

28 February 2025

IMPORTANT INFORMATION

This document is important and requires your immediate attention.

If you are unsure as to the contents of this document, please call the BlackRock Client Services Team on 0800 445522* or +44 (0)207 743 5024* if outside the UK, or consult your financial adviser.

Dear unitholder,

Amendments to the name, investment objective and investment policy of the BlackRock Developed Markets Sustainable Equity Fund (UK)

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.

Background

We are writing to notify you of certain amendments to the name, investment objective and investment policy of the BlackRock Developed Markets Sustainable Equity Fund (UK) (the "**Fund**").

In November 2023, the Financial Conduct Authority ("FCA") issued its Policy Statement PS23/16, 'Sustainability Disclosure Requirements ("SDR") and investment labels' (the "Policy Statement") which, among other things, contained new rules and guidance applicable to fund managers in relation to the marketing of funds using sustainability-related terms, as well as the introduction of labels for funds seeking to achieve positive sustainability outcomes, if they meet the qualifying criteria. These regulatory changes were implemented by way of updated rules and guidance. The purpose of these new rules generally is to increase transparency on the sustainability goals and features of funds and firms.

In light of the Policy Statement and the FCA's requirements and expectations more generally, we, in consultation with the investment manager of the Fund (Blackrock Investment Management (UK) Limited (the "Investment Manager")), have determined to change the name of the Fund and make a number of clarifications and additions to the Fund's investment objective and policy.

The Fund's launched unit classes, together with the ISINs, are set out in Schedule I.

Change in name

We will be updating the name of the Fund to remove the word "sustainable" and accordingly, the name of the Fund will change to "BlackRock Developed Markets Equity Fund (UK)". The change of name reflects the fact that under the FCA's requirements, a fund which does not apply one of the four UK sustainable investment labels will no longer be able to use the word "sustainable" in its name.

Clarifications to the investment objective and policy

As part of its investment process, the Investment Manager applies ESG commitments when seeking to achieve the Fund's investment objective. We are making amendments to the investment policy of the Fund to enhance the information we provide you regarding the investment objective of each Fund to explicitly refer to the Fund's incorporation of these ESG commitments.

We will also include a statement in the prospectus to clarify that, whilst the Fund applies ESG commitments and methodologies within its investment process, it does not have a specific sustainability goal and will not use a UK sustainable investment label.

Details of the clarifications to be made to the Fund's investment objective and policy are set out in Schedule II.

As detailed above, these amendments are being made to reflect regulatory requirements and expectations and are not intended to reflect any change to the Fund or how it is managed.

Effective Date

The revised prospectus of the Fund reflecting these updates is expected to be published on or around 2 April 2025 (the "**Effective Date**").

Costs

BlackRock will pay the costs of the unitholder notification. Legal costs as a result of the change in the name and clarification to the investment objective and policy of the Fund shall be borne by the Fund. For the avoidance of doubt, there are not expected to be any portfolio realignment costs or other transaction costs in connection with these changes.

Action to be taken by you

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

If you would rather not remain invested in the Fund, you can redeem your units as normal, or alternatively, you can switch your holding into an equivalent unit class (or another unit class which you are eligible to hold) in another fund managed by BlackRock Fund Managers Limited (a "**BlackRock Fund**"). Information on switching can be obtained from our Client Services Team on 0800 445522* or +44 (0)207 743 5024* if outside the UK.

Please note that if you decide to switch your investment to another BlackRock Fund this will constitute a 'disposal of units' for capital gains tax purposes and depending on your individual circumstances, may give rise to a tax liability. If you are unsure how this may affect you then you should contact your financial adviser.

IF YOU ARE UNSURE AS TO THE CONTENT OF THIS DOCUMENT, YOU SHOULD CONTACT YOUR FINANCIAL ADVISER.

Further Information

A revised prospectus and Key Investor Information Document will be available from the BlackRock website 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 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 faithfully,

Donald Edger 

BlackRock Fund Managers Limited

*For your protection, telephone calls are usually recorded.

SCHEDULE I

Unit Classes	ISINs
Class A GBP Accumulating	GB0000646421
Class A GBP Distributing	GB0000645019
Class D GBP Accumulating	GB00B4XLYS34
Class D GBP Distributing	GB00B8DDP952
Class X GBP Accumulating	GB00BFBFW576
Class X GBP Distributing	GB00BN091040

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SCHEDULE II

Amended investment objective and investment policy (additions in blue and underlined):

BlackRock Developed Markets ~~Sustainable~~ Equity Fund (UK)

BlackRock Developed Markets ~~Sustainable~~ Equity Fund (UK) is a UK UCITS scheme under the COLL Sourcebook. The Fund was established on 5 January 2000. The Fund was previously known as Mercury Global Titans Fund then, with effect from 30 September 2000, Merrill Lynch Global Titans Fund. On 1 August 2007 the Fund changed its name to Merrill Lynch Global Equity Fund. The Fund changed its investment objective on 1 August 2007. The Fund changed its name to BlackRock Global Equity Fund on 28 April 2008. The Fund adopted its present name and changed its investment objective with effect from 6 September 2021. The Fund's FCA product reference number is 190628.

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 applies ESG commitments and methodologies within its investment process (as described below), the investment strategy of the Fund means it is not able to meet the criteria of any sustainability label.

Investment Objective

The Fund aims to provide a return on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) (gross of fees) over the medium to long term (3 to 5 or more consecutive years beginning at the point of investment) by investing in a global portfolio of equity securities (e.g. shares) ~~in a manner consistent with the principles of sustainable investing,~~ whilst incorporating the ESG commitments described below.

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.

Investment Policy

In seeking to achieve its investment objective, ~~(i)~~ (i) the Fund will invest at least 70% of its total assets in equity securities (i.e. shares) and equity-related investments (i.e. other investments whose value is related to equities) of companies domiciled in, or exercising a significant part of their economic activity in, developed markets (i.e. markets with advanced financial and economic structures); and (ii) the Fund may invest in equity securities and equity-related investments of companies domiciled in, or exercising a significant part of their economic activity in, emerging markets.

~~The Fund may also invest in other asset classes for liquidity purposes. These other asset classes include fixed income securities (e.g. bonds) or fixed income related investments (i.e. other investments whose value is related to fixed income securities), transferable securities, money market instruments (i.e. debt securities with short-term maturities), collective investment schemes (i.e. other investment funds which may be Associated Funds), cash, or assets that can be turned into cash quickly.~~

~~The Fund seeks to invest in a portfolio of companies that the Investment Manager considers sustainable. Sustainable companies are identified for this purpose as being ESG leaders, namely companies whose strong ESG credentials are considered by the Investment Manager to already support long-term success, companies demonstrating improvement in their ESG credentials, namely companies that the Investment Manager considers are developing stronger ESG practices where such development will lead to more robust businesses, and companies that produce, or otherwise enable, products and services that the Investment Manager considers are sustainability-focused. The ESG credentials looked for in ESG leaders, which are also the targets for companies improving their ESG credentials, include but are not limited to companies with low absolute and relative resource intensity, improving resource efficiency, helping others to reduce their use of resources, commitment to high health and safety standards, commitment to human~~

~~capital management, fostering sustainable relationships with suppliers and customers, strong risk mitigation, capital allocation and remuneration supportive of long-term strategy and/or thoughtful board composition as it relates to diversity and the focus of its members. The Fund also applies exclusionary screens to limit and/or exclude issuers based on certain ESG-related characteristics (see “ESG Policy” below). In addition, the Investment Manager seeks to engage with investee companies to support improvement of its ESG credentials.~~

Investment decisions are based on the Investment Manager’s company specific research and analysis that seeks to identify and select equity and equity-related securities that can, as a portfolio, deliver the Fund’s investment objective. The Investment Manager’s company-specific research uses techniques to assess equity characteristics such as strength of earnings, quality of balance sheet, cashflow trends, and relative valuation, as well as assessing companies based on their ESG credentials as ~~determined by the~~ [detailed in the "Investment Manager to be material Process and ESG" section below](#).

The Fund’s portfolio is expected to be concentrated (i.e. it is expected to hold exposure to a limited number of different investments, countries and/or sectors) and may invest in companies with large, medium and small market capitalisations. The Investment Manager has a flexible allocation strategy which means that it does not have a persistent bias towards particular categories of investment (other than investments [which](#) it considers ~~sustainable~~ [to have sustainability characteristics](#)), such as specific countries, industries or style factors (i.e. specific characteristics of companies that it is considered may drive returns), but it may make allocation decisions based on such categories at particular times.

~~The Fund may also invest in other asset classes to seek to achieve its investment objective and/or for liquidity purposes. These other asset classes include equity securities and equity-related investments of other companies that the Investment Manager considers sustainable (namely companies in emerging markets), fixed income securities (e.g. bonds) or fixed income related investments (i.e. other investments whose value is related to fixed income securities) transferable securities, money market instruments (i.e. debt securities with short term maturities), collective investment schemes (i.e. other investment funds which may be Associated Funds), cash, or assets that can be turned into cash quickly.~~

Derivatives (i.e. investments the prices of which are based on one or more underlying assets) may be used to further the Fund’s investment objective. Derivatives may also be used to seek to reduce risk (relevant to the investment objective of the Fund) within the Fund, reduce investment costs and generate additional income for the Fund (often referred to as “efficient portfolio management” or “EPM”) and a significant proportion of the Fund’s portfolio may consist of derivatives on a daily basis (though the use of derivatives to further the Fund’s investment objective will be limited).

Investment Process and ESG Policy

[The ESG commitments applied by the Investment Manager when seeking to achieve the Fund's investment objective](#) comprises three core components which are described in more detail below. These are: (i) [applying the BlackRock EMEA Baseline Screens and other exclusionary screens](#); (ii) [applying the Methodology \(as defined below\)](#); and (iii) [seeking to reduce the carbon emission intensity score of the Fund relative to the Index \(as defined below\)](#).

[The Investment Manager identifies the investible universe by first applying the BlackRock EMEA Baseline Screens and other exclusionary screens. Thereafter, the Investment Manager applies the remaining two commitments in order to determine the selection of the Fund's investments.](#)

[The ESG commitments described in this section will apply to direct investment in corporate issuers only and accordingly do not apply to other investments held by the Fund for liquidity purposes \(including, but not limited to, derivatives, money market instruments, units or shares in collective investment schemes, cash and assets that can be turned into cash quickly\).](#) However, [this exposure will not exceed 20% of the Fund's total assets.](#)

BlackRock EMEA Baseline Screens and other exclusionary screens

~~In applying its investment policy (including this ESG Policy), the Investment Manager expects the Fund's portfolio to deliver a superior ESG outcome versus the MSCI World Index, the Fund's benchmark index (the “Index”) as measured by the weighted average ESG rating of its investments. For this purpose, ESG ratings (i.e. ratings which indicate how well an issuer manages its most material ESG risks relative to its sector~~

~~peers) shall be based on MSCI's ESG ratings or equivalent ESG ratings selected by the Investment Manager. In applying its investment policy (including this ESG Policy), the Investment Manager also expects the Fund to have a lower carbon emission intensity score (a measurement of an issuer's carbon emissions relative to its capital) than the Index. However, there can be no guarantee that these expectations will be met and the weighted average ESG rating of the Fund's investments and its carbon emission intensity score may vary.~~

The Investment Manager will ~~seek to~~ exclude direct investment in corporate issuers whose MSCI ESG rating is CCC (or equivalent). ESG ratings are a measurement of issuers' resilience to long-term, industry-specific ESG risks using a rules-based methodology.

The Fund will apply the BlackRock EMEA Baseline Screens, as follows:

~~In addition, the Fund will (a) apply the BlackRock EMEA Baseline Screens, which seek to~~The Investment Manager will limit and/or exclude ~~direct investment~~ (as applicable) direct investment in corporate issuers which, at the time of purchase, in the opinion of the Investment Manager, have exposure to, or ties with, ~~certain sectors (in some cases subject to specific revenue thresholds) including but not limited to controversial weapons, fire arms or small arms ammunition for civilian use, fossil fuels or tobacco or companies that are non-compliant with the UN Global Compact Principles, as further described in Appendix 8, and (b) the following sectors:~~

- (a) the production of certain types of controversial weapons or nuclear weapons;
- (b) the production or, subject to specific revenue thresholds, distribution of firearms or small arms ammunition intended for retail to civilians;
- (c) subject to specific revenue thresholds, the extraction of certain types of fossil fuel and/or the generation of power from them;
- (d) the production of tobacco products or, subject to specific revenue thresholds, certain activities in relation to tobacco-related products; and
- (e) issuers which have been deemed to have failed to comply with UN Global Compact Principles

A full list of the limits and/or exclusions being applied by the Investment Manager at any time in accordance with the above BlackRock EMEA Baseline Screens (including any specific threshold criteria) is available at <https://www.blackrock.com/corporate/literature/publication/blackrock-baseline-screens-in-europe-middleeast-and-africa.pdf>.

It is the Investment Manager's intention that the BlackRock EMEA Baseline Screens policy will evolve over time as improved data and more research on this subject becomes available. The full list may be amended from time to time at the Investment Manager's discretion and (unless it alters the description in this section) may be implemented without notification to unitholders.

~~will seek to~~In addition to the above BlackRock EMEA Baseline Screens, the Investment Manager will also limit and/or exclude ~~direct investment~~ (as applicable) direct investment in corporate issuers which, in the opinion of the Investment Manager, have exposure to, or ties with, ~~certain other~~the following sectors, ~~namely:~~

- (a) ~~(i)~~ issuers which derive more than 5% of their revenue from the manufacture of alcohol products or more than 10% from retail sales of alcohol products;
- (b) ~~(ii)~~ issuers which derive more than 5% of their revenue from the ownership or operation of gambling facilities or more than 15% from gambling-related business activities;
- (c) ~~(iii)~~ issuers which derive any revenue from producing, directing or publishing adult entertainment materials or issuers which derive more than 5% of their revenue from adult entertainment related activities;
- (d) ~~(iv)~~ issuers which derive at least 5% of their revenue from nuclear energy-based power generation or from the mining of uranium or more than 15% of their revenue from nuclear power activities;
- (e) ~~(v)~~ issuers which derive any revenue from unconventional oil and gas (such as oil sands and shale gas);
- (f) ~~(vi)~~ issuers which are classified within the Oil & Gas Exploration & Production Sub-Industry (under the Global Industry Classification Standard (GICS)) which do not generate at least 40% of their revenues from power generation using natural gas or renewable energy;
- (g) ~~(vii)~~ issuers which derive more than 10% of their revenue from weapons systems, components

- and support systems and services; and
- (h) ~~(viii)~~ issuers classified within the Electric Utilities and Multi-Utilities Sub-Industries (under the GICS) which derive more than 10% of their revenue from power generation using thermal coal, which derive more than 30% of their revenue from power generation using (1) nuclear power, or (2) liquid fuel and natural gas, and/or whose carbon emission intensity exceeds the level that the Investment Manager considers is needed to achieve the goals of the Paris Climate Agreement.

Should existing holdings, compliant at the time of investment with the BlackRock EMEA Baseline Screens and other exclusionary screens, subsequently become ineligible, they will be divested within a reasonable period of time (not expected to exceed 90 days).

Methodology

For those companies that remain eligible for investment after the application of the BlackRock EMEA Baseline Screens and other exclusionary screens described above, the Investment Manager uses third-party research and its proprietary framework (the "Methodology") in order to create a portfolio comprised of the following categories of companies:

- (a) Sustainability Enablers: companies that the Investment Manager has identified as having sustainable characteristics, where such companies derive greater than 20% of their revenue from products or services which are aligned with one or more of the following sustainability themes: enabling sustainable production practices, enhancing the health and wellbeing of people, promoting financial or digital inclusion and/or promoting decarbonisation.
- (b) Environmental Improvers: companies that the Investment Manager has identified as having the potential to reduce their contribution to climate change, where such companies are expected to demonstrate significant progress towards decarbonising their operations.
- (c) Emerging Enablers: companies which do not at the point of investment meet the 20% revenue threshold set for 'Sustainability Enablers' above, where the Investment Manager believes based on engagement with the relevant company and/or available data, that the company will meet such threshold within three to five years.

~~Companies not excluded following the application of the foregoing requirements of this ESG Policy will be assessed by the Investment Manager based on their ESG credentials (as well as other factors within the Investment Manager's company specific research and analysis) in order to create a portfolio of sustainable investments (as described in "Investment Policy" above).~~

The Investment Manager seeks to engage with investee companies to assess, monitor, and track their ESG credentials, for example, by:

- meeting a company's executive management to discuss their ESG approach and how they are addressing ESG risks and opportunities;
- reviewing a company's ESG reporting and providing feedback to management; and
- evaluating a company's strategy to responsible sourcing or carbon reduction.

Reduction in carbon emission intensity score

The Fund also actively aims to achieve, in respect of only the corporate issuers (i.e. companies) in which it invests, a carbon emission intensity that is 20% lower than the MSCI World Index (the "Index") at all times.

The carbon emission intensity is calculated for the Fund's portfolio and separately for the Index based on the carbon emission intensity attributed to the issuers that they hold. Where data is unavailable for a particular issuer, the carbon emission intensity of that issuer will be estimated by MSCI.

'Carbon emission intensity' is a measurement of carbon emissions of an issuer relative to the issuer's size, based on data from one or more third party ESG research providers, as further detailed below. In measuring the size of issuers for the purposes of the calculation, the Investment Manager intends to use their enterprise value including cash (EVIC) but it may use another measure instead if it considers it appropriate or necessary as a result of changes in regulation, market practice or available data. The calculation of the company's carbon emission intensity levels includes Scope 1 GHG emissions and Scope 2 GHG emissions but excludes Scope 3 GHG emissions. This means that the calculation includes:

(i) direct emissions from sources that the reporting company owns or controls; and (ii) indirect emissions that a reporting company causes from the generation of energy that it purchases or uses, but (iii) does not include any other emissions produced by other companies or parties involved in the reporting company's value chain, which can be complicated to calculate and estimate. Scope 3 emissions may represent a significant proportion of a company's carbon footprint and, as a result, the Fund's reported carbon emission intensity may not be fully representative of the GHG emissions of the Fund's underlying issuers. Please refer to the risk factor "Carbon emission intensity calculations and greenhouse gas (GHG) emissions data" above for more information on GHG emissions.

Use of data

~~In~~ For the purposes of applying this ESG Policy the Methodology, the Investment Manager may use data ~~provided~~ generated internally by the Investment Manager and/or its affiliates or provided by one or more ~~third party~~ external ESG research providers ~~and local intelligence and may undertake site visits. The ESG criteria applied by the Investment Manager, as described above, may evolve and advance over time. (including MSCI).~~

The Investment Manager will also use data from MSCI for applying the BlackRock EMEA Baseline Screens and other exclusionary screens and calculating the carbon emission intensity score for the Fund. However, the Investment Manager may, in the future, change the data provider(s) where it considers that a better data source is available (and will reflect such change in the quarterly reporting for the Fund, as further detailed below).

There are certain risks involved with the use of third party data, as further set out in section [19(b)] (Risks relating to the application of ESG criteria) above.

Reporting

Quarterly reporting in relation to the ESG commitments applied by the Fund is available to unitholders on an ongoing basis by request to the Investment Manager, and reporting in relation to these ESG commitments will also be provided in the annual and semi-annual reports of the Fund, using the following metrics:

- **ESG Commitment 1:** percentage of the Fund's portfolio that passes the BlackRock EMEA Baseline Screens and other exclusionary screens (as described above).
- **ESG Commitment 2:**
 - percentage of the Fund's portfolio which the Investment Manager has identified as a "Sustainability Enabler" (as defined in the "Methodology" section above);
 - percentage of the Fund's portfolio which the Investment Manager has identified as an "Environmental Improver" (as defined the "Methodology" section above); and
 - percentage of the Fund's portfolio which the Investment Manager has identified as an "Emerging Enabler" (as defined in the "Methodology" section above).
- **ESG Commitment 3:** percentage reduction of the carbon emission intensity of the Fund's portfolio invested in corporate issuers as compared to the Index.

~~Should existing holdings, compliant at the time of investment with the ESG Policy, subsequently become ineligible under the ESG Policy, they will be divested by the Fund within a reasonable period of time (not expected to exceed 90 days). The Fund may gain limited indirect exposure (through, including but not limited to, derivatives, cash and assets that can be turned into cash quickly, shares or units of collective investment schemes (CIS) and fixed income securities and fixed income related securities issued by governments and agencies worldwide) to issuers with exposures that do not meet the ESG criteria described above. Circumstances in which such indirect exposure may arise include, but are not limited to, where a counterparty to a derivative in which the Fund invests posts collateral which is inconsistent with the Fund's ESG criteria or where a CIS in which the Fund invests does not apply any or the same ESG criteria as the Fund and so provides exposure to securities which are inconsistent with the Fund's ESG criteria. The Investment Manager may take corrective action in such circumstances.~~

The ESG criteria used by the Investment Manager, as described above, may evolve and advance over time and in the event of any changes, the Prospectus will be updated at the next available opportunity.

Fund Benchmark(s)

MSCI World Index is used by the Investment Manager when constructing the portfolio of the Fund. This benchmark has been chosen because the Investment Manager has determined that it is representative of the investment universe of the Fund and should be used by unitholders to compare the performance of the Fund. Unitholders should note that the criteria which the Investment Manager applies in order to achieve its investment objective (including the application of the exclusionary screens) will reduce the investment universe and accordingly may reduce the investment opportunities available (see further detail in "Risks relating to the application of the ESG criteria" above).

The Fund's carbon emission intensity score is measured against the MSCI World Index.

