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7 October 2022

To: Shareholders of iShares Global Water UCITS ETF (the “**Fund**”) ISIN(s): IE00B1TXK627 & IE000CFH1JX2

Dear Shareholder,

The Directors of iShares II PLC (the “**Company**”) wish to advise you of certain changes that will be made by the index administrator, S&P Dow Jones Indices (“**S&P DJI**”), to the S&P Global Water Index, the benchmark index of the Fund (the “**Index**”). The changes are anticipated to take effect prior to the market open on Monday, October 24, 2022 (the “**Effective Date**”).

Following a process of consultation, S&P DJI is amending the Index’s methodology to encompass the following :

- Eligibility Factors: S&P DJI is modifying the eligibility criteria relating to market capitalization, liquidity thresholds and domicile/trading location (addition of emerging markets), for inclusion in the Index;
- Index Construction : S&P DJI is modifying the Index’s construction process by applying additional business activities and controversy screens, increasing the target constituent count from 50 to 100, and modifying the exposure score (calculated based on each constituent’s exposure to certain business activities) and its assignment process;

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- Constituent Weightings : At each rebalancing, constituents will be reweighted, subject to updated capping constraints, based on their market capitalisation, liquidity and exposure score; and
- Rebalancing Schedule : In addition to the existing semi-annual rebalancing schedule, the Index will now be reweighted quarterly.

It is not considered that the above mentioned changes will have a material adverse effect on the manner in which the Fund is managed. Prior to and following the anticipated implementation on the Effective Date by the index administrator of the changes to the Index, the Company expects that the Fund will continue to provide investors with a total return, taking into account both capital and income returns, which reflects the total return of its Index. The objective of these changes is to ease liquidity limitations, improve Index replication, enhance transparency, and align the Index objective with evolving investor demand for indices to adopt ESG characteristics.

We believe that where such enhancements can be made to improve the ESG characteristics of a Fund's portfolio while continuing to provide a similar or improved risk/return profile, such enhancements are in the best interests of investors.

As a result of the changes, the Fund will now be classified as an Article 8 fund for the purposes of the 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 (“**SFDR**”) on or around the Effective Date.

All changes will be implemented at the Effective Date, with the exception of the changes to the domicile/trading location eligibility factor which will be implemented prior to the open of Monday, October 23, 2023.

Further information in respect of the changes can be found at the following link:

https://www.spglobal.com/spdji/en/documents/indexnews/announcements/20220908-1455661/1455661_spglobalwaterindexconsultationresults9-8-2022.pdf

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It is anticipated that the Company's prospectus and the Key Investor Information Document (KIID) for the Fund will be updated at the next available opportunity to bring the current Index description in line with the proposed changes and subject to the approval of the Central Bank of Ireland. The updated prospectus and KIID will be available on www.ishares.com. It is not expected that there will be any change to the Synthetic Risk Reward Indicator or anticipated tracking error of the Fund as a result.

BlackRock Asset Management Ireland Limited, as manager of the Company, will pay the costs of the shareholder notification, and any additional operational costs (excluding realignment costs) and legal costs related to the proposed changes that would otherwise have been incurred by the Fund. The transaction costs of realignment will form part of the semi-annual rebalance which in aggregate are estimated to be 4bps and will be borne by the Fund. The Total Expense Ratio of the Fund will not change as a result of the proposed change to the Index.

You are not required to do anything as a result of this notification. Please contact info@ishares.com if you have any queries concerning the changes outlined in this letter.

Yours faithfully



Director
for and on behalf of iShares II plc

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Appendix

Proposed amendments to the Existing Benchmark Index and investment objective and policy of the Sub-fund subject to any changes as may be approved by the Central Bank of Ireland are highlighted below in bold, underlined text:

Current Investment Objective and Benchmark Description	Proposed Investment Objective and Benchmark Description (changes in bold and underlined)
<p><u>Investment Objective</u> The investment objective of this Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the S&P Global Water Index.</p> <p><u>Investment Policy</u> In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of equity securities that so far as possible and practicable consists of the component securities of the S&P Global Water Index, this Fund's Benchmark Index. The Fund intends to replicate the constituents of the Benchmark Index by holding all the securities comprising the Benchmark Index in a similar proportion to their weightings in the Benchmark Index. In order to replicate its Benchmark Index, this Fund may invest up to 20% of its Net Asset Value in shares issued by the same body. This limit may be raised to 35% for a single issuer when exceptional market conditions apply (as set out in section 4 of Schedule III).</p> <p>As the Fund is approved by the CMA as a QFI under the QFI Rules, it can invest in Saudi listed shares on the Saudi Stock Exchange subject to the applicable foreign ownership limits under the QFI Rules and Saudi Capital Markets Law. As approved QFIs are not permitted under the current QFI Rules to also be the ultimate beneficial owners of Saudi-listed securities underlying FDI (e.g. swaps or participation notes) traded through the Saudi swap framework, to the extent the Fund invests in FDI, the Fund as a QFI will only be able to invest in FDI that have non-Saudi listed securities as the underlying security.</p> <p>The Base Currency of iShares Global Water UCITS ETF is US Dollar (US\$).</p> <p><u>Benchmark Index</u> The S&P Global Water Index comprises 50 of the largest global publicly traded companies in water-related businesses that meet specific investability requirements. The Benchmark Index is designed to provide liquid and tradable exposure to the leading publicly listed companies in the global water industry, from both developed markets and emerging markets. The Benchmark Index is weighted by market capitalisation and rebalances on a semi-annual basis. Further details regarding</p>	<p><u>Investment Objective</u> The investment objective of this Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the S&P Global Water Index.</p> <p><u>Investment Policy</u> In order to achieve its investment objective, the investment policy of this Fund is to invest in a portfolio of equity securities that so far as possible and practicable consists of the component securities of the S&P Global Water Index, this Fund's Benchmark Index. The Fund intends to replicate the constituents of the Benchmark Index by holding all the securities comprising the Benchmark Index in a similar proportion to their weightings in the Benchmark Index. In order to replicate its Benchmark Index, this Fund may invest up to 20% of its Net Asset Value in shares issued by the same body. This limit may be raised to 35% for a single issuer when exceptional market conditions apply (as set out in section 4 of Schedule III).</p> <p>As the Fund is approved by the CMA as a QFI under the QFI Rules, it can invest in Saudi listed shares on the Saudi Stock Exchange subject to the applicable foreign ownership limits under the QFI Rules and Saudi Capital Markets Law. As approved QFIs are not permitted under the current QFI Rules to also be the ultimate beneficial owners of Saudi-listed securities underlying FDI (e.g. swaps or participation notes) traded through the Saudi swap framework, to the extent the Fund invests in FDI, the Fund as a QFI will only be able to invest in FDI that have non-Saudi listed securities as the underlying security.</p> <p><u>It is intended that the Fund's direct investments will, at the time of purchase, comply with the environmental, social and governance ("ESG") requirements of the Fund's Benchmark Index. The Fund may continue to hold securities which no longer comply with the ESG requirements of the Fund's 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.</u></p>

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the Benchmark Index (including its constituents) are available on the index provider's website at <http://supplemental.spindices.com/supplemental-data/eu>.

The Base Currency of iShares Global Water UCITS ETF is US Dollar (US\$).

Benchmark Index

The S&P Global Water Index is designed to provide exposure to publicly traded companies engaged in the global water industry, from both developed markets and emerging markets.

To be eligible for inclusion in the Benchmark Index, stocks must (i) have a total market capitalisation of at least US\$300 million; (ii) have a 6-month median daily traded volume (MDTV) of at least US\$3 million (US\$2 million for existing constituents); and (iii) be trading on a developed market exchange (the index provider has announced that from 23 October 2023 stocks trading on an emerging or developed market exchange will be eligible for inclusion).

Companies that meet the eligibility criteria are considered for inclusion in the Benchmark Index based on their industry classification as a water related business or if they belong to the "Water Utilities" sub-industry as defined by the Global Industry Classification Standard (GICS). Companies are then selected for inclusion in the Benchmark Index on the basis of their exposure scores to the water business, as determined by the index provider. Companies will be assigned to one of two water cluster: (i) Water Equipment Instrument & Materials or (ii) Water Utilities & Infrastructure. The exposure score and water cluster for each company considered for inclusion is determined by taking into account the company's business description and water business related revenue.

Within each water cluster, companies categorised in accordance with the index methodology as having "1", "0.75" or "0.5" exposure scores to the water business may be included in the Benchmark Index. The Benchmark Index targets a constituent count of 100 with 50 constituents within each of the water clusters, although more than 100 stocks can be included where all such stocks have a maximum water business exposure score of "1". Where there are fewer than 50 stocks with a maximum water business exposure score of "1" within each cluster, stocks with "0.75" and then "0.5" water business exposure scores may be included until the target number of 50 constituents within each cluster has been reached, priority within each category being given to stocks with a higher free float market capitalisation. It is possible for the resulting number of constituents within each cluster to be lower than 50, should all eligible companies with an exposure score of "1", "0.75" or "0.5" have been selected already.

In addition to the above, the Benchmark Index also seeks to exclude companies based on ESG exclusionary criteria. The Benchmark Index seeks to exclude issuers based on their involvement in the following business lines/activities (or related activities): controversial weapons, small arms, military contracting, tobacco,

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thermal coal, oil sands, shale energy, arctic oil and gas exploration. The index provider defines what constitutes “involvement” in each restricted activity. This may be based on percentage of revenue, an ownership threshold, or another connection to a restricted activity. The Benchmark Index also excludes issuers based on ESG principles which measure each issuer's involvement in severe ESG controversies, or exposure to and management of ESG risks, or a combination of the issuer's ESG risk and controversy ratings. Issuers that are classified as violating United Nations Global Compact principles (which are widely accepted corporate sustainability principles that meet fundamental responsibilities in areas such as anti-corruption, human rights, labour and environment) are also excluded from the Benchmark Index.

The Benchmark Index caps individual constituent weights taking into account the constituents' water business exposure and liquidity scores, as determined in accordance with the index methodology. The aggregate weight of each cluster is set to 50%. In addition, the cumulative weight of all constituents within the Benchmark Index which have a weight greater than 4.5% cannot exceed 40%. The Benchmark Index is rebalanced on a semi-annual basis. In addition, constituents are reweighted on a quarterly basis.

Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <http://supplemental.spindices.com/supplemental-data/eu>.

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