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[Name]  
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Dear *[insert name of unitholder]*

### **Update to the Benchmark Index Methodology of the iShares ESG Screened Overseas Corporate Bond Index Fund (UK) (the “Fund”)**

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

We are writing to notify you of certain changes that will be made by the Benchmark Index provider, ICE, to the methodology of the ICE ESG Global Corporate Ex GB Index (the “**Benchmark Index**”) used by the Fund with effect from 31 January 2025 (the “**Effective Date**”). These changes are set out in further detail below and are shown in Appendix 1.

The Fund is a sub-fund of the BlackRock Collective Investment Funds (the “**Scheme**”). The Fund’s unit classes, together with their ISINs, all of which are impacted by these changes, are set out in Appendix 2.

As there will be no change to the investment objective, process or policy of the Fund, nor any change to the risk/return profile of the Fund, the changes being made are not expected to have a material effect on the manner in which your investment is managed. The implementation of this change will not lead to any changes to the Fund’s portfolio and it is not expected that any realignment costs will be incurred. You are not required to do anything as a result of this notification.

### **Benchmark Index Methodology changes**

The Fund tracks closely the performance of the Benchmark Index which, under the current methodology, excludes issuers which have a ‘high’ ESG risk rating. This threshold applies both to the exclusion of new issuers and the removal of existing issuers from the Benchmark Index. Under the current methodology, once an existing issuer is removed from the Benchmark Index no time period is set for how long that company needs to maintain an ESG risk rating of below ‘high’ prior to re-entering the Benchmark Index. This leads to excessive turnover within the Fund’s portfolio, as Sustainalytics updates the issuers’ ESG risk rating on a continuous basis such that certain issuers are regularly excluded and then subsequently re-included in the Benchmark Index at each month end rebalancing.

Therefore, with effect from the Effective Date, following exclusion from the Benchmark Index, an issuer must not have a 'high' ESG risk rating for six consecutive months prior to becoming eligible for re-inclusion in the Benchmark Index.

For the avoidance of doubt, this requirement will not apply to securities related to new corporate issuers (or corporate issuers that are newly rated by Sustainalytics) which will be eligible for inclusion in the Benchmark Index provided they have an ESG risk rating below 'high' at the point they are initially assessed by the Benchmark Index provider.

The criteria for inclusion in the Benchmark Index will otherwise remain the same as prior to the Effective Date and therefore there will be no change to the Fund's investment objective, process or policy of the Fund, nor any change to the risk/return profile of the Fund. There will also be no impact on the Fund's tracking error as the changes are being made only at the level of the Benchmark Index.

Further information in respect of the changes to the Index can be found on the ICE website at the following link: <https://indices.theice.com/>.

We will be updating the Fund's Benchmark Index methodology description in the Scheme's prospectus (the "**Prospectus**") on the Effective Date to reflect this change, as set out in Appendix 1.

### **Costs**

As noted above, the Investment Manager does not expect to incur any realignment costs in implementing this change. BlackRock will pay the costs of this letter, and any additional operational costs. Legal costs in connection with the update of fund documentation relating to these changes will be incurred by the Fund (meaning that you as a Unitholder will bear a proportion of such costs).

### **Action to be taken by you**

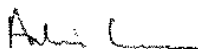
You do not need to take any action as a result of this communication.

### **Further information**

The changes to the Benchmark Index methodology described above will be reflected in updates we are making to the Prospectus and Key Investor Information Documents which will be available from the BlackRock website [www.blackrock.com](http://www.blackrock.com) on or around the Effective Date.

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

Yours sincerely



Adrian Lawrence  
**BlackRock Fund Managers Limited**

\*For your protection, telephone calls are usually recorded.

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**APPENDIX 1**  
**Changes to the Prospectus**

<b>Fund</b>	<b>Amended benchmark index description of the Fund</b> <i>(additions in underline)</i>
<b>iShares ESG Screened Overseas Corporate Bond Index Fund (UK)</b>	<p><b>Investment Objective</b></p> <p>The aim of the Fund is to provide a return (gross of charges) on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) by tracking closely the performance of the ICE ESG Global Corporate Ex GBP Index (the “<b>Benchmark Index</b>”).</p> <p>Although the Fund aims to achieve its investment objective, there is no guarantee that this will be achieved. The Fund’s capital is at risk meaning that the Fund could suffer a decrease in value and the value of your investment would decrease as a result.</p> <p><b>Investment Policy</b></p> <p>In seeking to achieve its investment objective, the Fund will invest directly into the fixed income securities (i.e. bonds) in the Benchmark Index and at times invest indirectly via other fixed income-related investments (i.e. other investments whose value is related to debt) giving exposure to such fixed income securities, or in other fixed income securities not in the Benchmark Index.</p> <p>In seeking to achieve its investment objective and/or for liquidity purposes, the Fund may also invest in other asset classes. These other asset classes include money market instruments (i.e. debt securities with short-term maturities), deposits (i.e. cash) and units in collective investment schemes (i.e. other investment funds, which may be Associated Funds).</p> <p>Derivatives (i.e. investments the prices of which are based on one or more underlying assets) may be used to seek to reduce risk (relevant to the investment objective) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as “<b>efficient portfolio management</b>” or “<b>EPM</b>”).</p> <p>The ESG criteria described in the section below, which are applied by the index provider, may not apply to investments held by the Fund for EPM and liquidity purposes which are not included in the Benchmark Index (including derivatives, money market instruments, deposits and units in collective investment schemes). However, exposure to such assets will not exceed 20% of the Fund's total assets.</p> <p><b>Fund Benchmark</b></p> <p>The Fund’s aim is to track the performance of the Benchmark Index, but not to outperform it. This Benchmark Index has been chosen by the Investment Manager because it forms part of the investment objective of the Fund (i.e. a target benchmark), and should be used by unitholders to compare the performance of the Fund.</p> <p><b>Benchmark Index Description</b></p> <p>The Benchmark Index aims to reflect the performance of a sub-set of fixed-income securities within the ICE Global Corporate Excluding British Pound Index (the “<b>Parent Index</b>”) which remain after the index provider has excluded securities using pre-defined ESG screens, as determined by the index provider and further described below. The Parent Index measures the performance of fixed income securities issued by companies in global markets, excluding issues denominated in Pound Sterling. The fixed income securities will pay income according to a fixed</p>

	<p>rate of interest and will be investment grade (i.e. meet a specified level of credit worthiness) at the time of inclusion in the Parent Index.</p> <p>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):</p> <ul style="list-style-type: none"> <li>• thermal coal;</li> <li>• oil sands;</li> <li>• oil and gas;</li> <li>• tobacco;</li> <li>• cluster weapons;</li> <li>• depleted uranium;</li> <li>• biological and chemical weapons;</li> <li>• white phosphorus;</li> <li>• small arms; and</li> <li>• nuclear weapons.</li> </ul> <p>The Benchmark Index also excludes issuers which are classified as violating the United Nations Global Compact (<b>UNGC</b>) Principles.</p> <p>The Benchmark Index also excludes issuers with a 'severe' Sustainability controversy rating. A controversy rating measures an issuer's involvement (or alleged involvement) in serious controversies based on an assessment of an issuer's operations and/or products which are deemed to have a negative ESG impact. An ESG controversy rating may consider involvement in adverse impact activities in relation to environmental issues such as biodiversity and land use, energy use and greenhouse gas and other emissions, water use and waste issues. An ESG controversy rating may also consider involvement in adverse impact activities in relation to social and governance issues such as bribery and corruption and workplace discrimination. A "severe" controversy rating indicates that an issuer's activities are having a severe impact on the environment and society, posing serious business risks to the company.</p> <p>The Benchmark Index also excludes issuers which have a 'high' ESG risk rating. <u>Following exclusion, an issuer must not have a 'high' ESG risk rating for six consecutive months prior to becoming eligible for re-inclusion in the Benchmark Index.</u> The ESG risk rating evaluates the degree of a company's unmanaged material ESG risk by assessing a company's exposure to, and management of, the ESG issues that are considered most material for that company from a financial perspective.</p> <p>Where data is unavailable in respect of an issuer's ESG risk rating, that issuer will also be excluded from the Benchmark Index. Where data is unavailable in respect of an issuer's controversy rating or its involvement in the restricted activities described above, that issuer is still eligible for inclusion in the Benchmark Index.</p> <p>Due to its size, the Benchmark Index contains some small sized securities as well as some which can only be traded in minimum size increments. This combined with the sheer size of the Benchmark Index means that it is not practical for the Fund to invest in every security in the Benchmark Index but instead the Investment Manager uses an investment technique known as stratified sampling. This means that the Fund will hold a subset of the bonds that make up the Benchmark Index. This should result in the Fund being able to closely track the performance of the Benchmark Index but without incurring the costs of holding every single bond.</p> <p>The Benchmark Index rebalances on a monthly basis. Further details regarding the Benchmark Index and the Parent Index (including their constituents and the ESG screening methodology for the Benchmark Index (including any specific revenue</p>
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	<p>thresholds)) are available on the index provider's website at: <a href="https://indices.theice.com/">https://indices.theice.com/</a></p> <p>The fixed income securities in the Benchmark Index in which the Fund invests will, at the time of purchase, comply with the ESG requirements of the Benchmark Index. The Fund may continue to hold securities which no longer comply with the ESG requirements of the Benchmark Index until such time as the relevant securities cease to form part of the Benchmark Index and it is possible and practicable (in the Investment Manager's view) to liquidate the position. Please refer to the risk factor set out in section 20 (ESG Benchmark Index Screening) for more information. The constituents, ESG requirements and selection methodology of the Benchmark Index, as described above, may change over time.</p> <p>The Investment Manager will report to investors on the level of the Fund's performance in relation to various ESG considerations against the Parent Index. These may include, but are not limited to, disclosures on (i) the percentage market value exposure to excluded issuers in the Fund compared to the Parent Index; (ii) the percentage market value exposure to excluded issuers classified as violating UNGC Principles in the Fund compared to the Parent Index; and (iii) the percentage market value exposure to excluded issuers involved in ESG controversies in the Fund compared to the Parent Index.</p>
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**APPENDIX 2****Fund ISINs**

<b>Fund</b>	<b>ISIN</b>	<b>Unit Classes</b>
iShares ESG Overseas Corporate Bond Index Fund (UK)	GB00B58YKH53	Class D Accumulation
	GB00BN091N70	Class D Accumulation Hedged
	GB00BNB74B95	Class D Income
	GB00BPFJD529	Class H Accumulation
	GB00BPFJD743	Class H Income
	GB00B58Z2382	Class L Accumulation
	GB00BN091487	Class S Accumulation
	GB00BN091370	Class S Accumulation Hedged
	GB00B5W76K51	Class X Accumulation
	GB00B7Z14D76	Class X Income
	GB00BN091594	Class X Income Hedged