

**Pre-contractual disclosure for the 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**

**Product name: Future Of Transport Fund  
Legal entity identifier: 549300Y7OU6TK8YJHB08**

**Sustainable investment objective**

**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.

Does this financial product have a sustainable investment objective?	
<p><input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> <b>Yes</b></p> <p><input checked="" type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: 0%</b></p> <p><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: 0%</b></p>	<p><input type="radio"/> <input type="radio"/> <input type="checkbox"/> <b>No</b></p> <p><input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 0% of sustainable investments</p> <p><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with a social objective</p> <p><input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b></p>

**What is the sustainable investment objective of this financial product?**

The Fund seeks to maximise total return by investing at least 70% of its total assets in the equity securities of companies globally whose predominant economic activity comprises the research, development, production and/or distribution of technologies used and applied to transport.

The Fund will focus on companies that generate revenues from the transition to renewable energy such as electric, autonomous and/or digitally connected vehicles.

The Fund invests in Sustainable Investments. BlackRock defines Sustainable Investments as investments in issuers or securities that contribute to an environmental or social objective, do not significantly harm any of those objectives and where investee companies follow good governance practices. BlackRock refers to relevant sustainability frameworks to identify the alignment of the investment to environmental or social objectives.

BlackRock invests in Sustainable Investments which contribute to a range of environmental and / or social objectives which may include but are not limited to, alternative and renewable energy, energy efficiency, pollution prevention or mitigation, reuse and recycling, health, nutrition, sanitation and education and the UN Sustainable Development Goals (“Environmental and Social Objectives”).

An investment will be assessed as contributing to an Environmental and/or Social Objective where:

- a) a minimum proportion of the issuer’s business activity contributes to an Environmental and/or Social Objective; or
- b) the issuer’s business practices contribute to an Environmental and/or Social Objective.

The Fund considers key environmental and social issues that are deemed to be relevant to the issuers' businesses using ESG scores as a means of assessing issuers' exposure to and management of those risks and opportunities. The ESG scores recognise that certain environmental and social issues are more material based on the type of activity that the issuer is involved in by weighting the issues differently in the scoring methodology. The following environmental themes are captured in the environmental component of the ESG score: climate change, natural capital, pollution and waste and environmental opportunities. The following social themes are captured in the social component of the ESG score: human capital, product liability, stakeholder opposition and social opportunities. Corporate issuers that have better ESG scores are perceived to have more sustainable business practices.

The Fund does not use a reference benchmark for the purposes of attaining the ESG characteristics that it promotes, however, MSCI All Countries World Index (the "Index") is used to compare certain ESG characteristics promoted by the Fund.

● **What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?**

1. The Fund's holdings in Sustainable Investments, as described above.
2. The Fund's ESG rating, which is the weighted average of ESG scores of the Fund's holdings, as described above.
3. The Fund's consideration of principal adverse impacts (PAIs) on sustainability factors, as described below.

● **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**

Sustainable Investments meet the 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. Further information on the above can be found by copying and pasting the following link into your web browser: <https://www.blackrock.com/corporate/literature/publication/blackrock-sfdr-sustainable-investments-methodology.pdf>

— How have the indicators for adverse impacts on sustainability factors been taken into account?

The indicators for adverse impacts on sustainability factors for each type of investment are assessed using BlackRock's Sustainable Investments proprietary methodology. BlackRock uses third-party data and/or fundamental analysis to identify investments which negatively impact sustainability factors and cause significant harm.

— How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Sustainable Investments are 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.

**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.



**Does this financial product consider principal adverse impacts on sustainability factors?**

Yes

No

This Fund takes into account the PAIs through BlackRock's DNSH standard for Sustainable Investments. This Fund will provide information on the PAIs in its annual report.



### What investment strategy does this financial product follow?

The Fund seeks to maximise total return by investing at least 70% of its total assets in the equity securities of companies globally whose predominant economic activity comprises the research, development, production and/or distribution of technologies used and applied to transport.

The Fund will focus on companies that generate revenues from the transition to renewable energy such as electric, autonomous and/ or digitally connected vehicles.

In normal market conditions the Fund will invest in a portfolio of equity securities of companies with large, medium and small market capitalisation that are involved in activities including the following: raw materials (e.g. metals and battery materials), components and computer systems (e.g. batteries and cabling), technology (e.g. vehicle sensor technology) and infrastructure (e.g. vehicle battery charging stations). The companies are rated by the Investment Adviser based on their ability to manage the risks and opportunities associated with renewable energy and their ESG risk and opportunity credentials, such as their leadership and governance framework, which is considered essential for sustainable growth, their ability to strategically manage longer-term issues surrounding ESG and the potential impact this may have on a company's financials. The Investment Adviser considers such companies to be Sustainable Investments.

The assessment of the level of engagement in each activity may be based on percentage of revenue, a defined total revenue threshold, or any connection to a restricted activity regardless of the amount of revenue received.

The Fund adopts a "best in class" approach to sustainable investing. This means that the Fund selects the best issuers (from an ESG perspective) for each relevant sector of activities (without excluding any sector of activities). More than 90% of the issuers of securities the Fund invests in are ESG rated or have been analysed for ESG purposes.

The Investment Adviser uses its analysis to create a portfolio that has a higher ESG rating than the Index after eliminating at least 20% of the least well-rated securities from the Index.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

#### ● **What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?**

The binding elements of the strategy are as follows:

1. Maintain that all of the Fund's investments will be Sustainable Investments (save for instruments used for the purposes of liquidity management and/or hedging, which will not exceed 20% of the Fund's total assets).
2. Maintain that the weighted average ESG rating of the Fund will be higher than the ESG rating of the index after eliminating at least 20% of the lowest rated securities from the index.
3. 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.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

#### ● **What is the policy to assess good governance practices of the investee companies?**

BlackRock assesses good governance practices of the investee companies by combining proprietary insights and shareholder engagement by the Investment Adviser, with data from external ESG research providers. BlackRock uses data from external ESG research providers to initially identify issuers which may not have satisfactory governance practices in relation to key performance indicators (KPIs) related to sound management structure, employee relations, remuneration of staff and tax compliance.

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.



### What is the asset allocation and the minimum share of sustainable investments?

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

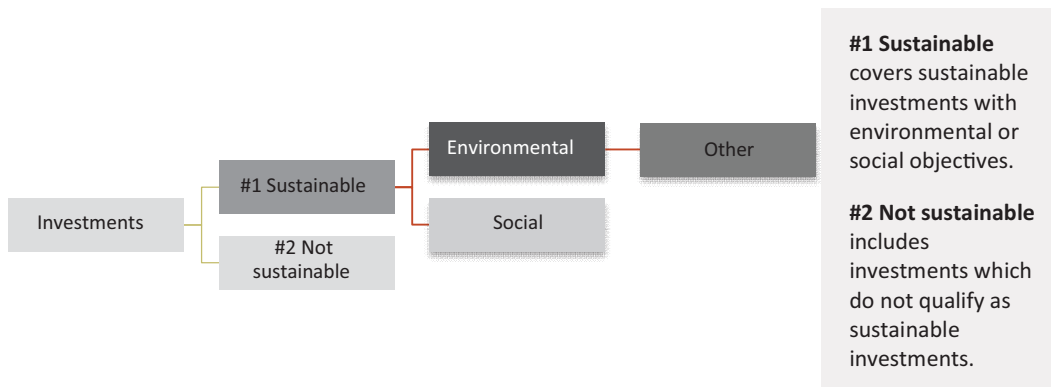
Taxonomy-aligned activities are expressed as a share of:

- **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.

All of the Fund's investments will be Sustainable Investments or instruments used for the purposes of liquidity management and/or hedging. Investments used for the purposes of liquidity management and/or hedging will not exceed 20% of the Fund's total assets.

A minimum of 80% of the Fund's total assets will be invested in Sustainable Investments (#1 Sustainable), however, the Fund does not commit to separate minimum levels of investment in Sustainable Investments with an environmental objective or to separate minimum levels of investment in Sustainable Investment with a social objective.

The Fund may invest up to 20% of its total assets in other investments (#2 Not sustainable).



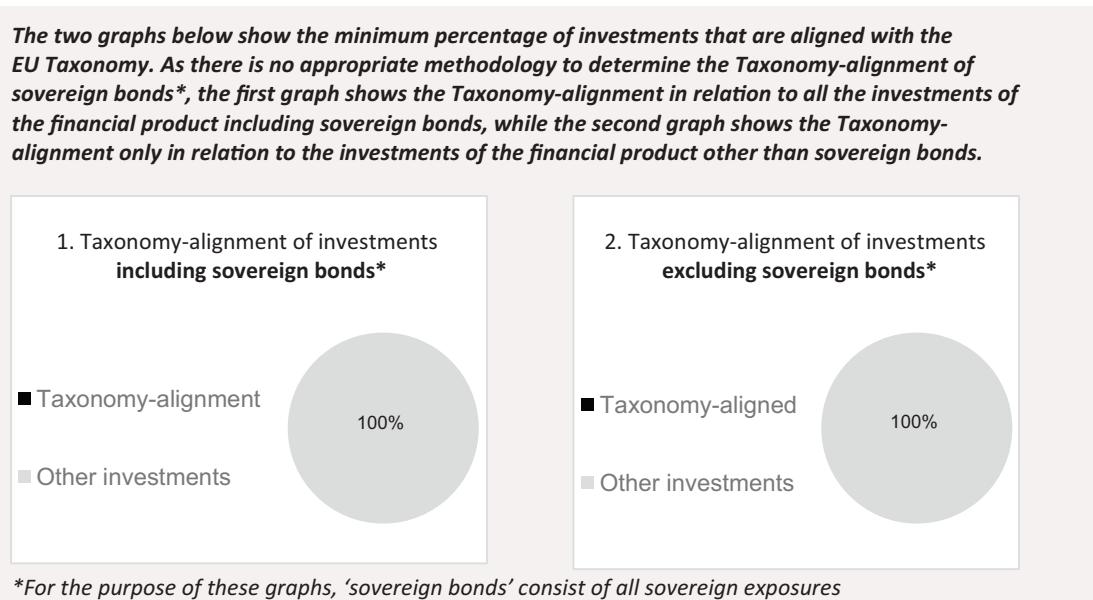
### How does the use of derivatives attain the sustainable investment objective?

The Fund may use derivatives for investment purposes and for the purposes of efficient portfolio management. For derivatives, any ESG rating or analyses referenced above will apply only to the underlying investment.



### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund does not currently commit to invest more than 0% of its assets in Sustainable Investments with an environmental objective aligned with the EU Taxonomy, however, these investments may form part of the portfolio.



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

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

 are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

● **What is the minimum share of investments in transitional and enabling activities?**

The Fund does not commit to making investments in transitional and enabling activities, however, these investments may form part of the portfolio.



● **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

A minimum of 80% of the Fund's total assets will be invested in Sustainable Investments. As noted above, these Sustainable Investments will be a mix of Sustainable Investments with an environmental objective that is not aligned with the EU taxonomy or a social objective or a combination of both, and the exact composition may fluctuate.

The Fund invests in Sustainable Investments that are 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 may be unavailable; and / or (iii) underlying economic activities may not be eligible under the EU Taxonomy's available technical screening criteria or may not comply with all requirements set out in such technical screening criteria.



● **What is the minimum share of sustainable investments with a social objective?**

A minimum of 80% of the Fund's total assets will be invested in Sustainable Investments. As noted above, these Sustainable Investments will be a mix of Sustainable Investments with an environmental objective that is not aligned with the EU taxonomy or a social objective or a combination of both, and the exact composition may fluctuate.

The Fund invests in Sustainable Investments that are 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 may be unavailable; and / or (iii) underlying economic activities may not be eligible under the EU Taxonomy's available technical screening criteria or may not comply with all requirements set out in such technical screening criteria.



● **What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?**

Other holdings are limited to 20% and may include derivatives, cash and near cash instruments and shares or units of CIS and fixed income transferable securities (also known as debt securities) issued by governments and agencies worldwide.

The use of such investments does not affect the delivery of the sustainable investment objective, as these investments are used for the purposes of liquidity management and/or hedging.

No other holdings are considered against minimum environmental or social safeguards.



● **Is a specific index designated as a reference benchmark to meet the sustainable investment objective?**

No.

Please note that the MSCI All Countries World Index is used to compare certain ESG characteristics promoted by the Fund.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.

● **How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?**

Not applicable.

● **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**

Please refer to the website page for the Fund, which can be found by typing the name of the Fund into the search bar on the BlackRock website: [www.blackrock.com](http://www.blackrock.com). Further information on the criteria for Sustainable Investments can be found by copying and pasting the following link into your web browser: <https://www.blackrock.com/corporate/literature/publication/blackrock-sfdr-sustainable-investments-methodology.pdf>