

PRODUCT: ACS World ESG Screened and Optimised Equity Tracker Fund (the "**Fund**")

MANAGER: BlackRock Fund Managers Limited (the "**Manager**")

DATE: 29 November 2024

FCA PRODUCT REFERENCE NUMBER: 846072

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

The Fund name currently disclosed in this document is effective from 17 December 2024. Prior to this date, the Fund name was "ACS World ESG Equity Tracker Fund".

Sustainability Approach

The Fund tracks the performance of the MSCI World ESG Focus Low Carbon Screened Index (the "**Benchmark Index**"). The Benchmark Index aims to reflect the performance characteristics of a sub-set of equity securities within the MSCI World Index (the "**Parent Index**") which remain after the index provider has excluded securities using pre-defined ESG screens and weighted securities using an optimisation process, as described below. These ESG criteria may not apply to investments held by the Fund for efficient portfolio management and liquidity purposes which are not included in the Benchmark Index (including derivatives, money market instruments, deposits and units in collective investment schemes). However, exposure to such assets will not exceed 20% of the Fund's total assets.

The Benchmark Index excludes issuers based on their involvement in certain activities deemed by the index provider to have negative environmental or social outcomes. Issuers are excluded from the Benchmark Index based on their involvement in the following business lines/activities (or related activities): (i) tobacco; (ii) controversial weapons; (iii) nuclear weapons; (iv) civilian firearms; and (v) thermal coal.

The index provider's definition of "involvement" in each activity may be based on specific revenue thresholds, or any connection to an activity regardless of the amount of revenue received.

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

The Benchmark Index also excludes issuers from the Parent Index which have a 'red' (i.e. very severe) MSCI ESG controversy score. An MSCI controversy score measures an issuer's involvement (or alleged involvement) in very serious controversies relating to their operations and/or products which are deemed to have a negative ESG impact ("**MSCI ESG Controversy Score**").

Once the exclusion screens are applied, the Benchmark Index is constructed using an optimisation process which aims to: (a) maximise exposure to issuers with higher MSCI ESG scores ("**MSCI ESG Scores**") relative to the Parent Index; and (b) create a portfolio with at least 50% lower carbon emissions intensity and at least 50% lower potential carbon emissions, relative to the Parent Index; subject to, in each case, a turnover budget (i.e. a limit on the trading activity), a tracking error budget and the other optimisation parameters applicable to the portfolio. Please refer to the Benchmark Index methodology set out below and the risk factor set out in section 20(B) (*Use of optimisers in Benchmark Indices*) of the Fund's prospectus for more information.

MSCI ESG Scores are a measurement of issuers' ability to manage financially relevant ESG risks and opportunities (as further described in the Fund's prospectus). The weighted MSCI ESG Scores attributable to each issuer in which the Fund invests are aggregated to calculate the MSCI ESG Score of the Fund's portfolio.

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

Carbon emissions intensity is a measurement of issuers' annual carbon emissions divided by sales in millions (USD). The calculation of carbon intensity includes Scope 1 greenhouse gas ("**GHG**") emissions and Scope 2 GHG emissions but excludes Scope 3 GHG emissions. Please refer to the risk factor set out in section 20(A) (*Carbon emission intensity calculations and greenhouse gas (GHG) emissions data*) of the Fund's prospectus for more information on GHG emissions. Where data is unavailable for an issuer, the average carbon intensity of all the issuers of the MSCI ACWI Index in the same Global Industry Classification Standard (GICCS) industry group in which that issuer belongs is used. This means that the Fund may hold the equities of issuers with a higher carbon intensity than the average of all issuers in their GICS industry group.

Potential carbon emissions are based on a company's fossil fuel reserves used for energy purposes, divided by that company's market capitalisation.

Further details regarding the Benchmark Index and the Parent Index (including their constituents and the ESG methodology for the Benchmark Index (including any specific revenue thresholds)) are available on the index provider's website at: <https://www.msci.com/constituents>.

Sustainability Metrics

The ESG criteria described above were met through the Fund closely tracking the Benchmark Index. The following table provides information about the performance of these ESG criteria during the reference period which is from 1 January 2024 to 30 June 2024. The figures presented are based on the data as at the end of each quarter during this reference period, which are averaged to produce the single figure shown in the table below.

Sustainability Metric	Description	Fund	Parent Index
ESG Score	Weighted average MSCI ESG Score Target: maximise score relative to Parent Index	7.93 (16.20% higher than the Parent Index)	6.82
Carbon emissions intensity	Portfolio weighted average Scope 1,2 GHG emissions per \$m of sales Target: 50% lower than Parent Index	52.32 (47.86% lower than the Parent Index*)	100.28
Potential carbon emissions	Weighted average potential carbon emissions (absolute potential emissions, divided by sales in millions) Target: 50% lower than Parent Index	0.00 (34.70% lower than the Parent Index*)	0.00
Exclusion of issuers involved in certain restricted activities (as described above)	% market value exposure to issuers involved in certain activities deemed to have negative environmental and/or social outcomes	0.00%	2.21%
Exclusion of issuers classified as violating UNGC Principles	% market value exposure to companies classified as violating UNGC Principles	0.00%	0.21%
Exclusion of issuers which have a 'red' MSCI ESG controversy score or no MSCI ESG controversy score	% market value exposure to issuers which have a 'red' MSCI ESG controversy score or no MSCI ESG controversy score	0.00%	1.21%

*The results are calculated as an average of the results across the relevant index rebalance dates during the financial period. During two of those rebalances, the Benchmark Index met the target at the point of index constitution (nine business days before the actual index rebalance date) but did not meet it on the actual index rebalance date.

Additional Information

Pre-contractual disclosure: Please see the Fund's prospectus, which is available by searching the name of the Fund on the following website: www.blackrock.com/uk/education/library.

Product-level sustainability report: Not currently available.

Sustainability entity report: Not currently available.

Other non-sustainability related information: Please see the Fund's key investor information document, which is available by searching the name of the Fund on the following website: <https://www.blackrock.com/uk/solutions/library/gls-library-uk?materialType=kiid>.