

# INVESTING WITH CLIMATE IN MIND



Ways to gain climate exposure in a portfolio

The acceleration toward a low carbon economy is revealing risks in traditional investment approaches and presents an opportunity for investors to consider sustainable funds in order to pursue their long-term goals.

As climate considerations become more important to portfolio construction, investors may want to consider direct or indirect climate approaches to help align their portfolios with the transition to a low carbon economy.

## Broad Building Blocks

### Reduce



**Seek to reduce exposure to carbon emissions or fossil fuels-related activities**

Funds that seek to reduce exposure to heavy carbon emitters; may include broad environment, social and governance (ESG) funds with stringent fossil fuels-related screens:

**ESG Advanced**

**ESG Screened**

**Low Carbon Target**

### Prioritize



**Prioritize investments based on climate opportunities and risks**

Funds that allocate capital based on a company or government's commitments and actions to transition, such as companies reducing their reliance on fossil fuels and setting science-based targets:

**Low Carbon Transition Readiness**

## Targeted Exposures

### Target



**Target climate themes and impact outcomes**

Funds that invest in a specific sustainable activity, such as clean energy, or investments directly tied to projects designed to advance environmental purposes, such as green bonds:

**Clean Energy**

**Green Bonds**

# iShares sustainable ETFs to help incorporate climate risk and opportunities into portfolios

Suite	Fund name	Index	Ticker	Expense ratio
<b>Reduce</b>				
ESG Advanced	iShares ESG Advanced MSCI USA ETF	MSCI USA Choice ESG Screened Index	USXF	0.10%
ESG Advanced	iShares ESG Advanced MSCI EAFE ETF	MSCI EAFE Choice ESG Screened Net Index	DMXF	0.12%
ESG Advanced	iShares ESG Advanced MSCI EM ETF	MSCI Emerging Markets Choice ESG Screened 5% Issuer Capped Index	EMXF	0.16%
ESG Advanced	iShares ESG Advanced Total USD Bond Market ETF	Bloomberg Barclays MSCI US Universal Choice ESG Screened Index	EUSB	0.12%*
ESG Advanced	iShares ESG Advanced High Yield Corporate Bond ETF	Bloomberg Barclays MSCI US High Yield Choice ESG Screened Index	HYXF	0.35%
ESG Screened	iShares ESG Screened S&P 500 ETF	S&P 500 Sustainability Screened Index	XVV	0.08%
ESG Screened	iShares ESG Screened S&P Mid-Cap ETF	S&P MidCap 400 Sustainability Screened Index	XJH	0.12%
ESG Screened	iShares ESG Screened S&P Small-Cap ETF	S&P SmallCap 600 Sustainability Screened Index	XJR	0.12%
Low Carbon Target	iShares MSCI ACWI Low Carbon Target ETF	MSCI ACWI Low Carbon Target Index	CRBN	0.20%
<b>Prioritize</b>				
Carbon Transition Readiness	BlackRock U.S. Carbon Transition Readiness ETF (Active)	Russell 1000 Index	LCTU	0.15%*
Carbon Transition Readiness	BlackRock World ex U.S. Carbon Transition Readiness ETF (Active)	MSCI World Ex USA Index	LCTD	0.20%*
<b>Target</b>				
Clean Energy	iShares Global Clean Energy ETF	S&P Global Clean Energy Index	ICLN	0.46%
Green Bonds	iShares Global Green Bond ETF	Bloomberg Barclays MSCI Global Green Bond Select (USD Hedged) Index	BGRN	0.20%*

\* Net expense ratios shown for EUSB, BGRN, LCTU and LCTD reflect contractual fee waivers in place through 6/30/25, 3/1/22, 6/30/24, and 6/30/24 respectively. Gross expense ratios are 0.13%, 0.25%, 0.30% and 0.35% respectively.

**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.**

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.

International investing involves risks, including risks related to foreign currency, limited liquidity, less government regulation and the possibility of substantial volatility due to adverse political, economic or other developments. These risks often are heightened for investments in emerging/developing markets and in concentrations of single countries.

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. Non-investment-grade debt securities (high-yield/junk bonds) may be subject to greater market fluctuations, risk of default or loss of income and principal than higher-rated securities.

A fund's strategy of investing in securities of companies with low carbon exposure limits the type and number of investment opportunities available to the fund and, as a result, the fund may underperform other funds that do not seek to minimize carbon exposure. A fund's low carbon exposure investment strategy may result in the fund investing in securities or industry sectors that underperform the market.

Actively managed funds do not seek to replicate the performance of a specified index. Actively managed funds may have higher portfolio turnover than index funds.

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