

Appendix IV – Supplementary Information (Unaudited) continued

Periodic disclosure for financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852 (continued)

Sustainable Energy Fund

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

**Product name:**  
Sustainable Energy Fund

**Legal entity identifier:**  
5493009Z1H3ONBJRQQ80

## Sustainable investment objective

**Did this financial product have a sustainable investment objective?**

**Yes**                         **No**

|   |  |
|---|--|
| <p><input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective</b>: 86.52%</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <p><input checked="" type="checkbox"/> It made <b>sustainable investments with a social objective</b>: 5.75%</p> | <p><input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <p><input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b></p> |
|---|--|

**To what extent was the sustainable investment objective of this financial product met?**

The following table lists the Sustainable Investment objectives which were promoted by the Fund throughout the reference period. Further information on these Sustainable Investment objectives is outlined in the Fund’s prospectus. Please refer to the section below, “How did the sustainability indicators perform?”, which provides information about the extent that the Fund met such Sustainable Investment Objectives.

| Sustainable objectives promoted by the Fund   |
|---|
| Investment in Sustainable Investments<br>Maintain that the weighted average ESG rating of the Fund will be higher than the ESG rating of the MSCI All Countries World Index after eliminating at least 20% of the lowest rated securities from the index<br>Exclusion of investment in companies that are classified in the following sectors (as defined by Global Industry Classification Standard): coal and consumables; oil and gas exploration and production; integrated oil and gas; and tobacco<br>Ensure that more than 90% of the issuers of securities in which the Fund invests (excluding money market Funds) shall be ESG rated or have been analysed for ESG purposes |

## Appendix IV – Supplementary Information (Unaudited) continued

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### Sustainable Energy Fund (continued)

#### ● How did the sustainability indicators perform?

The following table provides information about the performance of the sustainability indicators used to measure the attainment of each of the Sustainable Investment objectives of the Fund, as further detailed in the Fund's prospectus.

| Sustainability Indicator   | Metric  | Performance for the reference period   |
|--|---|--|
| Maintain that the weighted average ESG rating of the Fund will be higher than the ESG rating of the MSCI All Countries World Index after eliminating at least 20% of the lowest rated securities from the index                              | ESG Rating of the Fund                        | Fund ESG Rating: AA<br><br>(Fund ESG Rating higher than Index Rating throughout the reference period after eliminating at least 20% of the lowest rated securities from the Index) |
| Exclusion of investment in companies that are classified in the following sectors (as defined by Global Industry Classification Standard): coal and consumables; oil and gas exploration and production; integrated oil and gas; and tobacco | # of active breaches                          | No active breaches   |
| Ensure that more than 90% of the issuers of securities in which the Fund invests (excluding money market Funds) shall be ESG rated or have been analysed for ESG purposes  | % of issuers with a ESG rating                | Greater than 90% of issuers  |
| Investment in Sustainable Investments  | % of Sustainable Investments held by the Fund | 92.27%   |

#### ● ...and compared to previous periods?

As this is the first reference period that the periodic disclosure for financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852 are effective, no comparatives are presented.

## Appendix IV – Supplementary Information (Unaudited) continued

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### Sustainable Energy Fund (continued)

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

#### ● How did the sustainable investments not cause significant harm to any sustainable investment objective?

The Sustainable Investments held by the Fund during the reference period met the do no significant harm (“DNSH”) requirements, as defined by applicable law and regulation. BlackRock has developed a set of criteria across all sustainable investments to assess whether an issuer or investment does significant harm. Investments considered to be causing significant harm do not qualify as Sustainable Investments.

#### - How were the indicators for adverse impacts on sustainability factors taken into account?

The indicators for principal adverse impacts (“PAI”)s on sustainability factors for each type of investment were assessed using BlackRock’s Sustainable Investments proprietary methodology. BlackRock makes use of fundamental analysis and/or third-party data sources to identify investments which negatively impact sustainability factors and cause significant harm. Please refer to the section below, “How did this financial product consider principal adverse impacts on sustainability factors?”, which describes how the Fund considered PAIs on sustainability factors.

#### - Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Sustainable Investments held during the reference period were assessed to consider any detrimental impacts and ensure compliance with international standards of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. Issuers deemed to have violated these conventions are not considered as Sustainable Investments.

## Appendix IV – Supplementary Information (Unaudited) continued

Periodic disclosure for financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852 (continued)

### Sustainable Energy Fund (continued)



#### How did this financial product consider principal adverse impacts on sustainability factors?

BlackRock has developed a set of criteria across all Sustainable Investments, to assess whether an investment does significant harm by reference to all the relevant mandatory principal adverse impacts (PAIs). The criteria targets sustainability factors such as investee companies with exposure to fossil fuels, violations of international norms, environmentally negative business practices and controversial weapons. Investments are screened against these criteria using system-based controls and any which are considered to be causing significant harm do not qualify as Sustainable Investments. BlackRock assesses the indicators for adverse impacts on sustainability factors for each type of investment as defined by the regulation. Criteria for adverse impacts are assessed using third-party vendor data regarding an investment's business involvement (in specific activities identified as having negative environmental or social impacts) or environmental or social controversies to exclude investments which BlackRock has determined are harmful to sustainability indicators subject to limited exceptions, for example, where the data is determined to be inaccurate or not up to date.

The following PAIs are captured through the do no significant harm process:

#### **Adverse Sustainability Indicator**

Greenhouse gas (GHG) emissions (Scope 1/2/3)  
Carbon footprint  
GHG intensity of investee companies  
Exposure to companies active in the fossil fuel sector  
Share of non-renewable energy consumption and production  
Energy consumption intensity per high impact climate sector  
Activities negatively affecting biodiversity-sensitive areas  
Emissions to water  
Hazardous waste and radioactive waste ratio  
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises  
Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises  
Unadjusted gender pay gap  
Board gender diversity  
Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)  
GHG intensity (Sovereigns & Supranationals)  
Investee countries subject to social violations (Sovereigns & Supranationals)

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## Appendix IV – Supplementary Information (Unaudited) continued

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### Sustainable Energy Fund (continued)



#### What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: From 1 September 2022 to 31 August 2023.

| Largest investments               | Sector                 | % Assets | Country                    |
|-----------------------------------|------------------------|----------|----------------------------|
| Nextera Energy Inc                | Utilities              | 5.94%    | United States              |
| Rwe Ag                            | Utilities              | 5.26%    | Germany                    |
| Enel                              | Utilities              | 5.19%    | Italy                      |
| BLK ICS USD Leaf Agency Dist      | Mutual Funds           | 4.48%    | Ireland                    |
| EDP Energias De Portugal Sa       | Utilities              | 3.27%    | Portugal                   |
| Samsung Sdi Ltd                   | Information Technology | 3.12%    | Korea (South), Republic of |
| Lg Chem Ltd                       | Materials              | 3.04%    | Korea (South), Republic of |
| Analog Devices Inc                | Information Technology | 2.97%    | United States              |
| Lair Liquide Societe Anonyme Pour | Materials              | 2.88%    | France                     |
| Vestas Wind Systems               | Industrials            | 2.87%    | Denmark                    |
| Infineon Technologies Ag          | Information Technology | 2.77%    | Germany                    |
| Ingersoll Rand Inc                | Industrials            | 2.50%    | United States              |
| Stmicroelectronics Nv             | Information Technology | 2.42%    | Switzerland                |
| Schneider Electric                | Industrials            | 2.38%    | France                     |
| Ansys Inc                         | Information Technology | 2.29%    | United States              |

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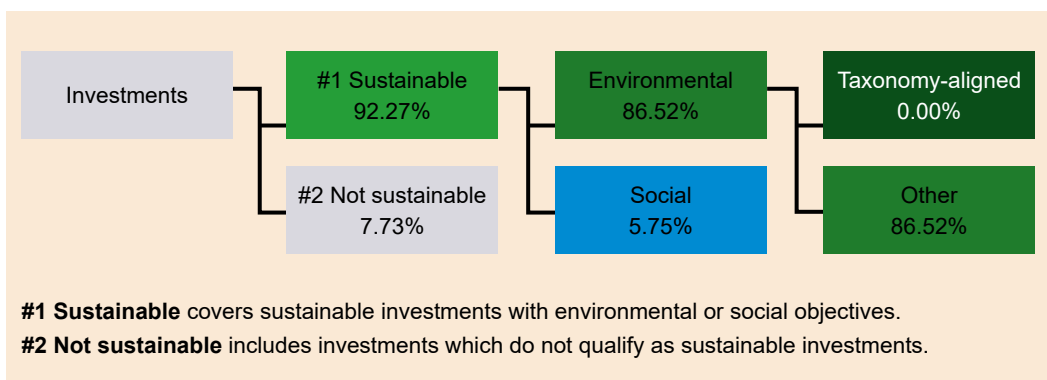
Sustainable Energy Fund (continued)



**Asset allocation** describes the share of investments in specific assets.

What was the proportion of sustainability-related investments?

● What was the asset allocation?



Appendix IV – Supplementary Information (Unaudited) continued

Periodic disclosure for financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852 (continued)

Sustainable Energy Fund (continued)

● In which economic sectors were the investments made?

The following table details the economic sectors representing 1% or more of investments held that the Fund was exposed to during the reference period.

| <b>Sector</b>          | <b>Sub-Sector</b>                        | <b>% of Investments</b> |
|------------------------|--|-------------------------|
| Industrials            | Capital Goods                            | 25.52%                  |
| Utilities              | Utilities                                | 24.87%                  |
| Information Technology | Semiconductors & Semiconductor Equipment | 16.74%                  |
| Materials              | Materials                                | 11.99%                  |
| Information Technology | Software & Services                      | 7.98%                   |
| Information Technology | Tech Hardware & Equipment                | 4.94%                   |
| Financials             | Financial Services                       | 4.48%                   |
| Consumer Staples       | Food Beverage Tobacco                    | 1.95%                   |
| Industrials            | Transportation                           | 1.07%                   |

During the reference period, none of the Fund's investments were held in the following sub-sectors (as defined by the Global Industry Classification System): integrated oil and gas, oil and gas exploration and production, oil and gas drilling, oil and gas equipment services, oil and gas storage and transportation, oil and gas refining and marketing, coal and consumable fuels.

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Sustainable Energy Fund (continued)

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are economic activities** for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.



**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

For the reference period, the Fund's investment alignment with EU Taxonomy is shown in the graphs below.

**Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?**

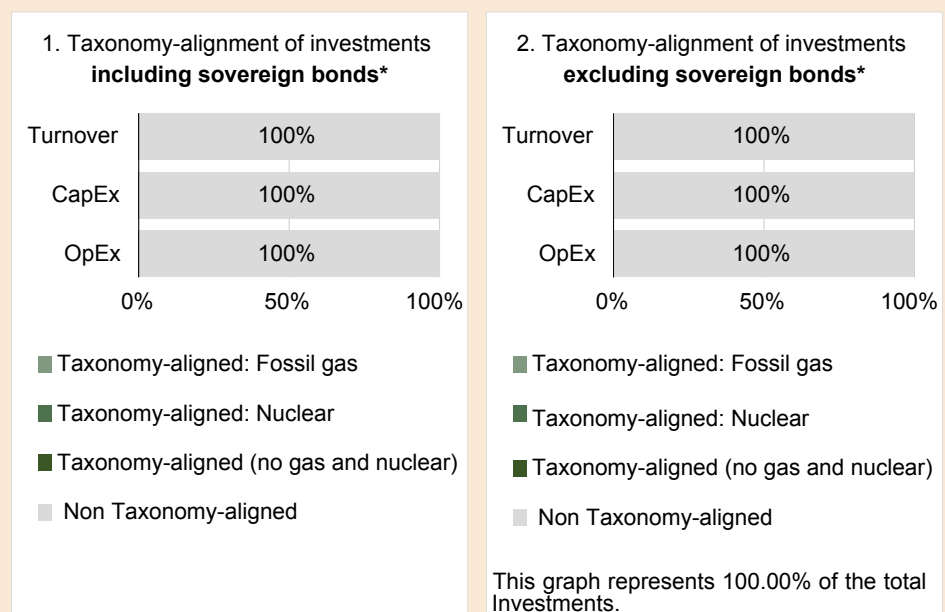
Yes:

In fossil gas       In nuclear energy

No

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy alignment of sovereign bonds\*, the first graph shows the taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.



## Appendix IV – Supplementary Information (Unaudited) continued

### Periodic disclosure for financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852 (continued)

#### Sustainable Energy Fund (continued)

##### ● What was the share of investments made in transitional and enabling activities?

For the reference period, 0% of the Fund's investments were made in transitional and enabling activities.

##### ● How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?

As this is the first reference period that the periodic disclosure for financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852 are effective, no comparatives are presented.



\*Sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



##### ● What was the share of sustainable investments\* with an environmental objective that were not aligned with the EU Taxonomy?

For the reference period, 86.52% of the Fund's investments were classified as Sustainable Investments with an environmental objective not aligned with EU Taxonomy.

The Fund invested in Sustainable Investments that were not aligned with the EU Taxonomy for the following reasons: (i) it is part of the investment strategy of the Fund; (ii) data to determine EU Taxonomy-alignment was unavailable; and/or (iii) underlying economic activities were not eligible under the EU Taxonomy's available technical screening criteria or did not comply with all requirements set out in such technical screening criteria.



##### ● What was the share of socially sustainable investments?

For the reference period, 5.75% of the Fund's investments were classified as socially sustainable investments.



##### ● What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

Investments included under “Not sustainable” included derivatives, cash and near cash instruments and shares or units of CIS and fixed income transferable securities (also known as debt securities) issued by agencies worldwide, however such holdings did not exceed 20%. Such investments were used only for the purposes of liquidity management and/or hedging. No other investments held by the Fund were assessed against minimum environmental or social safeguards.



##### ● What actions have been taken to attain the sustainable investment objective during the reference period?

The Investment Adviser has implemented internal quality controls such as compliance rule coding to ensure compliance with the environmental and social characteristics promoted by the Fund. The Investment Adviser regularly reviews the environmental and social characteristics promoted by the Fund to ensure they are still appropriate relative to the Fund's investment universe.

Where issuers are identified as potentially having issues with regards to good governance, the issuers are reviewed to ensure that, where the Investment Adviser agrees with this external assessment, the Investment Adviser is satisfied that the issuer has either taken remediation actions or will take remedial actions within a reasonable time frame based on the Investment Adviser's direct engagement with the issuer. The Investment Adviser may also decide to reduce exposure to such issuers.

The Investment Adviser is also subject to the shareholder engagement requirements of the Shareholders Rights Directive II (SRD) requirements. The SRD aims to strengthen the position of shareholders, enhance transparency and reduce excessive risk within companies traded on regulated EU marketplaces. Further details regarding the Investment Adviser's activities under the SRD are available on BlackRock's website at:

<https://www.blackrock.com/uk/professionals/solutions/shareholder-rights-directive>.

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Periodic disclosure for financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852 (continued)

Sustainable Energy Fund (continued)



**Reference benchmarks** are indexes to measure whether the financial products attain the sustainable objective.

**How did this financial product perform compared to the reference sustainable benchmark?**

For the reference period, an index has not been designated as a reference benchmark for the purpose of attaining the sustainable investment objective of the Fund, therefore this section is not applicable.

● **How does the reference benchmark differ from a broad market index?**

Not applicable.

● **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?**

Not applicable.

● **How did this financial product perform compared with the reference benchmark?**

Not applicable.

● **How did this financial product perform compared with the broad market index?**

Not applicable.