

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action to be taken you should consult your stockbroker, bank, manager, solicitor, accountant, relationship manager or other professional adviser immediately. This letter is available in languages other than English and copies can be obtained at [www.ishares.com](http://www.ishares.com) or requested by calling 08453577000 (UK number) (please refer to the website for international phone numbers)**

11 November 2022

**To:** Shareholders of iShares MSCI USA Small Cap ESG Enhanced UCITS ETF (the “**Fund**”)  
ISIN(s): IE00B3VWM098

Dear Shareholder

We continually review our fund range to ensure that the investment characteristics and positioning of our funds remain both relevant to and consistent with the current investment and regulatory environment.

As a result of a recent review of the Fund, the Directors of iShares VII plc (the “**Company**”) wish to advise you of a change to the classification of the Fund under the EU Sustainable Finance Disclosure Regulation (“**SFDR**”). The change to the Fund’s SFDR classification is anticipated to take effect on 1 December 2022 (the “**Effective Date**”).

The Fund is currently classified as an Article 9 fund under the SFDR and seeks to track the performance of the MSCI USA Small Cap ESG Enhanced Focus CTB Index (the “**Index**”) which has been labelled by the index provider as a low carbon benchmark (within the meaning of the EU Benchmark Regulations). Where an index provider has labelled the benchmark index as a low carbon benchmark, the methodology of the benchmark index has to be constructed in accordance with the minimum standards prescribed by the EU Benchmarks Regulation in respect of the criteria for the selection, weighting and, where applicable, exclusion of the underlying assets, to align with the climate commitments laid down in the Paris Agreement.

Whilst the Fund will continue to seek to track the performance of the Index, the Company has decided to reclassify the Fund as an Article 8 fund under the SFDR. The decision to reclassify the Fund has been taken in light of the new Level 2 Regulatory Technical Standards under the SFDR (due to enter into force from 1 January 2023) and the current available regulatory guidance. Based on the revised technical standards and guidance, the Index would not adhere to the new standards and guidance without substantially moving away from its intended risk and return objective. Therefore the Board of the Company has made the decision that the Fund

**iShares VII public limited company**

**200 Capital Dock, 79 Sir John Rogerson’s Quay, Dublin 2, D02 RK57, Ireland | [www.ishares.com](http://www.ishares.com)**

iShares VII public limited company

Registered Office: 200 Capital Dock, 79 Sir John Rogerson’s Quay, Dublin 2, D02 RK57, Ireland.

Registered in Ireland under registration number 469617.

Directors: William McKechnie (Chair); Jessica Irschick (British); Ros O’Shea; Deirdre Somers; Pdraig Kenny.

iShares VII plc is an umbrella type open ended investment company with variable capital and having segregated liability between its funds. Regulated by the Central Bank of Ireland.

needs to be reclassified, given its investment objective to track its index and believe that the Fund's new classification better aligns the Fund with the upcoming regulatory standards and expectations.

There will be no changes to the Synthetic Risk Reward Indicator, anticipated tracking error or the investment objective and policy of the Fund as a result of the reclassification.

### **Costs**

BlackRock Asset Management Ireland Limited, as manager of the Company will pay the costs of producing and posting this letter and amending the documentation of the Fund to reflect these changes.

### **Action to be taken by you**

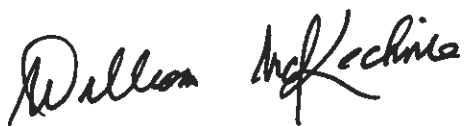
The changes being made will not have a material effect on the manner in which your investment is managed. You are not required to do anything as a result of this notification.

### **Further Information**

It is anticipated that the Company's prospectus for the Fund will be updated at the next available opportunity to reflect the proposed change. Subject to the approval of the Central Bank of Ireland, the updated prospectus will be available on [www.ishares.com](http://www.ishares.com) on or around the Effective Date.

Please contact [info@iShares.com](mailto:info@iShares.com) if you have any queries concerning the change outlined in this letter.

Yours faithfully



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Director  
for and on behalf of iShares VII plc

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