

**BlackRock**

# Think sustainable



# Invest through a sustainable lens

Sustainability-related issues are increasingly becoming top of mind for many investors, policymakers and society in general. As governments around the world debate how to address issues such as the transition to a low-carbon economy, many companies are taking action. This presents investors with additional risks and opportunities to consider for their portfolios.

In practice, sustainable investing means **strategies with environmental, social, and/or governance (ESG) objectives, themes, and related considerations as a principal means for selecting investments.**

Many investors large and small are adopting a sustainable approach. This guide answers four key questions to help get started investing through a sustainable lens:

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**Why now?**

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**What are ESG insights?**

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**Why BlackRock for sustainable investing?**



# Why now?

Sustainable investing is on the rise, evidenced by the growth of sustainable assets under management. Key factors driving this growth include:

## **Evolving views on risk and return**

There is growing recognition that ESG research and analysis can help identify investment risks and opportunities and potentially deliver better long-term returns.

## **Better data leading to better insights**

Companies are increasingly disclosing more ESG information to help measure and communicate their efforts at managing risk and creating value through sustainability in a manner that makes it more readily comparable for investors.

## **Sustainable choices for every portfolio**

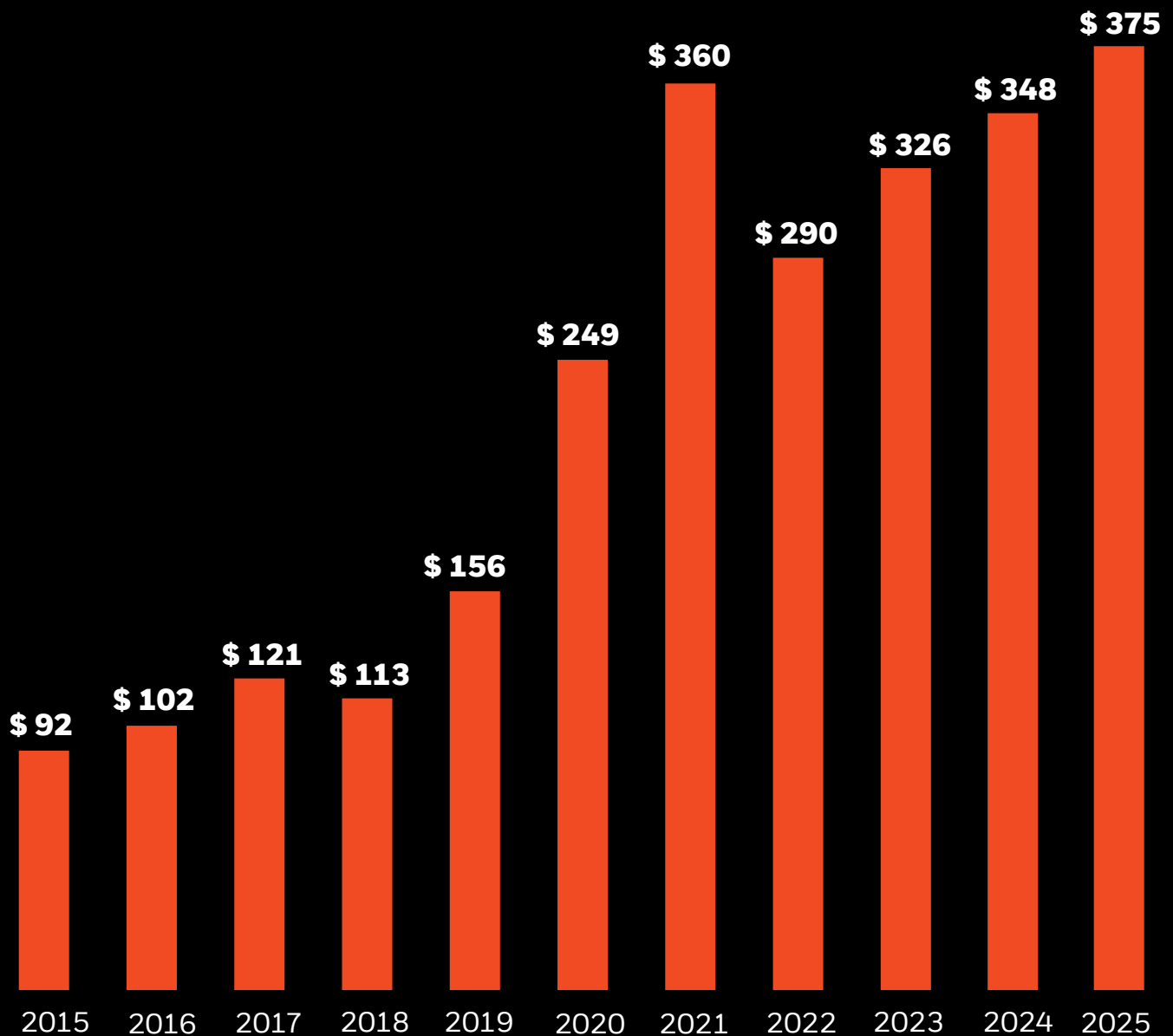
There are more sustainable investment strategies available today, providing investors with more options to build sustainability into their portfolio based on their goals.

## Sustainable investing is on the rise

With this growth has come an expanding menu of choices for investors looking to adopt sustainable investment strategies. BlackRock offers a robust suite of sustainable mutual funds and ETFs and can help you find strategies to potentially meet your investment and sustainability objectives.

## Sustainable assets have grown more than 4x since 2015.<sup>1</sup>

Growth of U.S. sustainable assets under management (\$ billions)



1. Source: Morningstar as of 12/31/2025. Based on 196 sustainable ETFs and 294 sustainable open-end funds as defined by Morningstar to be an "ESG Intentional investment - Overall."



# What are ESG insights?

ESG insights help reveal risks and opportunities that aren't typically captured in traditional financial analysis. These insights can help provide a more informed view of a company.

**Example of an ESG risk:** A company with weak data security protocols may be vulnerable to a data breach, resulting in potential negative long-term performance.

**Example of an ESG opportunity:** A company investing in clean technologies to make supply chains more energy efficient and reduce energy costs, resulting in potential positive long-term performance.

## Examples of environmental, social, and governance considerations



### Environmental

- Water use
- Land use
- Waste management
- Climate risk



### Social

- Human capital
- Product liability
- Data privacy
- Health and safety



### Governance

- Accounting practices
- Ownership & control
- Board independence
- Ethics

For illustrative purposes only. This is not an exhaustive list of ESG considerations.

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# How do I get started?

Incorporating sustainable investments in your portfolio can be simple. BlackRock offers solutions designed for investors who are interested in sustainable investing.

## Consider the following methods

### Add to the core

“Core” investments are long term holdings that typically provide the foundation of investment portfolios and occupy the largest allocation. Replacing portions or all of your core investments with sustainable funds may offer similar broad market exposure while improving your portfolio’s sustainability profile.

### Examples of funds to consider adding to the core

#### ESGU

**iShares ESG Aware MSCI USA ETF** is part of the iShares Sustainable ETF platform. The ETF provides exposure to the broad U.S. stock market while tilting towards companies with favorable ESG characteristics.

#### BIRIX

**BlackRock Sustainable Advantage Large Cap Core Fund** is part of BlackRock’s active sustainable suite. The fund invests across the broad U.S. stock market, seeking outperformance alongside sustainable insights.

**BlackRock offers core sustainable funds across equity and fixed income asset classes.**

The strategies discussed are strictly for illustrative and educational purposes and are not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. There is no guarantee that any strategies discussed will be effective.

## Complement your core

Core complements can be used to pursue high growth opportunities or invest in specific themes you care about. For example, if you are interested in investing in innovative climate change solutions, thematic funds offer targeted exposure to themes such as clean energy.

### Examples of core complements

#### ICLN

##### **iShares Global Clean Energy ETF**

provides exposure to companies around the world that produce energy from solar, wind, and other renewable sources.

#### SDG

##### **iShares MSCI Global Sustainable Development Goals ETF**

provides exposure to global stocks that advance themes related to the United Nation's Sustainable Development Goals, such as education or climate change.

## Model Portfolios

Do you want to invest sustainably across your entire portfolio? More sustainable and ESG models are being made available for investors, which include sustainable funds.

**BlackRock ESG Target Allocation model portfolios** provide access to investment portfolios built using sustainable funds as building blocks. Consult with your financial advisor on how they can help you implement a ready-to-go sustainable model built by BlackRock.

**Please visit [BlackRock.com](https://www.blackrock.com) to explore more sustainable investment solutions offered at BlackRock.**

This information should not be relied upon as investment advice, research, or a recommendation by BlackRock regarding (i) the funds, (ii) the use or suitability of the model portfolios or (iii) any security in particular. Only an investor and their financial professional know enough about their circumstances to make an investment decision.

## Seeking both a financial and sustainable goal

Comparison of select traditional indexes and BlackRock sustainable equity solutions by region. Please visit [BlackRock.com](https://www.BlackRock.com) to explore more sustainable investment solutions offered at BlackRock.

	Name	5-Year Average Annual Total Return (%) <sup>1</sup>	5-Year Volatility (%) <sup>1</sup>	MSCI ESG Quality Score <sup>2</sup>	MSCI ESG % Coverage <sup>2</sup>	MSCI ESG Quality Score - Peer Percentile <sup>2</sup>	Fund Lipper Global Class (# of funds) <sup>2</sup>	MSCI Weighted Average Carbon Intensity <sup>2</sup>	MSCI Weighted Average Carbon Intensity % Coverage <sup>2</sup>
U.S.	iShares ESG Aware MSCI USA ETF (ESGU)	13.07	15.38	6.96	99.97%	91.45	Equity US (3,718)	65.89	99.80
	MSCI USA Index	13.87	15.31	6.25	99.90	–	–	88.30	99.92
International developed	iShares ESG Aware MSCI EAFE ETF (ESGD)	8.62	15.10	8.36	99.94	98.36	Equity Global ex US (853)	66.44	99.26
	MSCI EAFE Index	8.92	14.28	7.65	99.91	–	–	87.24	99.92
Emerging markets	iShares ESG Aware MSCI EM ETF (ESGE)	3.70	15.94	7.58	100.00	99.09	Equity Emerging Mkts Global (1,316)	117.63	99.21
	MSCI EM Index	4.20	15.42	6.19	98.05	–	–	276.03	99.88

**Index performance is for illustrative purposes only. Index performance does not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. The performance quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting [www.iShares.com](https://www.iShares.com) or [www.BlackRock.com](https://www.BlackRock.com). For standardized fund performance, please see the end of this document.**

The indexes shown are the parent indexes of the indexes that the funds seek to track. There may be material differences between the fund's index and the indexes shown including without limitation holdings, methodology and performance.

**1** Source: Morningstar as of 12/31/2025. Volatility is measured by Standard Deviation, which is a measure of the dispersion of a set of data from its mean. It is calculated as the square root of variance by determining the variation between each data point relative to the mean.

**2** Source: For iShares ESG MSCI USA ETF, iShares ESG Aware MSCI EAFE ETF and iShares ESG Aware MSCI EM ETF data, MSCI ESG Fund Ratings as of 10/14/2025, using holdings as of 9/30/2025; for index data, Traditional (MSCI USA), Traditional (MSCI EAFE) and Traditional (MSCI EM), MSCI Solutions as of 10/14/2025, using holdings as of 9/30/2025. The MSCI ESG Quality Score (0 - 10) for funds is calculated using the weighted average of the ESG scores of fund holdings. MSCI rates underlying holdings according to their exposure to industry specific ESG risks and their ability to manage those risks relative to peers. These issuer-level ESG ratings correspond to an issuer-level ESG Score. To be included in MSCI ESG Fund Ratings, 65% (or 50% for bond funds and money market funds) of the fund's gross weight must come from securities with ESG coverage by MSCI Solutions (certain cash positions and other asset types deemed not relevant for ESG analysis by MSCI are removed prior to calculating a fund's gross weight; the absolute values of short positions are included but treated as uncovered), the fund's holdings date must be less than one year old, and the fund must have at least ten securities. Please refer to the MSCI ESG Fund Ratings Methodology for more information. The MSCI ESG Quality Score Percentile measures how a fund's ESG Quality Score ranks relative to other funds in the same peer group. The peer group is based on the Lipper Global Classification and reflects the funds that are in the MSCI ESG Fund Ratings coverage universe.

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# Why BlackRock for sustainable investing?

## **Choice and performance**

We offer more than 400 sustainable investment products and solutions across index and active platforms, and we seek the best risk-adjusted returns within the mandates client give us.

## **Data and insights**

We provide investors with resources such as sustainable data and insights to help them build portfolios to pursue their financial and sustainable objectives.

## **Company engagement**

We engage with companies on behalf of our clients to help inform shareholder voting and help drive long-term, sustainable value creation.

## Standardized performance as of Dec 31, 2025

Fund name	Fund inception date	Expense ratio	1-year returns		5-year returns		10-year returns		Since inception	
			NAV	Mkt price	NAV	Mkt price	NAV	Mkt price	NAV	Mkt price
iShares ESG Aware MSCI USA ETF (ESGU)	12/1/2016	0.15%	16.91%	16.90%	13.07%	13.09%	--	--	15.00%	15.00%
iShares ESG Aware MSCI EAFE ETF (ESGD)	6/28/2016	0.20%	29.98%	29.63%	8.62%	8.68%	--	--	9.66%	9.65%
iShares ESG Aware MSCI EM ETF (ESGE)	6/28/2016	0.25%	35.84%	35.86%	3.70%	3.65%	--	--	8.54%	8.50%

**Fees as of Current Prospectus. The performance quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting [www.iShares.com](http://www.iShares.com) or [www.BlackRock.com](http://www.BlackRock.com).**

Shares of ETFs are bought and sold at market price (not NAV) and are not individually redeemed from the fund. Any applicable brokerage commissions will reduce returns. Beginning August 10, 2020, market price returns for BlackRock and iShares ETFs are calculated using the closing price and account for distributions from the fund. Prior to August 10, 2020, market price returns for BlackRock and iShares ETFs were calculated using the midpoint price and accounted for distributions from the fund. The midpoint is the average of the bid/ask prices at 4:00 PM ET (when NAV is normally determined for most ETFs). The returns shown do not represent the returns you would receive if you traded shares at other times.

**Carefully consider the Funds' investment objectives, risk factors, and charges and expenses before investing. This and other information can be found in the Funds' prospectuses or, if available, the summary prospectuses, which may be obtained by visiting [www.iShares.com](http://www.iShares.com) or [www.blackrock.com](http://www.blackrock.com). Read the prospectus carefully before investing.**

**Investing involves risk, including possible loss of principal.**

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A fund's environmental, social and governance ("ESG") investment strategy limits the types and number of investment opportunities available to the fund and, as a result, the fund may underperform other funds that do not have an ESG focus. A fund's ESG investment strategy may result in the fund investing in securities or industry sectors that underperform the market as a whole or underperform other funds screened for ESG standards. In addition, companies selected by the index provider may not exhibit positive or favorable ESG characteristics. Buying and selling shares of ETFs may result in brokerage commissions.

Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments.

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