or replaced.

"*Benchmarks Regulation Register*", register of administrators and benchmarks maintained by ESMA under the Benchmarks Regulation.

"*Central Bank*", the Central Bank of Ireland.

"*Central Bank UCITS Regulations*", Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, as may be amended or replaced.

"*Central Securities Depositaries*", such Recognised Clearing Systems which are national settlement systems for individual national markets. The Central Securities Depositaries will be Participants in the International Central Securities Depositaries.

"*Clearstream*", Clearstream Banking, Société Anonyme, Luxembourg and any successor in business thereto.

"*Common Depositary*", the entity appointed as a depositary for the International Central Securities Depositaries, currently Citibank Europe plc, having its registered office at 1 North Wall Quay, Dublin 1.

"*Common Depositary's Nominee*", the entity appointed as nominee for any Common Depositary and as such acts as the registered holder of the Shares in the Fund, currently Citivic Nominees Limited.

"*Company*", iShares VI plc.

"*Currency Hedged Share Class*", a Share Class which allows the use of hedging transactions to reduce the effect of exchange rate fluctuations as described under the heading "Currency Hedged Share Classes" in "Current Share Classes" table of this Supplement.

"*Current Share Classes*", the Share Classes of the Fund available for launch at the discretion of the Manager as at the date of this Supplement as listed in the "Current Share Classes" table of this Supplement.

"*Dealing Day*", in general each Business Day will be a Dealing Day. However, some Business Days will not be Dealing Days where, for example, markets on which the Fund's Investments are listed or traded or markets relevant to the Benchmark Index are suspended or closed or where there is a public holiday in the relevant jurisdiction in which a delegate of the Investment Manager is based provided there is at least one Dealing Day per fortnight, subject always to the Directors' discretion to temporarily suspend the determination of the Net Asset Value and the sale, switching and/or redemption of Shares in the Company or the Fund in accordance with the provisions of the Prospectus and the Articles. The Investment Manager produces dealing calendars which detail in advance the Dealing Days for the Fund. The dealing calendar may be amended from time to time by the Investment Manager where, for example, the relevant market operator, regulator or exchange (as applicable) declares a relevant market closed for trading and/or settlement (such closure may be made with little or no notice to the Investment Manager). The dealing calendar for the Fund and each Share Class within the Fund) is available from the Investment Manager.

"*Distributing Share Class*", a Share Class designated as being "Distributing" in the list of Share Classes listed under the heading "Introduction" of this Supplement or "Dist" in the "Current Share Classes" table of this Supplement and in respect of which distributions of income will be declared.

"*Electronic Order Entry Facility*", the website facility which may be used by Authorised Participants to submit dealing requests in respect of Shares in the Fund and to obtain information in relation to the dealing procedures.

"Euroclear", Euroclear Bank S.A./N.V. and any such successor in business thereto.

"Euronext", Euronext N.V.

"European Economic Area" or "EEA", the European Economic Area, the participating member states of which are the Member States, Iceland, Liechtenstein and Norway.

"FDI", financial derivative instruments.

"Fund", iShares MSCI World Swap PEA UCITS ETF; a reference to the "Fund" shall, in the context where no particular Share Class is specified, include all Share Classes attributable to the Fund.

"Global Share Certificate", means the certificate evidencing entitlement to the Shares issued pursuant to the Memorandum and Articles and the Prospectus, described in further detail under the section titled "Global Clearing and Settlement" in the Prospectus.

"International Central Securities Depositories", such Recognised Clearing Systems used by the Fund issuing its Shares through the International Central Securities Depository settlement system, which is an international settlement system connected to multiple national markets, and which includes Euroclear and/or Clearstream.

"KIID" or "KID", the key investor information document issued in respect of the Fund pursuant to either the Regulations or the PRIIPs Regulation, as may be amended from time to time.

"Launched Share Class", a Share Class in existence and available for investment.

"LSE", the London Stock Exchange, a division of the London Stock Exchange Group plc.

"Member State", means a member state of the European Union as at the date of this Supplement.

"OTC", over the counter.

"Participants", account holders in an International Central Securities Depository, which may include Authorised Participants, their nominees or agents and who hold their interest in Shares settled and/or cleared through the applicable International Central Securities Depository.

"Paying Agent", the entity appointed to act as paying agent to the Fund.

"Portfolio Composition File", the file setting out the Investments and Cash Component which may be transferred to the Fund, in the case of subscriptions, and by the Company, in the case of redemptions, in satisfaction of the price of Shares thereof. Each Share Class of the Fund will have a Portfolio Composition File, which may (but need not) differ from the Portfolio Composition Files for other Share Classes within the Fund.

"PRIIPs Regulation", Regulation (EU) No.1286/2014 of the European Parliament and of the Council of 26 November 2014 as may be amended or replaced.

"Primary Market", the off exchange market whereon Shares of the Fund are created and redeemed directly with the Company.

"Regulations", European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 as amended by European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016 as may be amended or replaced.

"SFDR", Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

"Share", a participating share of no par value in the Fund or any Share Class representing a participation in the capital of the Company and carrying rights attributable to the Fund or Share Class, issued in accordance with the Articles and with the rights provided for under the Articles.

"Share Class", any class of Share attributable to the Fund and carrying rights to participate in the assets and liabilities of the Fund, as further described below under the "Introduction" section of this Supplement.

"Shareholder", the registered holder of a Share in the Fund.

"SIX", SIX Swiss Exchange.

"Taxonomy Regulation", Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

"Valuation Currency", in respect of a Share Class, the currency in which a class of Shares is priced by the Administrator and in which such Shares are denominated.

"Xetra", Deutsche Börse Xetra, in Frankfurt, Germany.

All other defined terms shall bear the same meaning as are ascribed thereto in the Prospectus.

## INTRODUCTION

The Company is an open-ended investment company with variable capital and having segregated liability between its funds organised under the laws of Ireland. The Company was authorised by the Central Bank as a UCITS for the purposes of the Regulations on 10 February 2012, to offer pooled investment. The Company is structured as an umbrella fund in that the share capital of the Company may be divided into different classes of shares with one or more classes representing a separate fund of the Company. Each fund may have more than one share class. Other funds of the Company are set out in Appendix I to this Supplement.

Each fund of the Company comprises a distinct portfolio of Investments. The shares of each fund of the Company may be issued with different rights, features and on different terms and conditions to those of the other funds. Shares of the Fund may be divided into different Share Classes with different dividend policies, currency hedging and Valuation Currencies and may therefore have different fees and expenses.

The Prospectus sets out information that applies to each and every fund of the Company. This includes risk factors that apply to investing in funds that seek to track a benchmark index, the management and administration of the funds by the Company, fund valuations, procedures for subscriptions, redemptions and transfers of shares in the funds, details of fees and expenses payable by the funds and taxation of shares in the funds. The Prospectus also contains information from the Company's Articles of Association.

This Supplement contains specific information relating to the Fund, including details of how to buy and sell Shares and the settlement system used by the Fund. The Base Currency of the Fund is Euro (€). The types of Share Classes that may be made available by the Company in the Fund are set out below.

<b>Income Treatment</b>	<b>Share Class Valuation Currency</b>	<b>Hedged / Unhedged</b>	<b>Currency into which the Share Class is Hedged</b>
Accumulating	Base Currency	Unhedged	N/A
Accumulating	Base Currency	Hedged	The same as the Valuation Currency
Accumulating	Differs from the Base Currency	Unhedged	N/A
Accumulating	Differs from the Base Currency	Hedged	The same as the Valuation Currency
Distributing	Base Currency	Unhedged	N/A
Distributing	Base Currency	Hedged	The same as the Valuation Currency
Distributing	Differs from the Base Currency	Unhedged	N/A
Distributing	Differs from the Base Currency	Hedged	The same as the Valuation Currency

Currency Hedged Share Classes offered in the Fund aim to reduce the impact of exchange rate fluctuations between the underlying portfolio currency exposures of the Fund and the Valuation Currency of a Currency Hedged Share Class on returns of the Benchmark Index to investors in that Share Class, through entering into foreign exchange contracts for currency hedging.

For details of the Share Classes in the Fund that have launched and for those currently available at the Manager's discretion, please refer to the tables below under the heading "Current Share Classes". Additional classes of Shares, including Share Classes of the type not currently listed above, may be added by the Company to the Fund in the future, at its discretion, in accordance with the requirements of the Central Bank. The creation of additional Share Classes will not result in any material prejudice to the rights attaching to existing Share Classes. Details of the Share Classes available for subscription, and to which different fee structures may apply, may be set out in separate Supplements. In addition a list of all Funds and issued Share Classes thereof will be set out in the annual and semi-annual reports of the Company.

Please note that if you hold a Share Class and you wish to change your holding to a different Share Class of the same Fund, any such change may be treated by tax authorities as a redemption and sale and may be a realisation for the purposes of capital gains taxation.

Please refer to the "Risk Factors" section of this Supplement for the specific risks associated with investment in a Share Class of the Fund.

Potential investors in the Fund should read the Fund's KIID or KID. Potential investors in the Fund should also read this Supplement in conjunction with the Prospectus, which is available, free of charge, from the Administrator or the Investment Manager or from the official iShares website ([www.iShares.com](http://www.iShares.com)). All terms and conditions relating to the Company generally as set out in the Prospectus apply to the Fund, save as set out in this Supplement.

Potential investors should also refer to the Company's most recent annual and semi-annual reports (if any) which contain information on the financial performance of the funds of the Company and form part of the Prospectus.

Upon issue the Shares will be traded on Xetra. It is also intended that the Shares of the Fund will be listed and admitted to trading on a number of other stock exchanges including, without limitation, Euronext, LSE and SIX.

### **Profile of a Typical Investor**

The Fund is suitable for both retail and professional investors seeking to achieve investment objectives which align with those of the Fund in the context of the investor's overall portfolio.

Investors are expected to be able to make an investment decision based on the information set out in this Supplement, the Prospectus and the Fund's KIID / KID or, alternatively, to obtain professional advice. Investors should also be able to bear capital and income risk and view an investment in the Fund as a medium to long term investment, although the Fund may also be suitable for providing shorter term exposure to its Benchmark Index where such exposure is sought by the investor.

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors.**

## **INVESTMENT OBJECTIVE AND POLICIES**

### **Investment Objective**

The investment objective of the Fund is to seek to provide investors with a total return, taking into account both capital and income returns, which reflects the net total return of the MSCI World Index.

### **Investment Policy**

In order to achieve this investment objective, the investment policy of the Fund is to invest in FDI, in particular unfunded total return swaps, which will seek to deliver a return which reflects the performance of the MSCI World Index, the Fund's Benchmark Index. When using unfunded total return swaps, the Fund will invest its cash in global developed market equity securities (the "**Substitute Basket**") and will pay the return of the Substitute Basket to the counterparties under the swaps, which will enable the Fund to deliver exposure to the Benchmark Index. The swaps with counterparties will be entered into on such terms and in such manner as determined by the Investment Manager.

It is the intention of the Fund to seek to maintain the status as Plan d'Epargne en Action ("**PEA**") eligible. To be PEA eligible, the Fund will invest 75% of its assets on a continuous basis directly in shares of companies whose registered offices are in a Member State, or in another EEA state that has signed a tax treaty with France that contains an administrative assistance clause aimed at combating fraud and tax evasion ("**PEA Eligible Securities**"). It is expected that the Fund will seek to maintain its PEA eligible status by maintaining a sufficient level of PEA Eligible Securities in the Substitute Basket.

Where investment in total return swaps is not possible or practicable, the Fund may also gain exposure to its Benchmark Index through investment in other FDI such as options and non-deliverable futures, through investment in units of collective investment schemes, and / or through investment in a portfolio of equity securities that, as far as possible and practicable, consists of the component securities of the Benchmark Index.

There is no guarantee that, through the Fund's investment in the total return swaps, the Fund's returns will track exactly those of the Benchmark Index.

In accordance with the provisions of European Market Infrastructure Regulation (EMIR) and the terms of the documentation governing the relevant swaps entered into by the Fund, each of the Fund's counterparties are required to provide collateral to the Fund (and vice versa) to cover the net mark-to-market exposure in respect of the relevant swaps entered into between that counterparty and the Fund. Pursuant to the terms of such documentation, collateral is transferred to the Fund by the counterparty (or vice versa) if the relevant mark-to-market exposure exceeds the minimum transfer amount (the purpose of which is to avoid de minimis transfers). Pursuant to EMIR, the minimum transfer amount shall not exceed €500,000. In cases where the Fund has uncollateralised risk exposure to a counterparty, the Fund will continue to observe the limits set out in paragraph 2.8 of Schedule III of the Prospectus. Collateral transferred to the Fund will be held by the Depositary.

The Fund may hold small amounts of cash ("**Cash Holdings**") and ancillary liquid assets (which will normally have dividend/income receivables) subject to the limits set out in Schedule III of the Prospectus. The Fund may, to preserve the value of such Cash Holdings, invest in one or more daily dealing money market collective investment schemes as set out below under the heading "Management of Cash Holdings and FDI Cash Holdings".

The Fund may also employ techniques and instruments relating to transferable securities for efficient portfolio management purposes in accordance with the terms set out in the section headed "Efficient Portfolio Management" below and in the Prospectus.

The Fund is passively managed. The Fund's Investments will be limited to investments permitted by the Regulations which are described in more detail in Schedule III of the Prospectus. The Fund's Investments, other

than its Investments in OTC FDI and open-ended collective investment undertakings, will normally be listed or traded on Regulated Markets set out in Schedule I of the Prospectus. Potential investors in the Fund may obtain a breakdown of the constituents of the Fund from the official iShares website ([www.iShares.com](http://www.iShares.com)) or from the Investment Manager.

#### SFDR

The Fund does not promote environmental and/or social characteristics and does not have sustainable investment as its objective, and therefore it has not been categorised as an Article 8 fund or an Article 9 fund under the SFDR.

#### Consideration of principal adverse impacts on sustainability factors ("PAIs")

The Investment Manager has access to a range of data sources, including PAI data, when managing fund portfolios. However, whilst BlackRock considers ESG risks for all portfolios and these risks may coincide with environmental or social themes associated with the PAIs, the Fund does not commit to considering PAIs in the selection of its investments.

#### Taxonomy Regulation

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

### **THE BENCHMARK INDEX AND INVESTMENT TECHNIQUES**

The MSCI World Index measures the performance of large and mid capitalisation stocks across developed market countries which comply with MSCI's size, liquidity, and free-float criteria. The Benchmark Index is market capitalisation weighted and rebalances on a quarterly basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <https://www.msci.com/constituents>.

As at the date of this Supplement, MSCI Limited, the benchmark administrator for the Benchmark Index is not included in the Benchmarks Regulation Register and does not have the Benchmark Index listed in the Benchmarks Regulation Register as required under the Benchmarks Regulation. It is expected that MSCI Limited will file an application for recognition as benchmark administrator or an endorsement of the Benchmark Index in advance of the end of the transition period, in accordance with the Benchmarks Regulation requirements.

There are a number of circumstances in which achieving the investment objective and policy of the Fund may be prohibited by regulation, may not be in the interests of holders of Shares or may require the use of strategies which are ancillary to those set out in the Fund's investment objective and policy. These circumstances include, but are not limited to the following:

- (i) The Fund is subject to the Regulations which include, inter alia, certain restrictions on the proportion of the Fund's value which may be held in individual securities. Depending on the concentration of the Benchmark Index, the Fund may be restricted from investing to the full concentration level of the Benchmark Index. In addition, the Fund may hold synthetic securities within the limits set out in the Prospectus, provided that the synthetic securities are securities which are correlated to, or the return on which is based on securities which form part of the Benchmark Index.
- (ii) From time to time, securities in the Benchmark Index may be subject to corporate actions. The Investment Manager may manage these events in its discretion.
- (iii) The Fund may hold ancillary liquid assets and will normally have dividend/income receivables. The Investment Manager may purchase FDI (as outlined above), for direct investment purposes, to produce a return similar to the return on the Benchmark Index.
- (iv) Securities included in the Benchmark Index may, from time to time, become unavailable, illiquid or unobtainable at fair value. In these circumstances, the Investment Manager may use a number of techniques, including purchasing securities which are not constituents of the Benchmark Index, whose returns, individually or collectively, are considered by the Investment Manager to be well-correlated to the constituents of the Benchmark Index.
- (v) The Investment Manager will have regard to the costs of any proposed portfolio transaction. It may not necessarily be efficient to execute transactions which bring the Fund perfectly in line with the Benchmark Index at all times.

The Fund invests in FDI, in particular unfunded total return swaps, which will seek to deliver a return which reflects the performance of the Benchmark Index. Where investment in total return swaps is not possible or practicable, the Fund may also gain exposure to its Benchmark Index through investment in other FDI such as options and non-deliverable futures, through investment in units of collective investment schemes, and / or through investment in a portfolio of equity securities that, as far as possible and practicable, consists of the component securities of the Benchmark Index. The Fund may not avail of higher investment limits set out in section 4 of Schedule III of the Prospectus.

Where consistent with its investment policy, the Fund may from time to time invest in government bonds, liquidity instruments such as floating rate instruments and commercial paper (rated at least A3 by Moody's or an equivalent



rating from another agency), Structured Finance Securities, other transferable securities (for example, medium term notes) and open-ended collective investment undertakings. Subject to the provisions of the Regulations and the conditions imposed by the Central Bank, the Fund may invest in other funds of the Company and/or in other collective investment schemes managed by the Manager. The Fund may, in accordance with the requirements of the Central Bank in limited circumstances where direct investment in a constituent security of its Benchmark Index is not possible or where acquiring or holding such security is not as cost or tax efficient as acquiring or holding a depository receipt, invest in depository receipts to gain exposure to the relevant security. The Fund may hold small amounts of ancillary liquid assets (which will normally have dividend/income receivables) and the Investment Manager, to produce a return similar to the return on the Benchmark Index, may purchase FDI. The Fund may also hold small amounts of Cash Holdings. The Fund may, to preserve the value of such Cash Holdings, invest in one or more daily dealing money market collective investment schemes as set out below under the heading "Management of Cash Holdings and FDI Cash Holdings".

The Fund engages in transactions in FDI in particular unfunded total return swaps, but may also use options and futures transactions, forward contracts, non-deliverable forwards, credit derivatives (such as single name credit default swaps and credit default swap indices), spot foreign exchange transactions or caps and floors for direct investment, where appropriate, to assist in achieving its investment objective and for reasons such as generating efficiencies in gaining exposure to the constituents of the Benchmark Index or to the Benchmark Index itself, to produce a return similar to the return of the Benchmark Index, to reduce transaction costs or taxes or to allow exposure in the case of illiquid securities or securities which are unavailable for market or regulatory reasons or to minimise tracking errors or for such other reasons as the Directors deem of benefit to the Fund.

The maximum and expected proportion of the Net Asset Value of the Fund that can be subject to total return swaps seeking to deliver a return which reflects the performance of the Benchmark Index is 100%. The maximum and expected proportion of the Net Asset Value of the Fund that will be subject to total return swaps seeking to offset the return of the Substitute Basket is 100%. The actual percentage may vary over time depending on factors including, but not limited to, market conditions.

When investing in non-fully funded FDI, the Fund may invest (i) cash representing up to the notional amount of such FDI less margin payments (if any) in such FDI, and (ii) any variation margin cash collateral received in respect of such FDI (together "FDI Cash Holdings") in one or more daily dealing money market collective investment schemes as set out below under the heading "Management of Cash Holdings and FDI Cash Holdings".

The Fund will not invest in fully funded FDI, including fully funded swaps.

### **Risk Management Process**

The Investment Manager employs a risk management process in respect of the Fund in accordance with the requirements of the Central Bank to enable it to accurately monitor, measure and manage, the global exposure from FDI ("global exposure") which the Fund gains. Any FDI not included in the risk management process will not be used until such time as a revised risk management process has been provided to the Central Bank. Information regarding the risks associated with the use of FDI can be found in the section entitled "Risk Factors - FDI Risks".

The Investment Manager uses a methodology known as the "Commitment Approach" in order to measure the global exposure of the Fund and manage the potential loss to the Fund due to market risk. The Commitment Approach is a methodology that aggregates the underlying market or notional values of FDI to determine the degree of global exposure of the Fund to FDI. Pursuant to the Regulations, in the event that the Fund uses leverage in the future, the global exposure for the Fund must not exceed 100% of the Fund's Net Asset Value.

It is not the Investment Manager's intention to leverage the Fund. The Fund may have small cash balances from time to time and may use FDI to produce a return on that cash similar to the Benchmark Index.

### **Management of Cash Holdings and FDI Cash Holdings**

The Fund may invest Cash Holdings and / or FDI Cash Holdings in one or more daily dealing money market collective investment schemes authorised as UCITS. Such collective investment undertakings may be managed by the Investment Manager and / or an Affiliate and are subject to the limits set out in Schedule III of the Prospectus. Such collective investment schemes may comprise sub-funds in Institutional Cash Series plc which invest in money market instruments. Institutional Cash Series plc is a BlackRock umbrella fund and open-ended investment company with variable capital incorporated in Ireland and having segregated liability between its sub-funds. It is not anticipated that the Fund's Cash Holdings and / or FDI Cash Holdings will result in additional market exposure or capital erosion, however, to the extent that additional market exposure or capital erosion occurs it is expected to be minimal.

### **INVESTMENT AND BORROWING RESTRICTIONS**

The Company is a UCITS and accordingly the Fund is subject to the investment and borrowing restrictions set out in the Regulations and the Central Bank's guidance. These are set out in detail in Schedule III of the Prospectus.

### **ANTICIPATED TRACKING ERROR**

Tracking error is the annualised standard deviation of the difference in monthly returns between a fund and its benchmark index.

At BlackRock we believe that this figure is important to a tactical investor who trades in and out of ETFs on a regular basis, often holding shares in an ETF for the period of only a few days or weeks. For a buy-to-hold investor with a longer investment time horizon, the tracking difference between the fund and the index over the target investment period should be more important as a measure of performance against the index. Tracking difference measures the actual difference between the returns of the fund and the returns of the index (i.e. how closely a fund tracks its index), while tracking error measures the increase and decrease in tracking difference (i.e. volatility of tracking difference). We encourage investors to consider both metrics when evaluating an ETF.

Tracking error can be a function of the ETF replication methodology. Generally speaking, historical data provides evidence that synthetic replication produces lower tracking error than physical replication; however, the same data often also provides evidence that physical replication produces lower tracking difference than synthetic replication.

Anticipated tracking error is based on the expected volatility of differences between the returns of the relevant fund and the returns of its benchmark index. For a physically replicating ETF, one of the primary drivers of tracking error is the difference between fund holdings and index constituents. Cash management and trading costs from rebalancing can also have an impact on tracking error as well as the return differential between the ETF and the benchmark index. The impact can be either positive or negative depending on the underlying circumstances. Such factors do not have a similar impact upon synthetic ETFs, such as the Fund, as they do not directly hold the underlying constituents of the Benchmark Index. Accordingly, any tracking error experienced by the Fund is generally negligible.

The anticipated tracking error of the Fund is not a guide to future performance. The annual and semi-annual report and accounts will set out the actual realised tracking error as at the end of the period under review. At the date of this Supplement the anticipated tracking error of Unhedged Share Classes of the Fund against the Benchmark Index (which is also unhedged), in normal market conditions, is up to 0.050%.

#### **EFFICIENT PORTFOLIO MANAGEMENT**

The Fund will not engage in securities lending.

The Fund may enter into repurchase and/or reverse repurchase agreements for the purposes of efficient portfolio management subject to the conditions and limits set out in the Central Bank UCITS Regulations and in accordance with the requirements of the Central Bank.

All revenues from efficient portfolio management techniques will be returned to the Fund, net of direct and indirect operational costs and fees (which do not include hidden revenue).

The maximum proportion of the Net Asset Value of the Fund that can be subject to repurchase and reverse repurchase agreements is 100%. The expected proportion of the Net Asset Value of the Fund that will be subject to repurchase and reverse repurchase agreements is 0%. The expected proportion is not a limit and the actual percentage may vary over time depending on factors including, but not limited to, market conditions.

For additional information about techniques and instruments relating to transferable securities for efficient portfolio management purposes, please see the section headed "Efficient Portfolio Management" in the Prospectus.

#### **METHODOLOGY FOR CURRENCY HEDGING**

Currency hedging is undertaken for each Currency Hedged Share Class by hedging its underlying portfolio currency exposures that are different from its Valuation Currency to keep the difference between such underlying portfolio currency exposures and the Valuation Currency within a pre-determined tolerance. The Investment Manager will monitor the currency exposure of each Currency Hedged Share Class against the pre-determined tolerances daily and will determine when a currency hedge should be reset and the gain or loss arising from the currency hedge reinvested or settled, while taking into consideration the frequency and associated transaction and reinvestment costs of resetting the currency hedge. Currency hedging is carried out on a best efforts basis and there is no guarantee that the Investment Manager will be successful in fully hedging the currency risks. This could result in mismatches between the currency position of the Fund and the Currency Hedged Share Class.

In the event that, the over-hedged or under-hedged position on any single underlying portfolio currency exposure of a Currency Hedged Share Class exceeds the pre-determined tolerance as at the close of a Business Day (for example, due to market movement), the hedge in respect of that underlying currency will be reset on the next Business Day (on which the relevant currency markets are open). Over-hedged positions shall not exceed 105% of the Net Asset Value of the relevant Currency Hedged Share Class and under-hedged positions shall not fall short of 95% of the portion of the Net Asset Value of the relevant Currency Hedged Share Class that is to be hedged against currency risk. In addition, if the aggregate gain or loss arising from the currency forwards for hedging all the underlying currencies of a Currency Hedged Share Class exceeds the pre-determined tolerance as at the close of a Business Day, the Investment Manager will determine on the next Business Day (on which the relevant currency markets are open) whether some or all of the currency hedges held by that Share Class are required to be reset to reduce the gain or loss if the gain or loss remains outside the tolerance. Applying the above tolerance thresholds will enable the Investment Manager to better manage the frequency and associated costs arising from FX transactions to effect the hedge for Currency Hedged Share Classes. The pre-determined tolerance threshold for each Currency Hedged Share Class is reviewed by BlackRock's Risk and Quantitative Analysis team.

In relation to the foreign currency hedging component of the Currency Hedged Share Classes, in the event that

there is a gain on the foreign currency hedge, no leverage will result from such gain. In the event that there is a loss on the foreign currency hedge, leverage will result in the relevant Currency Hedged Share Classes from such loss. Any leverage will be removed or reduced when the relevant currency hedge is adjusted or reset as required for the relevant Currency Hedged Share Class. The Investment Manager does not intend to leverage the Currency Hedged Share Classes beyond the tolerance threshold at which point a reset of some or all of the currency hedges for that Currency Hedged Share Class will be triggered. In extreme market circumstances the tolerance threshold may be temporarily breached.

Upon receipt of a subscription in a Currency Hedged Share Class, the Investment Manager will allocate monies representing the subscription in proportion to the weightings between the securities held by the Fund that are attributable to that Share Class and the value of the hedge of that Share Class.

## **RISK FACTORS**

Potential investors' attention is drawn to the "Risk Factors" section detailed at pages 63 to 99 of the Prospectus. In addition to the risk factors outlined in the Prospectus, the Fund has additional risk factors that investors should consider before investing in the Fund:

### **General Investment Risks**

#### ***Investment Risks***

Past performance is not a guide to the future. The prices of Shares and the income from them may fall as well as rise and an investor may not recover the full amount invested. There can be no assurance that the Fund will achieve its investment objective or that an investor will recover the full amount invested in the Fund. The capital return and income of the Fund are based on the capital appreciation and income of the securities it holds, less expenses incurred and any relevant Duties and Charges. Therefore, the Fund's return may be expected to fluctuate in response to changes in such capital appreciation or income.

#### ***Market Risk***

Market risk is the risk that one or more markets in which the Fund invests will go down in value, including the possibility that the markets will go down sharply and unpredictably. The value of a security or other asset may decline due to changes in general market conditions, economic trends or events that are not specifically related to the issuer of the security or other asset, or factors that affect a particular issuer or issuers, exchange, country, group of countries, region, market, industry, group of industries, sector or asset class. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, or other events could have a significant impact on the Fund and its investments.

#### ***Sustainability Risks – General***

Sustainability risk is an inclusive term to designate investment risk (probability or uncertainty of occurrence of material losses relative to the expected return of an investment) that relates to environmental, social or governance issues.

Sustainability risk around environmental issues includes, but is not limited to, climate risk, both physical and transition risk. Physical risk arises from the physical effects of climate change, acute or chronic. For example, frequent and severe climate-related events can impact products and services and supply chains. Transition risk whether policy, technology, market or reputation risk arises from the adjustment to a low-carbon economy in order to mitigate climate change. Risks related to social issues can include but are not limited to labour rights and community relations. Governance related risks can include but are not limited to risks around board independence, ownership & control, or audit & tax management. These risks can impact an issuer's operational effectiveness and resilience as well as its public perception, and reputation affecting its profitability and in turn, its capital growth, and ultimately impacting the value of holdings in the Fund.

These are only examples of sustainability risk factors and sustainability risk factors do not solely determine the risk profile of the investment. The relevance, severity, materiality and time horizon of sustainability risk factors and other risks can differ significantly between different funds.

Sustainability risk can manifest itself through different existing risk types (including, but not limited to, market, liquidity, concentration, credit, asset-liability mismatches etc.). By way of example, a fund such as the Fund may invest in equity of an issuer that could face potentially reduced revenues or increased expenditures from physical climate risk (e.g. decreased production capacity due to supply chain perturbations, lower sales due to demand shocks or higher operating or capital costs) or transition risk (e.g. decreased demand for carbon-intensive products and services or increased production costs due to changing input prices). As a result, sustainability risk factors may have a material impact on an investment, may increase the volatility, affect liquidity and may result in a loss to the value of the Shares.

All or a combination of these factors may have an unpredictable impact on the Fund's investments. Under normal market conditions such events could have a material impact on the value of the Shares.

Assessments of sustainability risk are specific to the asset class and to the Fund's objective. Different asset classes require different data and tools to assess materiality and make meaningful differentiation among issuers and assets. Risks are considered and risk managed concurrently, by prioritising based on materiality and on the Fund's objective.

While the index provider of the Benchmark Index provides descriptions of what the Benchmark Index is designed to

achieve, index providers do not generally provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of their benchmark indices or in their index methodology documents, nor any guarantee that the published indices will be in line with their described benchmark index methodologies. Errors in respect of the quality, accuracy and completeness of the data may occur from time to time and may not be identified and corrected for a period of time, in particular where the indices are less commonly used.

The impacts of sustainability risk are likely to develop over time and new sustainability risks may be identified as further data and information regarding sustainability factors and impacts becomes available.

### **Risks specific to investing in index-tracking exchange traded funds (ETFs)**

#### ***Passive Investment Risk***

The Fund is not actively managed and may be affected by a general decline in market segments related to the Benchmark Index. The Fund invests in securities included in, or representative of, the Benchmark Index, and the Fund does not attempt to take defensive positions under any market conditions, including declining markets.

#### ***Index Tracking Risks***

While the Fund seeks to track the performance of its Benchmark Index, there is no guarantee that it will achieve perfect tracking and the Fund may potentially be subject to tracking error risk, which is the risk that its returns may not track exactly those of its Benchmark Index, from time to time. This tracking error may result from the failure of a counterparty to meet its obligations under the total return swap, or an inability to enter into unfunded total return swaps that deliver the performance of the Benchmark Index, for example where there are local market trading restrictions, small illiquid components, a temporary unavailability or interruption in trading of certain securities comprising the Benchmark Index and/or where the Regulations limit exposure to the constituents of the Benchmark Index. In addition, the Company relies on an index licence granted by a third party index provider to use and track the Benchmark Index. In the event that the index provider terminates or varies an index licence, it will affect the ability of the Fund to continue to use and track its Benchmark Index and to meet its investment objective.

In such circumstances, in order to meet its investment objective, the Fund may also gain exposure to its Benchmark Index through investment in other financial instruments including FDI in accordance with the investment policy of the Fund. Alternatively, the Directors may take such action as described in the section entitled "Benchmark Indices" in the Prospectus. Regardless of market conditions, the Fund aims to track the performance of the Benchmark Index and does not seek to outperform the Benchmark Index.

#### ***Index-Related Risks***

As prescribed by this Supplement, in order to meet its investment objective, the Fund seeks to achieve a return which corresponds generally to the price and yield performance, before fees and expenses, of the Benchmark Index as published by the index provider. There is no assurance that the index provider will compile the Benchmark Index accurately, or that the Benchmark Index will be determined, composed or calculated accurately. While the index provider does provide descriptions of what the Benchmark Index is designed to achieve, the index provider does not provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of the Benchmark Index, and does not guarantee that the Benchmark Index will be in line with the described index methodology.

The Investment Manager's mandate as described in this Supplement and the Prospectus is to manage the Fund consistently with the Benchmark Index provided to the Investment Manager. Consequently, the Investment Manager does not provide any warranty or guarantee for index provider errors. Errors in respect of the quality, accuracy and completeness of the data may occur from time to time and may not be identified and corrected for a period of time, particularly where the indices are less commonly used. Therefore gains, losses or costs associated with index provider errors will be borne by the Fund and its investors. For example, during a period where the Benchmark Index contains incorrect constituents, the Fund would have market exposure to such constituents and would be underexposed to the constituents that should have been included in the Benchmark Index. As such, errors may result in a negative or positive performance impact to the Fund and its investors. Investors should understand that any gains from index provider errors will be kept by the Fund and its investors and any losses resulting from index provider errors will be borne by the Fund and its investors.

Apart from scheduled rebalances, the index provider may carry out additional ad hoc rebalances to the Benchmark Index in order, for example, to correct an error in the selection of index constituents. Unscheduled rebalances to the Benchmark Index may also expose the Fund to tracking error risk, which is the risk that its returns may not track exactly those of the Benchmark Index. Therefore, errors and additional ad hoc rebalances carried out by the index provider to the Benchmark Index may increase the costs and market exposure risk of the Fund.

#### ***Index Disruption Risk***

Disruptions to the calculation and publication of the Benchmark Index ("Index Disruption Events") include, but are not limited to, situations where: the Benchmark Index level is deemed to be inaccurate or does not reflect actual market developments; it is not possible to obtain a price or value of one or several constituents of the Benchmark Index (such as due to their becoming illiquid or having their quotation suspended on a stock exchange); the index provider fails to calculate and publish the Benchmark Index level; the Benchmark Index is temporarily suspended or permanently discontinued by the index provider. Such Index Disruption Events may have an impact on the accuracy and/or availability of the published price of the Benchmark Index and in some instances also the Net Asset Value of the Fund.

If an Index Disruption Event occurs, a counterparty may adjust the terms of the relevant FDI held by the Fund to

account for such event, including adjustment to or substitution of the Benchmark Index, the calculation of the Benchmark Index level or the valuation of the FDI, and such adjustment(s) may have a positive or negative impact on the Net Asset Value of the Fund. Alternatively, the Directors may temporarily suspend the calculation of the Net Asset Value and any subscription, redemption and exchange of Shares and payment of redemption proceeds in accordance with the provisions under the section "Temporary Suspension of Valuation of the Shares and of Sales, Redemptions and Switching". Finally, the Directors may, in certain circumstances as set out in the Prospectus, terminate the Fund.

### **Secondary Trading Risk**

The Shares will be traded on Xetra and may be listed or traded on one or more other stock exchanges. There can be no certainty that there will be liquidity in the Shares on any one or more of the stock exchanges or that the market price at which Shares may be traded on a stock exchange will be the same as the Net Asset Value per Share. There can be no guarantee that once the Shares are listed or traded on a stock exchange they will remain listed or traded on that stock exchange.

### **Counterparty Concentration**

It is the aim of the Company to enter into total return swaps with more than one counterparty for the Fund. However, there is no guarantee that this will be possible in every case (as, for example, only one counterparty may be willing to transact with the Fund). In such event, the Fund may only be able to enter into total return swaps with a single counterparty. This presents concentration risk, which increases the significance of a counterparty default and its associated risks. Furthermore, the pricing of the swap where there is a single counterparty may not reflect fair market value. Each of these factors may have a negative impact on the value of the Fund. See further the risks described under "FDI Valuation Risk".

### **Counterparty Risk**

The Company will be exposed to the credit risk of the parties with which it transacts and may also bear the risk of settlement default. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. This would include the counterparties to any FDI (including swaps) that are entered into by the Fund. Trading in FDI which have not been collateralised gives rise to direct counterparty exposure. The Fund is predominantly exposed to credit risk as a result of its entering into total return swaps.

Counterparty risk arising from investments in FDI is generally mitigated by the transfer or pledge of collateral in favour of the Fund. The Company seeks to mitigate its credit risk to its FDI counterparties by receiving collateral with a value at least equal to the exposure to each counterparty. The terms of the unfunded total return swaps entered into by the Company for the Fund require the counterparties to provide collateral to the Fund (and vice versa) to cover the net mark-to-market exposure in respect of the relevant total return swaps. However, to the extent that the credit exposure of the Fund to a counterparty under any FDI is not fully collateralised at all times (which may be due to a counterparty breaching its obligations to provide sufficient collateral, operational issues (for example time gaps in between calculation of the risk exposure to each counterparty, provision of additional collateral or substitutions of collateral by the relevant counterparty), or market movements between valuations and collateral transfers), a default by the counterparty may result in a reduction in the value of the Fund. The terms of the total return swaps entered into by the Fund provide for a counterparty to transfer collateral to the Fund on a title transfer basis (and for the Fund to post collateral to a counterparty on a pledge basis) if the relevant net mark-to-market exposure exceeds the minimum transfer amount under the swap terms (the purpose of which is to avoid de minimis transfers). As such, the Fund may have uncollateralised risk exposure to a counterparty under a swap (of an amount up to such minimum transfer amount) during a period when the mark-to-market is in the Fund's favour and the minimum transfer amount to trigger a collateral transfer from a counterparty is not reached. In cases where the Fund has uncollateralised risk exposure to a counterparty, the Fund will continue to observe the limits set out in paragraph 2.8 of Schedule III of the Prospectus.

In the event of the bankruptcy or insolvency of a counterparty, the Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Company seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that such OTC contracts are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, the Fund may not be able to recover all its costs and losses from the counterparty.

In the case of a default of the counterparty, the total return swap can be terminated early. The Company will then use its best efforts to meet the Fund's investment objective by entering into, if necessary, a swap with another counterparty, or by regaining exposure to the Fund's Benchmark Index through investment in other financial instruments and/or derivatives in accordance with the investment objective and policy of the Fund. There is no agreement between counterparties and the Company for any counterparty to substitute themselves for a counterparty which defaults under a derivative agreement or to make good any losses which a Fund may incur as a result of a counterparty default.

If a counterparty defaults, the Fund may need to sell any non-cash collateral received from the counterparty at prevailing market prices and there is a risk that the proceeds from realising the non-cash collateral may be insufficient to fully cover the Fund's credit exposure to the counterparty, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral or the illiquidity of the market in which the collateral is traded. Difficulties in selling collateral may delay or restrict the ability of the Fund to meet its payment obligations. Any potential investor should therefore understand and evaluate the counterparty credit risk prior to making any investment.

When using unfunded total return swaps to seek to deliver the performance of the Benchmark Index, the Fund will invest in the Substitute Basket to enable it to meet its payment obligations to the counterparties under the swaps. The Substitute Basket will not match the constituents of the Fund's Benchmark Index. In the event that a counterparty defaults under an unfunded swap that was entered into in order to offset the return of the Substitute Basket the Fund would, in addition to the risks outline above, also be exposed to the returns of the Substitute Basket which will not match, or be correlated to, the desired returns of its Benchmark Index. As mentioned above, the Fund will use its best efforts to meet its investment objective by entering into, if necessary, a swap with another counterparty. In order to meet its obligations under such replacement swap, the Fund may need to liquidate the Substitute Basket and reinvest the proceeds in a new portfolio of equities and/or other financial instruments and this would give rise to transaction costs to the Fund that would reduce returns to its investors. Alternatively, the Fund may decide to meet its investment objective by regaining exposure to the Fund's Benchmark Index through investment in other financial instruments and/or FDI. The Substitute Basket held by the Fund would have to be sold to fund the Fund's investment in such other financial instruments and/or FDI and this would also give rise to costs to the Fund that would reduce returns to its investors. Until such time that the replacement swap, or alternative investment in other financial instruments and/or FDI, is put in place to enable the Fund to meet its investment objective, to the extent that the returns and sale proceeds from the Substitute Basket and the proceeds from liquidation of the collateral from the defaulting counterparty are insufficient for the Fund to satisfy its investment objective, the Fund will not be able to meet its investment objective.

Currency forwards used by the Currency Hedged Share Classes to hedge their currency risks are not collateralised and the Currency Hedged Share Classes have uncollateralised counterparty exposure to such foreign exchange counterparties in respect of such FDI, subject to the investment limits in Schedules II & III of the Prospectus and subject to Currency Hedged Share Classes not being permitted to have over-hedged positions in excess of 105% of their Net Asset Value. As at the date of this Supplement, State Street is the sole counterparty for currency forwards used by Currency Hedged Share Classes.

A formal review of each new counterparty is completed and all approved counterparties are monitored and reviewed on an ongoing basis. The Company maintains an active oversight of counterparty exposure and the collateral management process. Counterparty exposure is subject to the investment restrictions in Schedule III of the Prospectus.

***Counterparty Risk to the Depositary and other depositaries***

The Company will be exposed to the credit risk of the Depositary or any depositary used by the Depositary where cash or other assets are held by the Depositary or other depositaries. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. Cash held by the Depositary and other depositaries will not be segregated in practice but will be a debt owing from the Depositary or other depositaries to the Company as a depositor. Such cash will be co-mingled with cash belonging to other clients of the Depositary and/or other depositaries. In the event of the insolvency of the Depositary or other depositaries, the Company will be treated as a general unsecured creditor of the Depositary or other depositaries in relation to cash holdings of the Company. The Company may face difficulties and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Fund will lose some or all of its cash. The Company's securities are however maintained by the Depositary and sub-custodians used by the Depositary in segregated accounts and should be protected in the event of insolvency of the Depositary or sub-custodians. The Company may enter into additional arrangements (for example placing cash in money market collective investment schemes) in order to mitigate credit exposure for its cash holdings but may be exposed to other risks as a result.

To mitigate the Company's exposure to the Depositary, the Investment Manager employs specific procedures to ensure that the Depositary is a reputable institution and that the credit risk is acceptable to the Company. If there is a change in Depositary then the new depositary will be a regulated entity subject to prudential supervision with a high credit rating assigned by international credit rating agencies.

***Liability of the Depositary and Responsibility of the Depositary for Sub-Custodians***

The Depositary shall be liable to the Company and its shareholders for the loss by the Depositary or a sub-custodian of financial instruments of the Company held in custody. In the case of such a loss, the Depositary is required, pursuant to the Regulations, to return the financial instrument of an identical type or the corresponding amount to the Company without undue delay, unless the Depositary can prove that the loss arose as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. This standard of liability only applies to assets capable of being registered or held in a securities account in the name of the Depositary or a sub-custodian and assets capable of being physically delivered to the Depositary.

The Depositary shall also be liable to the Company and its shareholders for all other losses suffered by the Company and/or its shareholders as a result of the Depositary's negligent or intentional failure to fully fulfil its obligations pursuant to the Regulations. In the absence of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the Regulations, the Depositary may not be liable to the Company or its shareholders for the loss of an asset of the Fund which is not capable of being registered or held in a securities account in the name of the Depositary or a sub-custodian or being physically delivered to the Depositary.

The liability of the Depositary is not affected by the fact that it has entrusted the custody of the Company's assets to a third party. In the event that custody is delegated to local entities that are not subject to effective prudential regulation, including minimum capital requirements, and supervision in the jurisdiction concerned, prior Shareholder notice will be provided advising of the risks involved in such delegation. As noted above, in the

absence of the Depository's negligent or intentional failure to properly fulfil its obligations pursuant to the Regulations, the Depository may not be liable to the Company or its shareholders for the loss of an asset of the Fund which is not capable of being registered or held in a securities account in the name of the Depository or a sub-custodian or being physically delivered to the Depository. Accordingly, while the liability of the Depository is not affected by the fact that it has entrusted the custody of the Company's assets to a third party, in markets where custodial and/or settlement systems may not be fully developed, the Fund may be exposed to sub-custodial risk in respect of the loss of such assets in circumstances whereby the Depository may have no liability.

#### ***Counterparty risk to the Paying Agent - dividend monies***

The Paying Agent for the Fund is responsible for making dividend payments to Participants on the relevant dividend payment date. Shortly before the dividend payment date, monies for distribution to Participants as dividends will be transferred from the Company's cash accounts with the Depository to the Paying Agent. During the interim period, dividend monies are held with the Paying Agent (or its associated depository bank) in the form of cash and the Company will have credit risk exposure, in respect of such cash, to the Paying Agent and its associated depository bank. Cash held by the Paying Agent will not be segregated in practice but will be a debt owing from the Paying Agent (or its associated depository bank) to the Company as a depositor. In the event of the insolvency of the Paying Agent (or its associated depository bank) during the interim period, the Company will be treated as a general unsecured creditor of the Paying Agent (or its associated depository bank) in relation to the cash. The Company may face difficulties and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Company may lose some or all of the dividend monies being distributed by the Paying Agent resulting in a reduction in the value of the Fund.

#### ***On Exchange Trading***

Where a counterparty to an on exchange trade in the Fund's underlying securities suffers an Insolvency Event, there are risks associated with the recognised investment exchanges and markets themselves set out in Schedule I of the Prospectus. There is a risk that the relevant recognised investment exchange or market on which the trade is being conducted will not apply its rules fairly and consistently and that failed trades will be effected notwithstanding the insolvency of one of the counterparties. There is also a risk that a failed trade will be pooled with other failed trades, which may make it difficult to identify a failed trade to which the Fund has been a party. Either of these events may have a negative impact on the value of the Fund.

#### ***Risks associated with the Fund's investments in swap agreements***

The Company currently intends to enter into swaps on behalf of the Fund. Swaps are privately negotiated OTC derivative products in which two parties agree to exchange payment streams that may be calculated in relation to a rate, index, instrument, or certain securities and/or a particular "notional amount." A fund may invest in such swaps to gain exposure to an index where this may be efficient or desirable or where a direct investment in the underlying constituents of the index may not be possible or suitable.

As discussed, under the section headed "Counterparty Risk" above, swap transactions are subject to the risk that the counterparties may default on their obligations. If one or more counterparties to an unfunded total return swap entered into by the Fund were to default and the Fund was unable to find a suitable replacement swap counterparty, the Fund would be exposed to the difference between the returns in respect of the portfolio of securities that it holds which will not match, or be correlated to the returns/performance of its Benchmark Index. The Fund intends to mitigate much of its risk exposure to each counterparty by obtaining collateral from the counterparty and by entering into swaps with more than one counterparty, although there is no guarantee that this will be possible in every case (see also "Counterparty concentration" above). Collateral will be obtained in a form which complies with the Central Bank's requirements. The collateral to be obtained is intended to be held and used in accordance with the requirements of the Central Bank.

In addition, the risk exposure of the Fund to each counterparty will be monitored with the same frequency as the Net Asset Value is calculated for the Fund (which is intended to be each Business Day). However, as the terms of the swaps may provide for a counterparty to provide collateral to the Fund (and vice versa) to cover net mark-to-market exposure in respect of the relevant unfunded total return swap only if such net mark-to-market exposure exceeds the minimum transfer amount under the swap terms (the purpose of which is to avoid de minimis transfers), the Fund may have an uncollateralised risk exposure to a counterparty under a swap up to such minimum transfer amount.

Notwithstanding this, there may still be instances where the Fund is not fully collateralized in respect of its credit exposure to a swap counterparty. For example, if a counterparty fails to provide sufficient collateral, if there is a time gap and/or market movements between the daily calculation of the risk exposure to each counterparty, provision of additional collateral or substitutions of collateral by the relevant counterparty or market movements between valuations and collateral transfers. In such cases, the Fund will continue to observe the limits set out in paragraph 2.8 of Schedule III of the Prospectus. In addition, even where the Fund is fully collateralised, the collateral may not be sufficient to cover the costs associated with closing out a swap with a defaulting counterparty and entering into a new swap with an alternative counterparty.

There is no guarantee that, through the Fund's investment in the swaps, the Fund's returns will track exactly those of the Benchmark Index. For example, in the event that a counterparty defaults on its payment obligations under its swap agreement and the Fund is not fully collateralized and/or able to find a suitable replacement swap counterparty, the Fund will not receive the desired return (on the Benchmark Index). As a result, the Fund may not achieve, either in whole or in part, the investment objective of the Fund.

#### ***Inability of the Fund to enter into suitable swap arrangements***

While it is the investment policy of the Fund to invest in FDI, in particular unfunded total return swaps, which will

seek to deliver to the Fund a return which reflects the performance of the Benchmark Index, there is a risk that the Fund may not be able to locate a counterparty who is prepared to enter into such a swap, or that the swaps offered by the counterparties are on terms which are unacceptable to the Fund. In such circumstances the Company may temporarily suspend the determination of the Net Asset Value and the subscription, sale, conversion and redemption of shares in the Fund until such time as it is able to enter into a swap on terms acceptable to the Fund. In circumstances where it is not possible, or it is impractical, for the Fund to track the performance of the Benchmark Index and the Fund is unable to substitute another index for the Benchmark Index, the Directors may resolve to compulsorily redeem investors and subsequently terminate the Fund. The Fund will not be able to achieve its investment objective and policy in such circumstances. The Manager will look to mitigate this risk by setting up multiple swap counterparties at launch.

In the unforeseen event that no swap counterparty is willing to continue to enter into a swap with the Company to provide the Fund with the return on its Benchmark Index, the Fund will not be able to meet its investment objective.

***Inability of the Fund to maintain swap arrangements on acceptable terms***

It is the investment policy of the Fund to invest in FDI, in particular unfunded total return swaps, which will seek to deliver to the Fund a return which reflects the performance of the Benchmark Index. However there is a risk that, upon the occurrence of certain events, a swap may be terminated early or partially redeemed by the counterparty or the counterparty may only be willing to continue providing the swap on terms that are unacceptable to the Fund. These events may include circumstances where the counterparty is unable to fully hedge its exposure under the swap, unwind such hedge, or repatriate or exchange the proceeds of such hedge. In addition, the counterparty may seek to pass on any additional costs relating to the hedging of its risk exposure under the swap to the Fund, for example by increasing its fees, and this may impact on the returns received by the Fund under the swap.

In the circumstances described above, the Company may temporarily suspend the determination of the Net Asset Value and the subscription, sale, switching and/or redemption of shares in the Fund until such time as it is able to enter into a swap with another counterparty on terms acceptable to the Fund. If the Fund is unable to enter into such a suitable swap, the Fund may (but is not obliged to) gain exposure to its Benchmark Index through investment in other financial instruments and/or FDI in accordance with the investment objective and policy of the Fund or the Fund may substitute another index for the Benchmark Index, or the Directors may resolve to compulsorily redeem investors and/or subsequently terminate the Fund. The Fund may not be able to achieve its investment objective and policy in such circumstances. The Manager will look to mitigate this risk by setting up multiple swap counterparties at launch.

In the unforeseen event that no swap counterparty is willing to continue to enter into a swap with the Company to provide the Fund with the return on its Benchmark Index, the Fund will not be able to meet its investment objective.

For additional information please see the sections headed "Mandatory Redemption of Shares" at pages 120 to 121 of the Prospectus and "Temporary Suspension of Valuation of the Shares and of Sales, Redemptions and Switching" at pages 121 to 122 of the Prospectus.

***Additional risks associated with investing in FDI***

The Fund has the flexibility to use other FDI for the purposes of efficient portfolio management or, where stated in its investment policy, for direct investment purposes. Such instruments involve certain special risks and may expose investors to an increased risk of loss. These risks may include credit risk with regard to counterparties with whom the Fund trades, the risk of settlement default, lack of liquidity of the FDI, imperfect tracking between the change in value of the FDI and the change in value of the underlying asset that the Fund is seeking to track and greater transaction costs than investing in the underlying assets directly.

In accordance with standard industry practice when purchasing FDI, the Fund may be required to secure its obligations to its counterparty. For non-fully funded FDI, this may involve the placing of initial and/or variation margin assets with the counterparty. For FDI which require the Fund to place initial margin assets with a counterparty, such assets may not be segregated from the counterparty's own assets and, being freely exchangeable and replaceable, the Fund may have a right to the return of equivalent assets rather than the original margin assets deposited with the counterparty. These deposits or assets may exceed the value of the Fund's obligations to the counterparty in the event that the counterparty requires excess margin or collateral. In addition, as the terms of documentation governing the relevant FDI may provide for one counterparty to provide collateral to the other counterparty to cover the net mark-to-market exposure arising under the FDI only if a minimum transfer amount (the purpose of which is to avoid de minimis transfers) is triggered, the Fund may have an uncollateralised risk exposure to a counterparty under an FDI up to such minimum transfer amount. A default by the counterparty in such circumstances will result in a reduction in the value of the Fund and thereby a reduction in the value of an investment in the Fund.

Additional risks associated with investing in FDI may include a counterparty breaching its obligations to provide collateral, or due to operational issues (such as time gaps between the calculation of risk exposure to a counterparty's provision of additional collateral or substitutions of collateral or the sale of collateral in the event of a default by a counterparty), there may be instances where the Fund's credit exposure to its counterparty under a FDI is not fully collateralised but the Fund will continue to observe the limits set out in paragraph 2.8 of Schedule III of the Prospectus. The use of FDI may also expose the Fund to legal risk, which is the risk of loss due to the unexpected application of a law or regulation, or because a court declares a contract not legally enforceable.



**FDI Valuation Risk**

As referred to above, there are risks associated with the valuation methods employed when valuing FDI. Certain FDI are difficult to value and such valuations may be carried out by the Investment Manager, the Administrator or one or more of a limited number of market professionals which may act as counterparties to the transaction being valued. In addition to the conflicts of interest that may arise in such cases, an inaccurate valuation may result in an increase in the payment required to the FDI counterparty and/or a reduction in the value of the NAV. Further information concerning the valuation method employed by the Fund is set out in the section entitled "Valuation of the Funds" in the Prospectus.

**Additional investment risks applicable to the Fund****Equity Securities**

The value of equity securities fluctuates daily and as the Fund has exposure to equities, it could incur significant losses. The prices of equities can be influenced by factors affecting the performance of the individual companies issuing the equities, as well as by daily stock market movements, and broader economic and political developments, including trends in economic growth, inflation and interest rates, corporate earnings reports, demographic trends and natural disasters.

**Recent Market Events**

Periods of market volatility may occur in response to various political, social and economic events both within and outside of the United States. These conditions have resulted in, and in many cases continue to result in, greater price volatility, less liquidity, widening credit spreads and a lack of price transparency, with many securities remaining illiquid and of uncertain value. Such market conditions may adversely affect the Fund, including by making valuation of some of the Fund's securities uncertain and/or result in sudden and significant valuation increases or declines in the Fund's holdings. If there is a significant decline in the value of the Fund's portfolio, this may impact the asset coverage levels for any outstanding leverage the Fund may have.

Risks resulting from any future debt or other economic crisis could also have a detrimental impact on the global economic recovery, the financial condition of financial institutions and the Fund's business, financial condition and results of operation. Market and economic disruptions have affected, and may in the future affect, consumer confidence levels and spending, personal bankruptcy rates, levels of incurrence and default on consumer debt and home prices, among other factors. To the extent uncertainty regarding the U.S. or global economy negatively impacts consumer confidence and consumer credit factors, the Fund's business, financial condition and results of operations could be significantly and adversely affected. Downgrades to the credit ratings of major banks could result in increased borrowing costs for such banks and negatively affect the broader economy. Moreover, Federal Reserve policy, including with respect to certain interest rates, may also adversely affect the value, volatility and liquidity of dividend- and interest-paying securities. Market volatility, rising interest rates and/or unfavourable economic conditions could impair the Fund's ability to achieve its investment objective(s).

**Impact of Natural or Man-Made Disasters and Disease Epidemics**

Certain regions are at risk of being affected by natural disasters or catastrophic natural events. Considering that the development of infrastructure, disaster management planning agencies, disaster response and relief sources, organized public funding for natural emergencies, and natural disaster early warning technology may be immature and unbalanced in certain countries, the natural disaster toll on an individual portfolio company or the broader local economic market may be significant. Prolonged periods may pass before essential communications, electricity and other power sources are restored and operations of the portfolio company can be resumed. The Fund's investments could also be at risk in the event of such a disaster. The magnitude of future economic repercussions of natural disasters may also be unknown, may delay the Fund's ability to invest in certain companies, and may ultimately prevent any such investment entirely.

Investments may also be negatively affected by man-made disasters. Publicity of man-made disasters may have a significant negative impact on overall consumer confidence, which in turn may materially and adversely affect the performance of the Fund's Investments, whether or not such investments are involved in such man-made disaster.

Outbreaks of infectious diseases may also have a negative impact on the performance of the Fund. For example, an infectious respiratory disease caused by a novel coronavirus known as COVID-19 detected in December 2019 has given rise to an extended global pandemic. This coronavirus led to borders closing, restrictions on movement of people, quarantines, cancellations of transportation and other services, disruptions to supply chains, businesses and customer activity, as well as general concern and uncertainty. While improvements have been made in managing the impact of COVID-19, including the adoption in many countries of widescale vaccination programmes that have reduced infection and death rates, the impact of COVID-19 continues to adversely affect the economies of many nations across the entire global economy, individual companies and capital markets. It is not yet possible to predict with any accuracy how long this impact will continue to be felt. Other epidemics and pandemics that may arise in the future could also have a similar effect and the extent of the impact cannot be foreseen at the present time. In addition, the impact of infectious diseases in certain emerging developing or emerging market countries may be greater due to less established health care systems, as was the case with COVID-19. Health crises caused by infectious diseases may exacerbate other pre-existing political, social and economic risks in certain countries.

Such events could increase volatility and the risk of loss to the value of your investments.

**Governmental Intervention Risk**

In response to a recession, economic slowdown or financial market instability, governments and regulators may choose to intervene by implementing austerity measures and reforms, as seen in the 2007-2008 global financial crisis. There is no guarantee that a government or regulatory intervention will work and they may result in social

unrest, limit future growth and economic recovery or have unintended consequences. Additionally, government and regulatory intervention have sometimes been unclear in scope and application, resulting in confusion and uncertainty which in itself has been detrimental to the efficient functioning of financial markets.

It is impossible to predict with certainty what temporary or permanent governmental restrictions may be imposed on the markets in the future and/or the effect of such restrictions on the Investment Manager's ability to implement the Fund's investment objective, the European or global economy or the global securities markets. Instability in the global financial markets or government intervention may increase the volatility of the Fund and hence the risk of loss to the value of your investment.

#### ***Issuer Risk***

The performance of the Fund depends on the performance of individual securities to which the Fund has exposure. Any issuer of these securities may perform poorly, causing the value of its securities to decline. Poor performance may be caused by poor management decisions, competitive pressures, changes in technology, expiration of patent protection, disruptions in supply, labour problems or shortages, corporate restructurings, fraudulent disclosures or other factors. Issuers may, in times of distress or at their own discretion, decide to reduce or eliminate dividends, which may also cause their stock prices to decline.

#### ***Money Market Risk***

The Company, with a view to mitigating credit exposure to depositaries, may arrange for cash holdings of the Company to be placed into money market collective investment schemes, including other funds of the BlackRock Group. A money market collective investment scheme which invests a significant amount of its assets in money market instruments may be considered as an alternative to investing in a regular deposit account. However, a holding in such a scheme is subject to the risks associated with investing in a collective investment scheme and, while a money market collective investment scheme is designed to be a relatively low risk investment, it is not entirely free of risk. Despite the short maturities and high credit quality of investments of such schemes, increases in interest rates and deteriorations in the credit quality can reduce the scheme's yield and the scheme is still subject to the risk that the value of such scheme's investment can be eroded and the principal sum invested will not be returned in full.

#### ***Currency Risk***

The Fund has Share Classes which have different Valuation Currencies from the Base Currency of the Fund. In addition, the Investments of a Share Class may be acquired in currencies which are not the Valuation Currency of the Share Class.

For Unhedged Share Classes, the fact that their Valuation Currencies and the currency of the Fund's Investments may differ may cause the cost of purchasing such Investments to be affected favourably or unfavourably by fluctuations in the relative exchange rates of the different currencies.

#### ***Impact of PEA on Performance***

Compliance with the requirements of PEA may lead the Fund to bear additional fees, costs and expenses, such as costs in relation to the structuring of Investments in a PEA compliant manner. This may result in increased tracking error risk and the performance of the Fund may be lower than other investment funds not bound by the requirements of PEA.

#### **Settlement through an International Central Securities Depository**

##### ***Inaction by the Common Depository and/or an International Central Securities Depository***

Investors that settle or clear through an International Central Securities Depository will not be a registered Shareholder in the Company, they will hold an indirect beneficial interest in such Shares and the rights of such investors, where Participants, shall be governed by their agreement with the applicable International Central Securities Depository and otherwise by the arrangement with a Participant of the International Central Securities Depository (for example, their nominee, broker or Central Securities Depositories, as appropriate). The Company will issue any notices and associated documentation to the registered holder of the Global Share Certificate, the Common Depository's Nominee, with such notice as is given by the Company in the ordinary course when convening general meetings. The Common Depository's Nominee has a contractual obligation to relay any such notices received by the Common Depository's Nominee to the Common Depository which, in turn, has a contractual obligation to relay any such notices to the applicable International Central Securities Depository, pursuant to the terms of its appointment by the relevant International Central Securities Depository. The applicable International Central Securities Depository will in turn relay notices received from the Common Depository to its Participants in accordance with its rules and procedures. The Directors understand that the Common Depository is contractually bound to collate all votes received from the applicable International Central Securities Depositories (which reflects votes received by the applicable International Central Securities Depository from Participants) and that the Common Depository's Nominee is obligated to vote in accordance with such instructions. The Company has no power to ensure the Common Depository relays notices of votes in accordance with their instructions. The Company cannot accept voting instructions from any persons, other than the Common Depository's Nominee.

#### ***Payments***

With the authorisation of the Common Depository's Nominee, any dividends declared and any liquidation and mandatory redemption proceeds are paid by the Company or its authorised agent (for example, the Paying Agent) to the applicable International Central Securities Depository. Investors, where they are Participants, must look solely to the applicable International Central Securities Depository for their share of each dividend payment or any liquidation or mandatory redemption proceeds paid by the Company or, where they are not Participants, they must look to their respective nominee, broker or Central Securities Depository (as appropriate, which may be a

Participant or have an arrangement with a Participant of the applicable International Central Securities Depository) for any share of each dividend payment or any liquidation or mandatory redemption proceeds paid by the Company that relates to their investment.

Investors shall have no claim directly against the Company in respect of dividend payments and any liquidation and mandatory redemption proceeds due on Shares represented by the Global Share Certificate and the obligations of the Company will be discharged by payment to the applicable International Central Securities Depository with the authorisation of the Common Depository's Nominee.

### **Risks specific to investing in Currency Hedged Share Classes**

#### ***Currency Hedged Share Classes***

Investors should be aware that currency hedging may adversely affect the returns on their investment due to transaction costs and spreads, market inefficiency, risk premia and other factors which may be material in the case of certain currencies and/or over the long term.

Currency Hedged Share Classes use forward FX contracts and spot FX contracts to reduce or minimise the risk of currency fluctuations between its underlying portfolio currency exposures and its Valuation Currency. In circumstances where the Valuation Currency of a Currency Hedged Share Class is generally strengthening against the currency exposures being hedged (i.e. the underlying portfolio currency exposures of a Currency Hedged Share Class), currency hedging may protect investors in the relevant Share Class against such currency movements. However, where the Valuation Currency of a Currency Hedged Share Class is generally weakening against the currency exposures being hedged, currency hedging may preclude investors from benefiting from such currency movements. Investors should only invest in a Currency Hedged Share Class if they are willing to forego potential gains from appreciations in the underlying portfolio currency exposures of a Currency Hedged Share Class against the Currency Hedged Share Class' Valuation Currency.

While currency hedging is likely to reduce currency risk in the Currency Hedged Share classes, it is unlikely to completely eliminate currency risk.

Currency Hedged Share Classes in non-major currencies may be affected by the fact that capacity of the relevant currency market may be limited, which could reduce the ability of the Currency Hedged Share Class to reduce its currency risk and the volatility of such Currency Hedged Share Class.

Currency Hedged Share Classes use a currency hedging approach whereby the hedge is proportionately adjusted for net subscriptions and redemptions in the relevant Currency Hedged Share Class. An adjustment is made to the hedge to account for the price movements of the underlying securities held for the relevant Currency Hedged Share Class, corporate events affecting such securities, or additions, deletions or any other changes to the underlying portfolio holdings for the Currency Hedged Share Class, however, the hedge will only be reset or adjusted on a monthly basis and as and when a pre-determined tolerance is triggered intra-month, and not whenever there is market movement in the underlying securities. In any event, any over-hedged position arising in a Currency Hedged Share Class will be monitored daily and is not permitted to exceed 105% of the Net Asset Value of that Share Class as prescribed by the Central Bank UCITS Regulations. Under-hedged positions shall not fall short of 95% of the portion of the Net Asset Value of the relevant Currency Hedged Share Class that is to be hedged against currency risk.

The aggregate gain or loss arising from the hedging positions of a Currency Hedged Share Class will be reduced by an adjustment to some or all of the currency hedges only on a monthly basis and as and when the aggregate exceeds a pre-determined tolerance intra-month as determined by the Investment Manager, and not whenever there is an aggregate gain or loss. When a gain or loss from a currency hedge is adjusted, either the gain will be reinvested into underlying securities or the underlying securities will be sold to meet the loss. In the event that there is a loss on the foreign currency hedge of the relevant Currency Hedged Share Class prior to an adjustment or reset, the relevant Currency Hedged Share Class will have an exposure to securities which will exceed its Net Asset Value as its Net Asset Value comprises both the value of its underlying securities plus the unrealised loss on its foreign currency hedge. Conversely, in the event that there is a gain on the foreign currency hedge of the relevant Currency Hedged Share Class prior to an adjustment or reset, the relevant Currency Hedged Share Class will have a lower exposure to securities than its Net Asset Value as, in this case, its Net Asset Value will include an unrealised gain on the foreign currency hedge. When the foreign currency hedge is adjusted or reset, any such difference will be materially addressed.

The Investment Manager will monitor the currency exposure and gain or loss arising from hedge positions of each Currency Hedged Share Class against the pre-determined tolerances daily and will determine when a currency hedge should be reset and the gain or loss arising from the currency forwards reinvested or settled, while taking into consideration the frequency and associated transaction and reinvestment costs of resetting the currency forwards. When a pre-determined tolerance threshold for a Currency Hedged Share Class is triggered as at the close of a Business Day, the relevant currency hedge will be reset or adjusted only on the next Business Day (on which the relevant currency markets are open); therefore, there could be a Business Day's lag prior to the hedge position being reset or adjusted.

The triggers for resetting and adjusting the hedge are pre-determined by the Investment Manager and periodically reviewed for appropriateness. Other than this periodic adjustment of the tolerance levels, the Investment Manager has no discretion to alter or vary the hedging methodology used by the relevant Currency Hedged Share Class (other than in exceptional market circumstances where the Investment Manager believes that it would be in investors' interests to reset or adjust the hedge before the trigger levels are exceeded, or not reset or adjust the

hedge if they are exceeded).

### **Other general risks**

#### ***Fund Liability Risk***

The Company is structured as an umbrella fund with segregated liability between its funds. As a matter of Irish law, the assets of one fund will not be available to meet the liabilities of another. However, the Company is a single legal entity that may operate or have assets held on its behalf or be subject to claims in other jurisdictions that may not necessarily recognise such segregation of liability. As at the date of this Supplement, the Directors are not aware of any such existing or contingent liability.

#### ***Fund with Multiple Share Classes***

While assets and liabilities that are specific to a Share Class within the Fund would be attributable to (and should be borne by) only that Share Class, there is no segregation of liabilities between Share Classes as a matter of Irish law. Due to the lack of segregation of liabilities as a matter of law, there is a risk that the creditors of a Share Class may bring a claim against the assets of the Fund notionally allocated to other Share Classes.

In practice, cross liability between Share Classes is only likely to arise where the aggregate liabilities attributable to a Share Class exceed the aggregate assets of the Fund notionally allocated to that Share Class. Such a situation could arise if, for example, there is a default by a counterparty in respect of the Fund's investments. In these circumstances, the remaining assets of the Fund notionally allocated to other Share Classes of the same Fund may be available to meet such payments and may accordingly not be available to meet any amounts that otherwise would have been payable to holders of Shares of such other Share Classes.

#### ***Fund with One or More Currency Hedged Share Classes***

Currency Hedged Share Classes hedge their currency exposure using forward FX contracts and spot FX contracts. All gains, losses and expenses arising from hedging transactions for a particular Currency Hedged Share Class are attributed only to that Currency Hedged Share Class and should generally be borne only by the investors in that Share Class. However, given that there is no segregation of liabilities between Share Classes under law, there is a risk that, if the assets notionally allocated to a Currency Hedged Share Class are insufficient to meet the losses arising from its hedging transactions (in addition to other fees and expenses attributable to such Share Class), the losses arising from the hedging transactions for such Share Class could affect the Net Asset Value per Share of one or more other Share Classes of the Fund.

#### ***Insufficiency of Duties and Charges***

The Fund levies Duties and Charges in order to defray the costs associated with the purchase and sale of Investments. The level of Duties and Charges may be determined by the Manager in advance of the actual purchase or sale of Investments or execution of associated foreign exchange. It may be estimated based on historic information concerning the costs incurred in trading the relevant securities in the relevant markets. This figure is reviewed periodically and adjusted as necessary. If the Fund levies Duties and Charges which are insufficient to discharge all of the costs incurred in the purchase or sale of Investments, the difference will be paid out of the assets of the Fund, which, pending the reimbursement of the shortfall by an Authorised Participant, will result in a reduction in the value of the Fund (and a corresponding reduction in the value of each Share). In circumstances where Shares subscribed have been issued to an Authorised Participant prior to the receipt by the Fund from the Authorised Participant of the full costs incurred or to be incurred by the Fund in acquiring underlying investments attributable to a subscription, the Fund will have a credit exposure as an unsecured creditor to the Authorised Participant in respect of any shortfall. Similarly, in circumstances where redemption proceeds have been paid to the Authorised Participant prior to the deduction from such proceeds of the full costs incurred or to be incurred by the Fund in disposing of underlying investments attributable to a redemption, the Fund will have a credit exposure as an unsecured creditor to the Authorised Participant in respect of any shortfall.

#### ***Failure to Settle***

If an Authorised Participant submits a dealing request and subsequently fails or is unable to settle and complete the dealing request, the Company will have no recourse to the Authorised Participant other than its contractual right to recover such costs. In the event that no recovery can be made from the Authorised Participant and any costs incurred as a result of the failure to settle will be borne by the Fund and its investors.

#### ***Taxation Risks***

Potential investors' attention is drawn to the taxation risks associated with investment in the Company. See sections headed "Taxation" in the Prospectus and this Supplement.

#### ***Changes from Synthetic to Physical Replication of the Benchmark Index***

While the current intention of the Fund is to deliver exposure to the Fund's Benchmark Index through entering into unfunded total return swaps, in the event that the Fund is unable to fully do so, the Fund may invest partially or fully in the equity securities that, as far as possible and practicable, consist of the component securities of the Fund's Benchmark Index. In the event that the Fund materially changes from synthetic replication to physical replication of the Fund's Benchmark Index, investors should be aware that holding such physical securities may result in the imposition of withholding or other taxes.

#### ***Changes in taxation legislation may adversely affect the Fund.***

The tax information provided in the "Taxation" sections is based, to the best knowledge of the Company, upon tax law and practice as at the date of this Supplement. Tax legislation, the tax status of the Company and the Fund,

the taxation of investors and any tax relief, and the consequences of such tax status and tax relief, may change from time to time. Any change in the taxation legislation in Ireland or in any jurisdiction where the Fund is registered, cross-listed, marketed or invested could affect the tax status of the Company and the Fund, affect the value of the Fund's Investments in the affected jurisdiction, affect the Fund's ability to achieve its investment objective, and/or alter the post tax returns on Shares held. As the Fund invests in FDI, the preceding sentence may also extend to the jurisdiction of the governing law of the FDI contract and/or the FDI counterparty and/or to the market(s) comprising the underlying exposure(s) of the FDI.

The availability and value of any tax relief available to investors depend on the individual circumstances of investors. The information in the "Taxation" section in the Prospectus and this Supplement is not exhaustive and does not constitute legal or tax advice. Prospective investors are urged to consult their tax advisors with respect to their particular tax situations and the tax effects of an investment in the Fund.

#### *Treatment of tax by index providers*

Investors should be aware that the performance of the Fund, as compared to the Benchmark Index, may be adversely affected in circumstances where the assumptions about tax made by the relevant index provider in their index calculation methodology, differ to the actual tax treatment of the underlying securities in the Benchmark Index held within the Fund.

#### *FATCA*

Investors should also read the information set out under the heading "FATCA and other cross-border reporting systems" in the Prospectus, particularly in relation to the consequences of the Company being unable to comply with the terms of such reporting systems.

#### **Dealing Day Risk**

As foreign exchanges can be open on days when the Fund may have suspended calculation of its Net Asset Value and the subscription and redemption of Shares and, therefore, Shares in the Fund are not priced, the value of the securities in the Fund's portfolio may change on days when the Fund's Shares will not be able to be purchased or sold.

#### **Share Subscriptions and Redemptions**

Provisions relating to the redemption of Shares grant the Company discretion to limit the amount of Shares available for redemption on any Dealing Day to 10% of the Shares in issue in respect of the Fund and, in conjunction with such limitations, to defer or pro rate such redemption requests. In addition, where requests for subscription or redemption are received late, there will be a delay between the time of submission of the request and the actual date of subscription or redemption. Such deferrals or delays may operate to decrease the number of Shares or the redemption amount to be received.

#### **Trading Currency Exposure**

Shares may be traded in various currencies on various stock exchanges. In addition, subscriptions and redemptions of Shares in the Fund will ordinarily be made in the Valuation Currency of the Shares and may in some cases be permitted in other currencies. Depending on the currency in which an investor invests in the Fund, foreign exchange fluctuations between the currency of investment, the Valuation Currency of the Shares and the Base Currency of the Fund will have an impact on, and may adversely affect, the value of such investor's investments.

#### **Temporary Suspension**

Investors are reminded that in certain circumstances their right to redeem Shares may be temporarily suspended. Please see 'Temporary Suspension of Valuation of the Shares and of Sales, Redemptions and Switching' in the Prospectus.

#### **Valuation Risk**

Certain assets of the Fund may become illiquid and/or not publicly traded. Such securities and financial instruments may not have readily available prices and may therefore be difficult to value. The Manager, Investment Manager or Administrator may provide valuation services (to assist in calculating the Net Asset Value of the Fund) in relation to such securities and financial instruments. Investors should be aware that in these circumstances a possible conflict of interest may arise as the higher the estimated valuation of the securities the higher the fees payable to the Manager, Investment Manager or Administrator. Please see "Conflicts of Interests - General" in the Prospectus for details of how the Company deals with conflicts. In addition, given the nature of such Investments, determinations as to their fair value may not represent the actual amount that will be realised upon the eventual disposal of such Investments.

#### **Operational Risk**

The Company is exposed to operational risks arising from a number of factors, including, but not limited to, human error, processing and communication errors, errors of the Company's service providers, counterparties or other third parties, failed or inadequate processes and technology or systems failures. The Manager seeks to reduce these operational risks through controls and procedures and, through its monitoring and oversight of other service providers to the Company, also seeks to ensure that such service providers take appropriate precautions to avoid and mitigate risks that could lead to disruptions and operating errors. However, it is not possible for the Manager and other service providers to identify and address all of the operational risks that may affect the Fund or to develop processes and controls to completely eliminate or mitigate their occurrence or effects.

The Fund's operations (including investment management, distribution, collateral management, administration and

currency hedging) are carried out by several service providers which are selected based on a rigorous due diligence process. Nevertheless, the Manager and other service providers to the Company may experience disruptions or operating errors such as processing errors or human errors, inadequate or failed internal or external processes, or systems or technology failures, provision or receipt of erroneous or incomplete data, resulting in operational risk which may have a negative effect on the Fund's operations and may expose the Fund to a risk of loss. This can manifest itself in various ways, including business interruption, poor performance, information systems malfunctions or failures, provision or receipt of erroneous or incomplete data or loss of data, regulatory or contractual breaches, human error, negligent execution, employee misconduct, fraud or other criminal acts. Investors could experience delays (for example, delays in the processing of subscriptions, switching and redemption of Shares) or other disruptions.

While the Manager seeks to minimise operational errors as set out above, there may still be failures that could cause losses to the Fund and reduce the value of the Fund.

## **DEALINGS IN THE FUND**

The Fund is an exchange traded fund which means that the Shares of the Fund are listed on one or more stock exchanges. Certain market makers and brokers are authorised by the Company to deal in Shares of the Fund in the Primary Market and they are referred to as "Authorised Participants". Such Authorised Participants have the capability to ensure delivery of the Shares of the Fund within the International Central Securities Depository relevant to the stock exchanges on which the Shares are listed. Authorised Participants usually sell the Shares they acquire on one or more stock exchanges, the Secondary Market, where such Shares become freely tradable. Potential investors who are not Authorised Participants can purchase and sell Shares of the Fund on the Secondary Market through a broker/dealer on a recognised stock exchange or OTC. For further details of such brokers please contact the Investment Manager.

Authorised Participants dealing on the Primary Market should refer to the section below titled "Procedure for Dealing on the Primary Market" set out below. Investors who are not Authorised Participants should refer to the "Procedure for Dealing on the Secondary Market" section detailed at page 111 of the Prospectus.

## **PROCEDURE FOR DEALING ON THE PRIMARY MARKET**

### **Initial Offer of Shares**

Shares listed in the Current Share Classes as set out in the tables below under the heading "Current Share Classes" will initially be offered between 9.00 a.m. (Irish time) on 8 March 2024 and 12.00 noon (Irish time) on 6 September 2024 (which period may be shortened, extended, changed to an earlier date, or changed to a later date by the Directors) and at a fixed price per Share equal to 5 units of the relevant currency (e.g. \$5) or such other amount determined by the Investment Manager at the relevant time and communicated to investors prior to investment.

Account Opening Forms for first time Authorised Participants and Dealing Forms must be received during the initial offer period noted above to receive the initial offering price. Arrangements must also be made by that date for the settlement of the transfer of Investments and cash payments within the settlement times available on the Electronic Order Entry Facility (which can range from one to four Business Days).

It is expected that trading in the Shares will commence on or about 6 September 2024, and the Shares will be admitted to trading upon issue.

Shares will be issued for a price to be satisfied in cash or, where available, in kind, together with any applicable Duties and Charges, as described under the heading "Procedure for Dealing on the Primary Market" in the Prospectus. The initial Portfolio Composition File (where relevant) will be available upon request from the Administrator.

### **Subscriptions and Redemptions after the Initial Offer**

Shares may be subscribed at the Net Asset Value per Share together with associated Duties and Charges which may be varied to reflect the cost of execution. Shares may be redeemed at the Net Asset Value per Share less any associated Duties and Charges which may be varied to reflect the cost of execution. The Articles empower the Company to charge such sum as the Manager considers represents an appropriate figure for Duties and Charges. The level and basis of calculating Duties and Charges may also be varied depending on the size of the relevant dealing request and the costs relating to, or associated with, the primary market transactions. Where Authorised Participants subscribe for or redeem Shares in cash in a currency that is different from the currencies in which the Fund's underlying investments are denominated, the foreign exchange transaction costs associated with converting the subscription amount to the currencies needed to purchase the underlying investments (in the case of a subscription) or converting the sale proceeds from selling the underlying investments to the currency needed to pay redemption proceeds (in the case of a redemption) will be included in the Duties and Charges which are applied to the relevant subscription or redemption amounts (respectively) paid or received (as the case may be) by such Authorised Participants.

Where Authorised Participants subscribe for or redeem shares in a Currency Hedged Share Class, the transaction costs associated with increasing (in the case of a subscription) or decreasing (in the case of a redemption) such hedge will be included in the Duties and Charges which are applied to the relevant subscription or redemption

amounts (respectively) paid or received (as the case may be) by such Authorised Participants.

In some cases, the level of Duties and Charges has to be determined in advance of the completion of the actual purchase or sale of Investments or execution of associated foreign exchange by or on behalf of the Company and the subscription or redemption price may be based on estimated Duties and Charges (which could be based on historic information concerning the costs incurred or expected costs in trading the relevant securities in the relevant markets). Where the sum representing the subscription or redemption price is based on estimated Duties and Charges which turn out to be different to the costs actually incurred by the Fund when acquiring or disposing of Investments as a result of a subscription or redemption, the Authorised Participant shall reimburse the Fund for any shortfall in the sum paid to the Fund (on a subscription) or any excess sum received from the Fund (on a redemption), and the Fund shall reimburse the Authorised Participant for any excess received by the Fund (on a subscription) or any shortfall paid by the Fund (on a redemption), as the case may be. Authorised Participants should note that no interest will accrue or be payable on any amount reimbursed or to be reimbursed by the Fund. In order to protect the Fund and holders of its Shares, the Company and the Manager reserve the right to factor into the estimated Duties and Charges a buffer to protect the Fund from potential market and foreign exchange exposure pending the payment of the actual Duties and Charges.

Dealing orders will normally be accepted in multiples of the minimum number of Shares. Such minima may be reduced or increased in any case at the discretion of the Manager. Authorised Participants should refer to the Electronic Order Entry Facility for details of minimum dealing order amounts for the Fund. Detail in relation to the Valuation Point and cut-off times for the Fund are also set out in the Primary Market dealing timetable below. Details of the dealing cut-off times for dealing orders are also available from the Administrator. There is no minimum holding requirement for the Fund as at the date of this Supplement.

Applications for Shares in the Fund received after the times listed in the dealing timetable will generally not be accepted for dealing on the relevant Dealing Day. However, such applications may be accepted for dealing on the relevant Dealing Day, at the discretion of the Company, Manager or the Investment Manager, in exceptional circumstances, provided they are received prior to the Valuation Point. Settlement of the transfer of Investments and/or cash payments in respect of dealing orders must take place within a prescribed number of Business Days after the Dealing Day (or such earlier time as the Manager may determine in consultation with the Authorised Participant). Authorised Participants should refer to the Electronic Order Entry Facility for details of the maximum and minimum settlement times (which can range from one to four Business Days) in respect of subscriptions and redemptions. If a Significant Market is closed for trading or settlement on any Business Day during the period between the relevant Dealing Day and the expected settlement date (inclusive), and/or settlement in the base currency of the Fund is not available on the expected settlement date, there may be corresponding delays to the settlement times (but such delays will not exceed the regulatory requirements for settlement).

#### **Title to Shares**

As with other Irish companies limited by shares, the Company is required to maintain a register of Shareholders. Shares will be held by the Common Depositary's Nominee (as registered holder) in registered form. Only persons appearing on the register of Shareholders (i.e. the Common Depositary's Nominee) will be a Shareholder. Fractional Shares will not be issued. No temporary documents of title or Share certificates will be issued, other than Global Share Certificate required for the International Central Securities Depositories. The Administrator will also send a trade confirmation to Authorised Participants. Potential investors should refer to the section in the Prospectus titled "Global Clearing and Settlement" for details of the settlement system and the relative rights of investors through such settlement system.

Details in relation to applying for and redeeming Shares and other general information concerning dealing is set out in the Prospectus under the following headings:

<b>Section Heading in Prospectus</b>	<b>Page number in Prospectus</b>
Dealings in the Company	103
Procedure for Dealing on the Primary Market	104
Portfolio Composition File	104
Dealings in Kind, in Cash and Directed Cash Dealings	104
Failure to Deliver	114
Procedure for Dealing on the Secondary Market	115
Switching	119
Transfer of Shares	120
Confirmations	120
Mandatory Redemption of Shares	120
Temporary Suspension of Valuation of the Shares and of Sales, Redemptions and Switching	121

### CURRENT SHARE CLASSES

The Current Share Classes are indicated with a 'Y' and are available to launch at the discretion of the Manager.

#### Current Unhedged Share Classes

Fund Name	Fund Base Ccy	Valuation Currency											
		DKK		EUR		GBP		JPY		SEK		USD	
		Acc	Dist	Acc	Dist	Acc	Dist	Acc	Dist	Acc	Dist	Acc	Dist
iShares MSCI World Swap PEA UCITS ETF	EUR	Y	Y	Y*	Y	Y	Y	Y	Y	Y	Y	Y	Y

#### Current Currency Hedged Share Classes

Fund Name	Fund Base Ccy	Currency into which the exposure is hedged and Valuation Currency																									
		AUD		CAD		CHF		DKK		EUR		GBP		HKD		JPY		MXP		NZD		SEK		SGD		USD	
		Acc	Dist	Acc	Dist	Acc	Dist	Acc	Dist	Acc	Dist	Acc	Dist	Acc	Dist	Acc	Dist	Acc	Dist	Acc	Dist	Acc	Dist	Acc	Dist	Acc	Dist
iShares MSCI World Swap PEA UCITS ETF	EUR	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

\*It is intended that this Share Class will be the first Share Class to become a Launched Share Class.



**PRIMARY MARKET DEALING TIMETABLE**

Fund Name	Initial Share Class	Initial Offer Price	Fund Valuation Point on DD*	Dealing request cut off on DD (Cash/Market Trade dealings and, where available, In Kind FOP/OTC DVP dealings) (or, in exceptional circumstances, such later time as approved by the Manager in its absolute discretion)** Authorised Participants should refer to the Electronic Order Entry Facility for further details.
iShares MSCI World Swap PEA UCITS ETF	EUR Accumulating	€5	11.00pm	4.00am***

This Primary Market Dealing Timetable is applicable to Authorised Participants that are able to effect subscriptions and redemptions of Shares with the Company on the Primary Market. Authorised Participants should also refer to the terms of the Electronic Order Entry Facility.

“BD” means Business Day and “DD” means Dealing Day. Any application received after the cut off time on a Dealing Day will be treated as an application for the next Dealing Day.

\*The Fund Valuation Point relevant to an application is the Fund Valuation Point on the Dealing Day for which that application is treated as being received.

\*\* Dealing requests received after the cut off time for the Fund may be accepted in exceptional circumstances at the discretion of the Manager, provided always that the application is received before the Fund Valuation Point on the relevant Dealing Day for which the application is treated as being received. Applications received after the Valuation Point will be treated as applications for the next Dealing Day.

\*\*\* The cut off time for the Fund reflects that some, or all, of the Fund's underlying assets are traded in time zones earlier than the European time zone.

Subscription and redemption orders will normally be accepted in multiples of the minimum number of Shares set at the discretion of the Manager or the Investment Manager. Authorised Participants should refer to the Electronic Order Entry Facility for details of minimum subscription and redemption orders for the Launched Share Classes.

Earlier or later times may be determined by the Manager or the Investment Manager at their discretion with prior notice to Authorised Participants.

On the Dealing Day prior to 25 December and 1 January, dealing requests for subscriptions or redemptions must be received by the earlier of the stated dealing request cut-off and 12.00 noon.

NOTE: ALL TIME REFERENCES IN THIS DEALING TIMETABLE ARE TO GREENWICH MEAN TIME (GMT), OR BRITISH SUMMER TIME (BST), WHEN SUCH IS APPLICABLE - NOT CENTRAL EUROPEAN TIME (CET).

## VALUATION

The Net Asset Value per Share of the class of the Fund on offer pursuant to this Supplement shall be calculated for each Dealing Day taking the value of the Fund's Investments as at the Valuation Point. The Fund's Investments will be valued using the Benchmark Index methodology of valuing securities. Except where the determination of the Net Asset Value has been suspended in the circumstances described under "Temporary Suspension of Valuation of the Shares and of Sales, Redemptions and Switching", the Net Asset Value per Share shall be made available at the registered office of the Administrator on or before the close of business of each Dealing Day. In addition, the Net Asset Value per Share for each class of Shares shall also be published daily on the Business Day following the Valuation Point for the Fund by means of a Regulatory Information Service or the official iShares website ([www.iShares.com](http://www.iShares.com)), which shall be kept up to date, and such other publications and with such frequency as the Directors may determine. The publishing of the Net Asset Value per Share for each class of Shares in the Fund is for information purposes only, and is not an invitation to subscribe, redeem or switch Shares at the published Net Asset Value per Share.

The value of any OTC FDI contracts shall be (a) a quotation from the counterparty or (b) an alternative valuation, such as model pricing, calculated by the Company or an independent pricing vendor (which may be a party related to but independent of the counterparty which does not rely on the same pricing models employed by the counterparty) provided that: (i) where a counterparty valuation is used, it must be provided on at least a daily basis and approved or verified at least weekly by a party independent of the counterparty, which may be the Investment Manager or the Administrator (approved for the purpose by the Depositary); (ii) where an alternative valuation is used (i.e. a valuation that is provided by a competent person appointed by the Manager or Directors and approved for that purpose by the Depositary (or a valuation by any other means provided that the value is approved by the Depositary)), it must be provided on a daily basis and the valuation principles employed must follow best international practice established by bodies such as IOSCO (International Organisation of Securities Commission) and AIMA (the Alternative Investment Management Association) and any such valuation shall be reconciled to that of the counterparty on a monthly basis. Where significant differences arise these must be promptly investigated and explained.

Exchange-traded FDI will be valued for each Dealing Day at the settlement price for such instruments as at the Valuation Point. If such price is not available such value shall be the probable realisation value estimated with care and in good faith by the Directors or a competent person or firm appointed by the Directors and approved for such purpose by the Depositary.

## INDICATIVE NET ASSET VALUE

The indicative net asset value (iNAV) is the net asset value per Share of each class of Shares in the Fund calculated on a real time basis (every 15 seconds) during trading hours. The values are intended to provide investors and market participants with a continuous indication of the value of each class of Shares. The values are usually calculated based on a valuation of the actual Fund portfolio using real-time prices from Tradeweb Markets LLC and other sources.

The Investment Manager has appointed Tradeweb Markets LLC to calculate and publish the iNAVs of each class of Shares. These iNAVs are published by the relevant stock exchanges. There are provisions for the BlackRock Group to receive payments from the iNAV provider for its engagement in the development and enhancement of service levels.

An iNAV is not, and should not be taken to be or relied on as being, the value of a Share or the price at which Shares may be subscribed for or redeemed or purchased or sold on any relevant stock exchange. In particular, any iNAV provided for the Fund where the constituents of the Benchmark Index or Investments are not actively traded during the time of publication of such iNAV may not reflect the true value of a Share and may therefore be misleading and should not be relied on. The inability of the Investment Manager or its designee to provide an iNAV, on a real-time basis, or for any period of time, will not in itself result in a halt in the trading of the Shares on a relevant stock exchange, which will be determined by the rules of the relevant stock exchange in the circumstances. Investors should be aware that the calculation and reporting of any iNAV may reflect time delays in the receipt of the prices of the relevant constituent securities in comparison to other calculated values based upon the same constituent securities including, for example, the Benchmark Index or Investments itself or the iNAV of other exchange traded funds based on the same Benchmark Index or Investments. Investors interested in dealing in Shares on a relevant stock exchange should not rely solely on any iNAV which is made available in making investment decisions, but should also consider other market information and relevant economic and other factors (including, where relevant, information based on the Benchmark Index or Investments corresponding to the Fund). None of the Company, the Directors, the Investment Manager or its designee, the Depositary, the Administrator, and Authorised Participant and the other service providers shall be liable to any person who relies on the iNAV.

## DIVIDEND POLICY

The Company intends to declare dividends pursuant to this Supplement on the Shares of the Distributing Share Classes. Dividends may be paid out of the total income of the applicable Distributing Share Class net of any relevant expenses in respect of each financial year. Dividends will normally be declared with a view to being paid either monthly, quarterly or semi-annually. No smoothing of dividends will be applied across the dividend payments in a calendar year. The dividend payment frequency for each Distributing Share Class is as follows (please refer to [www.ishares.com](http://www.ishares.com) for further information on the dividend payment dates).

<b>Fund</b>	<b>Frequency of Distributions for Distributing Share Classes</b>	<b>Months of Distributions</b>
iShares MSCI World Swap PEA UCITS ETF	Semi-Annually	April and October

Distributions will not be made in respect of Accumulating Share Classes and income and other profits will be accumulated and reinvested.

Full details of any change to the dividend policy will be provided in an updated Prospectus or Supplement and a Shareholder notice will be issued in advance.

Any dividend which has remained unclaimed for twelve years from the date of its declaration shall be forfeited and cease to remain owing by the Company and become the property of the Fund.

Dividends for Distributing Share Classes will be declared in the Valuation Currency of the relevant Share Class. Investors who wish to receive dividend payments in a currency other than the Base Currency or Valuation Currency should arrange this with the relevant International Central Securities Depository (subject to this option being made available by the relevant International Central Securities Depository). Any foreign exchange conversions of dividend payments are not the responsibility of the Company and are at the cost and risk of the investors.

## **FUND EXPENSES**

The Company employs an "all in one" fee structure for its Funds (and Share Classes). Each Fund pays all of its fees, operating costs and expenses (and its due proportion of any costs and expenses of the Company allocated to it) as a single flat fee (the "Total Expense Ratio" or "TER"). Any fees, operating costs and expenses which are attributable to a particular Share Class (rather than the entire Fund) will be deducted from the assets notionally allocated by the Fund to that Share Class. Expenses paid out of the TER include, but are not limited to, fees and expenses paid to the Manager, regulators and auditors and certain legal expenses of the Company, but exclude transaction costs and extraordinary legal costs.

The Total Expense Ratio for a Share Class is calculated and accrued daily from the current Net Asset Value of the relevant Share Class as follows and shall be payable monthly in arrears:

<b>Fund</b>	<b>Fund / Share Classes</b>	<b>TER</b>
iShares MSCI World Swap PEA UCITS ETF	Unhedged Share Classes	0.250%
	Currency Hedged Share Classes	Up to 1.00%*

The Manager is responsible for discharging all operational expenses, including but not limited to, fees and expenses of the Directors, the Investment Manager, Depository and Administrator from the amounts received by the Manager from the Total Expense Ratio. Such operational expenses include regulatory and audit fees but exclude transaction costs and extraordinary legal costs. In the event the costs and expenses of a Share Class that are intended to be covered within the TER exceed the stated TER, the Manager will discharge any excess amounts out of its own assets.

The TER does not include fees payable in relation to the total return swaps entered into by the Fund; these are transaction costs.

Establishment costs for the Fund will be paid by the Manager.

For additional information about fees and expenses of the Fund, see the heading "Fund Expenses" in the Prospectus.

\*For the current TER charged on each Share Class please refer to its KIID / KID and/or the product pages of the website at [www.ishares.com](http://www.ishares.com).

## **TAXATION**

### **General**

The information given in the Prospectus and below is not exhaustive and does not constitute legal or tax advice. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Shares under the laws of the jurisdictions in which they may be subject to tax.

In addition to the United Kingdom taxation considerations detailed on pages 146 to 149 of the Prospectus, the following taxation considerations apply specifically to the Fund.

### **United Kingdom Taxation**

Investors who are insurance companies within the charge to United Kingdom taxation holding their Shares in the Fund for the purposes of their long-term business (other than their pensions business) will be deemed to dispose of and immediately reacquire those Shares at the end of each accounting period. In general terms, the chargeable gains and allowable losses arising under the annual deemed disposal rules are aggregated and one-seventh of the net amount thus emerging is chargeable (where there are net gains) or allowable (where there are net losses) at the end of the accounting period in which the deemed disposals have taken place.

## German Taxation

### German Tax Reform

It is the intention of the Company to seek to maintain the status as 'equity' funds or 'mixed' funds (as applicable) pursuant to Sec. 2 para. 6 and 7 of the German Investment Tax Act as applicable from 1 January 2018 for the Fund.

Investors should refer to their tax advisors in relation to the implications of the Company obtaining such status.

The Fund invests 75% of its net asset value on a continuous basis directly in Equities (as defined below in accordance with Sec. 2 para. 8 of the German Investment Tax Act as at 1 January 2018).

The Fund calculates the indicated investment level on the basis of its net asset value. Pursuant to Sec. 2 para. 9a sentence 3 of the German Investment Tax Act as applicable from 1 January 2018 the value of the Equities is therefore reduced by the loans raised by the respective Fund proportionally to the percentage of the value of the Equities among the value of all gross assets of this Fund.

Corporate actions, subscriptions/redemptions, index rebalancings and market movements may temporarily cause the Fund not to meet the Equities investment levels set out above.

For the purpose of the above percentage numbers, "Equities" means in accordance with Sec. 2 para. 8 of the German Investment Tax Act as applicable from 1 January 2018:

1. Shares of a corporation which are admitted to official trading on a stock exchange or listed on an organised market (which is a market recognised and open to the public and which operates in a due and proper manner),
2. Shares of a corporation, which is not a real estate company and which:
  - a. is resident in a Member State or a member state of the EEA and is subject to income taxation for corporations in that state and is not tax exempt; or
  - b. is resident in any other state and is subject to an income taxation for corporations in that state at a rate of at least 15% and is not exempt from such taxation,
3. Fund units of an equity fund (being a fund that invests more than 50% of its gross assets on a continuous basis directly in Equities) with 51% of the equity fund units' value – or, if the investment conditions of the equity fund provide for a higher minimum Equities investment, with the respective higher percentage of the equity fund units' value – being taken into account as Equities, or
4. Fund units of a mixed fund (being a fund that invests at least 25% of its gross assets on a continuous basis directly in Equities) with 25% of the mixed fund units' value– or, if the investment conditions of the mixed fund provide for a higher minimum Equities investment, with the respective higher percentage of the equity fund units' value – being taken into account as Equities.

For purposes of calculating the investment levels set out above, the Fund may also consider the actual Equities quotas of the target funds published on each valuation day, provided that a valuation takes place at least once per week.

For the purpose of the above percentage numbers, the following in accordance with Sec. 2 para. 8 of the German Investment Tax Act as applicable from 1 January 2018 do not qualify as "Equities":

1. Shares in partnerships, even if the partnerships are holding themselves shares in corporations,
2. Shares in corporations, which pursuant to Sec. 2 para. 9 sentence 6 of the German Investment Tax Act qualify as real estate,
3. Shares in corporations which are exempt from income taxation, to the extent these corporations are distributing their profits, unless the distributions are subject to a taxation of at least 15% and the investment fund is not exempt from this taxation, and
4. Shares in corporations,
  - a. whose income is directly or indirectly to more than 10% derived from shares in corporations, which do not fulfil the requirements of no. 2 a. or b. above, or
  - b. which are holding directly or indirectly shares in corporations that do not fulfil the requirements of no. 2. a. or b. above, if the value of these participations amounts to more than 10% of the market value of the corporations.

The above reflects the Manager's understanding of the relevant German tax legislation at the date of this Supplement. The legislation is subject to change and so adjustments to these figures may be made without prior notice.

The Company may seek one or more of the following statuses for Share Classes distributed in the relevant jurisdictions:

- UK Reporting Fund Status
- Austrian Reporting Fund Status

Investors should refer to their tax advisors in relation to the implications of the Fund obtaining such status.

## **French Taxation**

The attention of investors is drawn to the fact the Fund is eligible to be held within the framework of a share savings plan ("plan d'épargne en actions" or "PEA") in France. In this context, pursuant to Article 91 quarter L of Annex II to the General Tax Code, the Fund aims to invest on a permanent basis at least 75% of its assets in securities or rights listed in (a) or (b) of I, 1° of Article L.221-31 of the Monetary and Financial Code.

The PEA eligibility of the Fund results from, to the best knowledge of the Company, tax law and practices in force in France as at the date of this Supplement. Such tax law and practices may change from time to time and, therefore, a Fund which may currently be held within the framework of a PEA could lose its PEA eligibility. Further such Fund could lose its PEA eligibility due to changes impacting its investment universe or Benchmark Index. In such circumstances, a Shareholder notice will be published on the website of the Company and investors should seek professional tax and financial advice.

## **INSPECTION OF DOCUMENTS**

Copies of the following documents will be available for inspection at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays), free of charge, at the registered offices of the Company (J.P. Morgan, 200 Capital Dock, 79 Sir John Rogerson's Quay, Dublin 2, D02 RK57, Ireland) and the offices of the Investment Manager (BlackRock Advisors (UK) Limited, 12 Throgmorton Avenue, London EC2N 2DL, England):

- (a) the Prospectus;
- (b) this Supplement;
- (c) the KIID / KID;
- (d) the Memorandum and Articles of Association of the Company; and
- (e) the latest annual and semi-annual reports of the Company (if any).

The documents listed above may also be obtained, on request free of charge, from the Administrator.

## DISCLAIMERS

### Disclaimer for Benchmark Index

The past performance of the Benchmark Index is not a guide to future performance. The Investment Manager, the Manager, Affiliates and the Company do not guarantee the accuracy or the completeness of the Benchmark Index or any data included therein and the Investment Manager, the Manager, Affiliates and the Company shall have no liability for any errors, omissions or interruptions therein. The Investment Manager, the Manager, Affiliates and the Company make no warranty, express or implied, to the owners of shares of the Fund or to any other person or entity, as to results to be obtained by the Fund from the use of the Benchmark Index or any data included therein. Without limiting any of the foregoing, in no event shall the Investment Manager, the Manager, Affiliates and the Company have any liability for any special, punitive, direct, indirect or consequential damages (including lost profits) arising from inaccuracies, omissions or other errors in or as a result of the Benchmark Index, even if notified of the possibility of such damages.

### Disclaimer for Reference to Index Provider Website

In accordance with Central Bank requirements, the Company and the Fund are required to provide details of the index provider's website ("Website") to enable Shareholders to obtain further details of the Fund's Benchmark Index (including the index constituents). The Company and the Fund have no responsibility for the Website and are not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of the Website or the contents thereof.

### Tradeweb Markets LLC

Tradeweb Markets LLC exercises reasonable care when sourcing data input and calculating the iNAV in accordance with the methodologies disclosed on Tradeweb's website.

However, Tradeweb Markets LLC cannot and does not guarantee or represent that the iNAV is always calculated free of errors or will be accurate. Tradeweb Markets LLC accepts no liability for any direct or indirect losses suffered, incurred or, arising from any incorrect calculation of the iNAV or from the use of the iNAV by any person. The iNAV are indicative values and should not be relied on or used by any person for anything other than as a simple indication of the possible value of a share at that time.

The applicable iNAV calculation methodologies, changes to those methodologies, and decisions regarding the sources of data inputs to the iNAV, are considered by Tradeweb Markets LLC with best practices and standards in mind. However, Tradeweb Markets LLC does not represent that any of the foregoing will remain consistent in its calculation of the iNAV and for the avoidance of doubt, shall not be liable for any direct or indirect losses arising from any changes to or decisions made regarding the methodologies or sources of data inputs.

The iNAV is not a recommendation for investment of whatever nature. In particular, the iNAV shall not be construed as a recommendation to buy or sell: (i) individual securities, (ii) the constituent basket underlying a given iNAV or exchange traded fund, or (iii) any exchange traded fund on Tradeweb Markets LLC or on any other relevant exchange or trading platform.

### Benchmark Index Disclaimer

ISHARES MSCI WORLD SWAP PEA UCITS ETF (THE "FUND") IS NOT SPONSORED, ENDORSED, SOLD OR PROMOTED BY MSCI INC. ("MSCI"), ANY OF ITS AFFILIATES, ANY OF ITS INFORMATION PROVIDERS OR ANY OTHER THIRD PARTY INVOLVED IN, OR RELATED TO, COMPILING, COMPUTING OR CREATING ANY MSCI INDEX (COLLECTIVELY, THE "MSCI PARTIES"). THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES ARE SERVICE MARK(S) OF MSCI OR ITS AFFILIATES AND HAVE BEEN LICENSED FOR USE FOR CERTAIN PURPOSES BY BLACKROCK ADVISORS (UK) LIMITED AND ITS AFFILIATES. NONE OF THE MSCI PARTIES MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, TO THE ISSUER OR OWNERS OF THE FUND OR ANY OTHER PERSON OR ENTITY REGARDING THE ADVISABILITY OF INVESTING IN FUNDS GENERALLY OR IN THE FUND PARTICULARLY OR THE ABILITY OF ANY MSCI INDEX TO TRACK CORRESPONDING STOCK MARKET PERFORMANCE. MSCI OR ITS AFFILIATES ARE THE LICENSORS OF CERTAIN TRADEMARKS, SERVICE MARKS AND TRADE NAMES AND OF THE MSCI INDEXES WHICH ARE DETERMINED, COMPOSED AND CALCULATED BY MSCI WITHOUT REGARD TO THE FUND OR THE ISSUER OR OWNERS OF THE FUND OR ANY OTHER PERSON OR ENTITY. NONE OF THE MSCI PARTIES HAS ANY OBLIGATION TO TAKE THE NEEDS OF THE ISSUER OR OWNERS OF THE FUND OR ANY OTHER PERSON OR ENTITY INTO CONSIDERATION IN DETERMINING, COMPOSING OR CALCULATING THE MSCI INDEXES. NONE OF THE MSCI PARTIES IS RESPONSIBLE FOR OR HAS PARTICIPATED IN THE DETERMINATION OF THE TIMING OF, PRICES AT, OR QUANTITIES OF THE FUND TO BE ISSUED OR IN THE DETERMINATION OR CALCULATION OF THE EQUATION BY OR THE CONSIDERATION INTO WHICH THE FUND IS REDEEMABLE. FURTHER, NONE OF THE MSCI PARTIES HAS ANY OBLIGATION OR LIABILITY TO THE ISSUER OR OWNERS OF THE FUND OR ANY OTHER PERSON OR ENTITY IN CONNECTION WITH THE ADMINISTRATION, MARKETING OR OFFERING OF THE FUND.

ALTHOUGH MSCI SHALL OBTAIN INFORMATION FOR INCLUSION IN OR FOR USE IN THE CALCULATION OF THE MSCI INDEXES FROM SOURCES THAT MSCI CONSIDERS RELIABLE, NONE OF THE MSCI PARTIES WARRANTS OR GUARANTEES THE ORIGINALITY, ACCURACY AND/OR THE COMPLETENESS OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES MAKES ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE ISSUER OF THE FUND OR OWNERS OF THE FUND, OR ANY OTHER PERSON OR ENTITY, FROM THE USE OF ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. NONE OF THE MSCI PARTIES SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS OF OR IN CONNECTION WITH ANY MSCI INDEX OR ANY DATA INCLUDED THEREIN. FURTHER, NONE OF THE MSCI PARTIES MAKES ANY EXPRESS OR IMPLIED WARRANTIES OF ANY KIND, AND THE MSCI PARTIES HEREBY EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO EACH MSCI INDEX AND ANY DATA INCLUDED THEREIN.

WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL ANY OF THE MSCI PARTIES HAVE ANY LIABILITY FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL OR ANY OTHER DAMAGES (INCLUDING LOST PROFITS) EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

No purchaser, seller or holder of this security, product or fund, or any other person or entity, should use or refer to any MSCI trade name, trademark or service mark to sponsor, endorse, market or promote this security without first contacting MSCI to determine whether MSCI's permission is required. Under no circumstances may any person or entity claim any affiliation with MSCI without the prior written permission of MSCI.

Indexed to **MSCI** 

THE DIRECTORS OF THE COMPANY, THE MANAGER AND THE INVESTMENT MANAGER TOGETHER THE "RESPONSIBLE PARTIES" DO NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF ANY DESCRIPTION RELATING TO THE REFERENCE INDEX OR ANY DATA INCLUDED THEREIN AND THE RESPONSIBLE PARTIES SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS HEREIN. THE APPROVED RESPONSIBLE PARTIES MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE FUND, ANY SHAREHOLDER IN THE FUND, OR TO ANY OTHER PERSON OR ENTITY IN RESPECT OF THE INDEX DESCRIBED HEREIN.

THE INDEX PROVIDER MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE REFERENCE INDEX OR STRATEGY OR ANY DATA INCLUDED HEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL THE INDEX PROVIDER HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES OR FOR ANY LOST PROFITS, EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

## APPENDIX I

### Funds of the Company

As at the date of this Supplement, there are 39 other funds of the Company which are listed below:

iShares € Corp Bond Financials UCITS ETF	iShares J.P. Morgan \$ EM Investment Grade Bond UCITS ETF
iShares Bloomberg Enhanced Roll Yield Commodity Swap UCITS ETF	iShares MSCI Europe Consumer Discretionary Sector UCITS ETF
iShares Diversified Commodity Swap UCITS ETF	iShares MSCI Europe Consumer Staples Sector UCITS ETF
iShares Dow Jones U.S. Select Dividend UCITS ETF	iShares MSCI Europe Energy Sector UCITS ETF
iShares eb.rexx® Government Germany Bond 5.5-10.5yr UCITS ETF	iShares MSCI Europe Financials Sector UCITS ETF
iShares Edge MSCI EM Minimum Volatility ESG UCITS ETF	iShares MSCI Europe Health Care Sector UCITS ETF
iShares Edge MSCI EM Minimum Volatility UCITS ETF	iShares MSCI Europe Industrials Sector UCITS ETF
iShares Edge MSCI Europe Minimum Volatility ESG UCITS ETF	iShares MSCI Europe Information Technology Sector UCITS ETF
iShares Edge MSCI Europe Minimum Volatility UCITS ETF	iShares MSCI Europe Mid Cap UCITS ETF
iShares Edge MSCI USA Minimum Volatility ESG UCITS ETF	iShares MSCI Japan CHF Hedged UCITS ETF (Acc)
iShares Edge MSCI World Minimum Volatility ESG UCITS ETF	iShares MSCI USA Swap UCITS ETF
iShares Edge MSCI World Minimum Volatility UCITS ETF	iShares MSCI World CHF Hedged UCITS ETF (Acc)
iShares Edge S&P 500 Minimum Volatility UCITS ETF	iShares MSCI World Swap UCITS ETF
iShares EURO STOXX UCITS ETF	iShares S&P 500 CHF Hedged UCITS ETF (Acc)
iShares Global AAA-AA Govt Bond UCITS ETF	iShares S&P 500 Swap UCITS ETF
iShares Global Corp Bond EUR Hedged UCITS ETF (Dist)	iShares S&P MidCap 400 UCITS ETF
iShares Global High Yield Corp Bond CHF Hedged UCITS ETF (Dist)	iShares STOXX Europe 600 Telecommunications UCITS ETF
iShares Global High Yield Corp Bond GBP Hedged UCITS ETF (Dist)	iShares STOXX Europe Mid 200 UCITS ETF
iShares J.P. Morgan \$ EM Bond CHF Hedged UCITS ETF (Dist)	iShares STOXX Europe Small 200 UCITS ETF
iShares J.P. Morgan \$ EM Bond EUR Hedged UCITS ETF (Dist)	

The Shares of each Fund are issued on different terms and conditions to those of the other funds.



## APPENDIX II

The following sections in the Prospectus contain further general information and have been referenced in this Supplement:

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