

BlackRock Strategic Funds

SUSTAINABILITY-RELATED DISCLOSURES (UNAUDITED) (continued)

BlackRock European Unconstrained Equity Fund

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

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.

Product name:
BlackRock European Unconstrained Equity Fund

Legal entity identifier:
549300X1JZDUCHO0GO16

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It made **sustainable investments with an environmental objective**: __%

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**: __%

☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of __% of sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ with a social objective

☒ It promoted E/S characteristics, but **did not make any sustainable investments**



To what extent were the environmental and/or social characteristics promoted by this financial product met?

The following table lists the environmental and social characteristics which were promoted by the Fund throughout the reference period. Further information on these environmental and social characteristics is outlined in the Fund's prospectus. Please refer to the section below, "How did the sustainability indicators perform?", which provides information about the extent that the Fund met such environmental and social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

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Environmental and social characteristics promoted by the Fund

The Fund uses BlackRock's proprietary Fundamental Insights Methodology. The Fund may invest to a limited extent in issuers with exposure to nuclear weapons, fossil fuels, tobacco and civilian firearms. The basis for these investments is that the issuers are in "in transition" and focused on meeting sustainability criteria. However, issuers that do not meet the below screening criteria are excluded from investment

Exclusion of issuers which are engaged in, or are otherwise exposed to, the production of controversial weapons (including, but not limited to, cluster munitions, biological-chemical, landmines, depleted uranium, blinding laser, non-detectable fragments and/or incendiary weapons)

Exclusion of issuers deriving any revenue from direct involvement in the production of nuclear warheads

Exclusion of issuers deriving more than 25% of their revenue from thermal coal extraction and/or thermal coal-based power generation, with the exception of "green bonds", that are considered to comply with the International Capital Markets Association's Green Bond Principles, from such issuers

Exclusion of issuers deriving more than 25% of their revenue from the production of tar sands (also known as oil sands)

Exclusion of issuers which produce tobacco products

Exclusion of issuers which derive more than 5% of their revenue from the wholesale distribution and supply of tobacco related products

Exclusion of issuers domiciled in the United States which produce firearms and/or small arms ammunition intended for retail to civilians

Exclusion of issuers which derive more than 5% of their revenue from the production or retail distribution of firearms and/or small arms ammunition intended for civilian use

Exclusion of issuers which have been deemed to have failed to comply with UN Global Compact Principles (which cover human rights, labour standards, the environment and anticorruption)

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● How did the sustainability indicators perform?

The following table provides information about the performance of the sustainability indicators used to measure the attainment of each of the environmental and social characteristics promoted by the Fund, as further detailed in the Fund's prospectus.

Sustainability Indicator	Metric	Performance for the reference period
Exclusion of issuers based on exclusionary criteria as defined in table above "Environmental and social characteristics promoted by the Fund"	# of active breaches	No active breaches

● ...and compared to previous periods?

As this is the first reference period that the periodic disclosure for financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852 are effective, no comparatives are presented.

● What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

This section is not applicable for this Fund as it did not commit to holding Sustainable Investments during the reference period, however, certain Sustainable Investments may form part of the Fund's investments portfolio.

● How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

This section is not applicable for this Fund as it did not commit to holding Sustainable Investments during the reference period, however, certain Sustainable Investments may form part of the Fund's investment portfolio.

- How were the indicators for adverse impacts on sustainability factors taken into account?

This section is not applicable for this Fund as it did not commit to holding Sustainable Investments during the reference period, however, certain Sustainable Investments may form part of the Fund's investment portfolio. Please refer to the section below, "How did this financial product consider principal adverse impacts on sustainability factors?", which describes how the Fund considered PAIs on sustainability factors.

- Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

This section is not applicable for this Fund as it did not commit to holding Sustainable Investments during the reference period, however, certain Sustainable Investments may form part of the Fund's investment portfolio.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

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.

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How did this financial product consider principal adverse impacts on sustainability factors?

The following table provides information about the impact of the principal adverse sustainability indicators taken into consideration by this Fund. The Fund considered the impact of the principal adverse sustainability indicators through the application of these minimum ESG and exclusionary criteria. The Investment Advisor has determined that those PAIs marked in the table below as “F” are fully considered or “P” are partially considered, as part of the investment selection criteria. A PAI is partially considered where a BlackRock internal assessment has determined the sustainability indicator partially meets the regulatory definition of the PAI outlined in Annex 1 supplementing Regulation (EU) 2019/2088 Regulatory Technical Standards (“RTS”). A PAI is fully considered where a BlackRock internal assessment has determined the sustainability indicator captures the full regulatory definition as outlined in Annex 1 supplementing Regulation (EU) 2019/2088 RTS.

Adverse Sustainability Indicator	Sustainability indicator			
	Exclusion of issuers which are engaged in, or are otherwise exposed to, the production of controversial weapons (including, but not limited to, cluster munitions, biological-chemical, landmines, depleted uranium, blinding laser, non-detectable fragments and/or incendiary weapons)	Exclusion of issuers deriving more than 25% of their revenue from the production of tar sands (also known as oil sands)	Exclusion of issuers deriving more than 25% of their revenue from thermal coal extraction and/or thermal coal-based power generation, with the exception of “green bonds”, that are considered to comply with the International Capital Markets Association’s Green Bond Principles, from such issuers	Exclusion of issuers which have been deemed to have failed to comply with UN Global Compact Principles (which cover human rights, labour standards, the environment and anticorruption)
Exposure to companies active in the fossil fuel sector		P	P	
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises				P
Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)	F			

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What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: From 1 June 2022 to 31 May 2023.

Largest investments	Sector	% Assets	Country
Novo Nordisk Class B	Health Care	9.13%	Denmark
Asml Holding Nv	Information Technology	9.03%	Netherlands
Lvmh	Consumer Discretionary	7.80%	France
London Stock Exchange Group Plc	Financials	6.64%	United Kingdom
Hermes International	Consumer Discretionary	5.25%	France
Ferrari Nv	Consumer Discretionary	4.83%	Italy
Nestle Sa	Consumer Staples	4.69%	Switzerland
Spirax-Sarco Engineering Plc	Industrial	4.56%	United Kingdom
Loreal Sa	Consumer Staples	4.27%	France
Mastercard Inc Class A	Information Technology	4.15%	United States
Lonza Group Ag	Health Care	3.97%	Switzerland
Hexagon Class B	Information Technology	3.85%	Sweden
S&P Global Inc	Financials	3.75%	United States
Auto Trader Group Plc	Communication	3.42%	United Kingdom
Assa Abloy B	Industrial	3.39%	Sweden

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BlackRock European Unconstrained Equity Fund (continued)

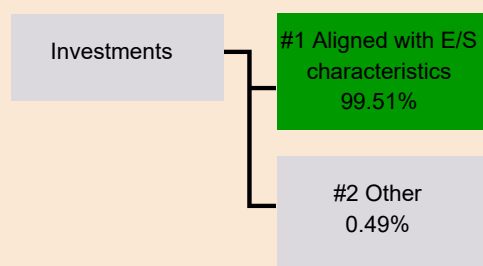
Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852



Asset allocation describes the share of investments in specific assets.

What was the proportion of sustainability-related investments?

What was the asset allocation?



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments

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Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

● In which economic sectors were the investments made?

The following table details the economic sectors that the Fund was exposed to during the reference period.

Sector	Sub-Sector	% of Investments
Consumer Discretionary	Autos & Components	4.83%
Consumer Staples	Food Beverage Tobacco	4.69%
Consumer Staples	Household & Personal Products	4.27%
Information Technology	Tech Hardware & Equipment	3.85%
Communication	Media & Entertainment	3.42%
Materials	Materials	3.39%
Industrials	Commercial & Professional Services	2.44%
Energy	Integrated Oil & Gas	0.41%
Energy	Oil & Gas Equipment Services	0.37%
Energy	Oil & Gas Refining & Marketing	0.24%
Energy	Oil & Gas Exploration & Production	0.16%
Energy	Oil & Gas Drilling	0.02%
Energy	Coal & Consumable Fuels	0.01%

During the reference period, none of the Fund's investments were held in the following sub-sectors (as defined by the Global Industry Classification System): oil and gas storage and transportation.

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To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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.

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.



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

For the reference period, the Fund's investment alignment with EU Taxonomy is shown in the graphs below.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

☐ Yes:

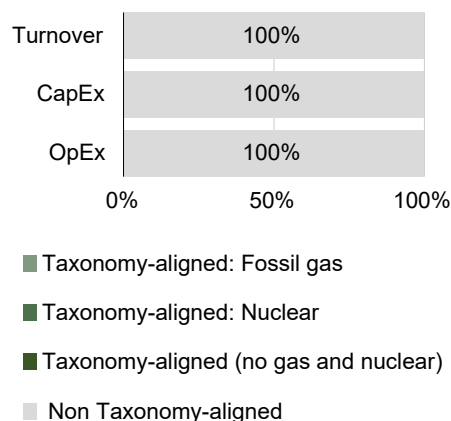
☐ In fossil gas ☐ In nuclear energy

☒ No

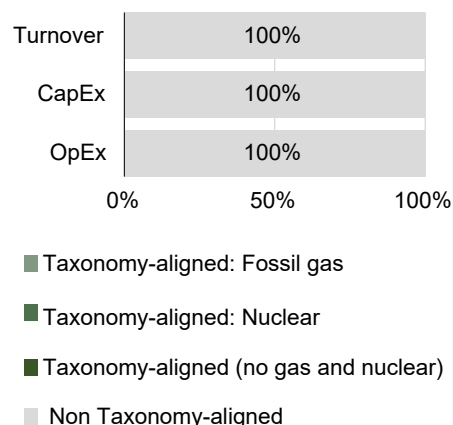
¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy alignment of sovereign bonds*, the first graph shows the taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents 100.00% of the total Investments.

* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

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What was the share of investments made in transitional and enabling activities?

For the reference period, 0% of the Fund's investments were in transitional and enabling activities.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

As this is the first reference period that the periodic disclosure for financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852 are effective, no comparatives are presented.



Sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

This section is not applicable for this Fund as it did not commit to holding Sustainable Investments during the reference period, however, certain Sustainable Investments may form part of the Fund's investment portfolio.



What was the share of socially sustainable investments?

This section is not applicable for this Fund as it did not commit to holding Sustainable Investments during the reference period, however, certain Sustainable Investments may form part of the Fund's investment portfolio.



What investments were included under "Other", what was their purpose and were there any minimum environmental or social safeguards?

Investments included under "#2 Other" include cash, however such holdings did not exceed 20%. Such investments were used only for investment purposes in pursuit of the Fund's (non-ESG) investment objective, for the purposes of liquidity management and/or hedging.

No other investments held by the Fund were assessed against minimum environmental or social safeguards.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Investment Advisor has implemented internal quality controls such as compliance rule coding to ensure compliance with the environmental and social characteristics promoted by the Fund. The Investment Advisor regularly reviews the environmental and social characteristics promoted by the Fund to ensure they are still appropriate relative to the Fund's investment universe.

Where issuers are identified as potentially having issues with regards to good governance, the issuers are reviewed to ensure that, where the Investment Advisor agrees with this external assessment, the Investment Advisor is satisfied that the issuer has either taken remediation actions or will take remedial actions within a reasonable time frame based on the Investment Advisor's direct engagement with the issuer. The Investment Advisor may also decide to reduce exposure to such issuers.

The Investment Advisor is also subject to the shareholder engagement requirements of the Shareholders Rights Directive II (SRD) requirements. The SRD aims to strengthen the position of shareholders, enhance transparency and reduce excessive risk within companies traded on regulated EU marketplaces. Further details regarding the Investment Advisor's activities under the SRD are available on BlackRock's website at: <https://www.blackrock.com/uk/professionals/solutions/shareholder-rights-directive>.

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Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

How did this financial product perform compared to the reference benchmark?

For the reference period, an index has not been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the Fund, therefore this section is not applicable.

How does the reference benchmark differ from a broad market index?

Not applicable.

How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?

Not applicable.

How did this financial product perform compared with the reference benchmark?

Not applicable.

How did this financial product perform compared with the broad market index?

Not applicable.