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4th September 2023

To: Shareholders of iShares MSCI Pacific ex-Japan ESG Enhanced UCITS ETF (the “Fund”)
ISIN(s): IE00BMDDBMK72

Dear Shareholder,

The Directors of iShares III plc (the “**Company**”) wish to advise you that the index tracking investment strategy (and therefore the investment policy) of the Fund will be changed (as described below) with effect on or around the 18th September 2023 (the “**Effective Date**”).

The Directors believe that this change to the investment strategy of the Fund is in the best interests of Shareholders in the Fund.

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

A new version of the Company’s prospectus and Key Investor Information Document (KIID) or Key Information Document (KID) as applicable will be published on or around the Effective Date, subject to the approval of the Central Bank of Ireland and will be available on www.ishares.com. Shareholders should please refer to the Company’s prospectus for full details of the change covered in this letter.

Changes to the Fund’s Index tracking investment strategy

The Fund currently follows a non-replicating investment strategy. This means that the Fund may, or may not hold every security or the exact concentration of a security in the MSCI Pacific ex-Japan ESG Enhanced Focus CTB Index, (the “**Benchmark Index**”) (and may use optimisation techniques to achieve its investment objective) but will aim to track the Benchmark Index as closely as possible.

iShares III public limited company

200 Capital Dock, 79 Sir John Rogerson’s Quay, Dublin 2, D02 RK57, Ireland | www.ishares.com

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

Registered in Ireland under registration number 452278.

Directors: William McKechnie (Chair); Ros O’Shea; Deirdre Somers; Padraig Kenny; Peter Vivian (British).

iShares III plc is an umbrella type open ended investment company with variable capital and having segregated liability between its funds.

The Company's investment manager has advised that should the Fund continue to follow a non-replicating investment strategy, it could be at risk of being unable to hold the full weighting of constituents in the Benchmark Index which would consequently increase the Fund's tracking error against the performance of its Benchmark Index.

The Fund's index tracking investment strategy will therefore be changed to a replicating investment strategy which will allow the Fund to replicate as closely as possible the composition of the Benchmark Index and permit the Fund to avail of higher investment limits disclosed in Schedule III of the Company's prospectus with effect on or around the Effective Date.

Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <https://www.msci.com/constituents>. Please refer to the Schedule of this letter for details of how the investment policy of the Fund will be amended as a result of this change.

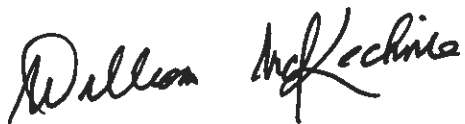
Costs

There is not expected to be any transaction costs borne by the Sub-Fund associated with the change of investment strategy.

Further information

Please contact info@ishares.com if you have any queries concerning the change to the Company.

Yours faithfully



Director

for and on behalf of iShares III plc

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Appendix

Proposed amendments to the investment objective and policy and benchmark description of the Fund subject to any changes as may be approved by the Central Bank of Ireland are highlighted below in bold, underlined text:

Current Investment Objective and Benchmark Description	Proposed Investment Objective and Benchmark Description (changes in bold and underlined)
<p>In order to achieve this investment objective, the investment policy of the Fund is to invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities of the MSCI Pacific ex-Japan ESG Enhanced Focus CTB Index, the Fund's Benchmark Index. The Fund intends to use optimisation techniques in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings in the Benchmark Index. The Fund may hold some securities which are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. However, from time to time the Fund may hold all constituents of the Benchmark Index. It is intended that the Fund's direct investments will only be in securities of issuers that comply with the index provider's environmental, social and governance ("ESG") requirements.</p> <p>The Fund's direct investments will, at the time of purchase, comply with the ESG requirements of the Fund's Benchmark Index. The Fund may hold securities which do not comply with the ESG requirements of the Fund's Benchmark Index until such time as the relevant securities cease to form part of</p>	<p>In order to achieve this investment objective, the investment policy of the Fund is to invest in a portfolio of equity securities that as far as possible and practicable consists of the component securities of the MSCI Pacific ex-Japan ESG Enhanced Focus CTB Index, the Fund's Benchmark Index. The Fund intends to <u>replicate the constituents of the Benchmark Index by holding all of the securities comprising the Benchmark Index in a similar proportion to to</u> their weightings in the Benchmark Index. <u>In order to replicate its Benchmark Index, this Fund may invest up to 20% of its Net Asset Value in shares issued by the same body. This limit may be raised to 35% for a single issuer when exceptional market conditions apply (as set out in section 4 of Schedule III).</u></p> <p>The Fund's direct investments will, at the time of purchase, comply with the ESG requirements of the Fund's Benchmark Index. The Fund may hold securities which do not comply with the ESG requirements of the Fund's Benchmark Index until such time as the relevant securities cease to form part of the Benchmark Index and it is possible and practicable (in the Investment Manager's view) to liquidate the position.</p> <p>For the purposes of complying with AMF ESG Rules, the Fund will adopt a binding and significant ESG optimisation approach to sustainable investing. As part of this</p>

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the Benchmark Index and it is possible and practicable (in the Investment Manager's view) to liquidate the position.

For the purposes of complying with AMF ESG Rules, the Fund will adopt a binding and significant ESG optimisation approach to sustainable investing. As part of this approach, the Fund will aim to invest in a portfolio of securities that, as far as possible and practicable, consists of the component securities of the Benchmark Index, optimises exposure to issuers in order to achieve a higher ESG rating and reduces exposure to carbon emissions compared to the Parent Index while meeting other constraints of the ESG optimisation. More than 90% of the net assets of the Fund, excluding Cash Holdings and daily dealing money market collective investment schemes, are rated or analysed in accordance with the ESG criteria of the Benchmark Index. For FDI, any such analyses will apply only to the underlying securities. By adopting the ESG methodology of the Benchmark Index, the Fund applies the extra-financial indicator upgrade approach for the purposes of the AMF ESG Rules, which means that the weighted average environmental indicator of the Fund (being the relevant extra-financial indicator of the Fund) will be at least 20% better than the weighted average environmental indicator of the Parent Index (as defined below) based on a reduction of carbon emission intensity.

The Base Currency of iShares MSCI Pacific ex-Japan ESG Enhanced UCITS ETF is US Dollar (US\$).

approach, the Fund will aim to invest in a portfolio of securities that, as far as possible and practicable, consists of the component securities of the Benchmark Index, optimises exposure to issuers in order to achieve a higher ESG rating and reduces exposure to carbon emissions compared to the Parent Index while meeting other constraints of the ESG optimisation. More than 90% of the net assets of the Fund, excluding Cash Holdings and daily dealing money market collective investment schemes, are rated or analysed in accordance with the ESG criteria of the Benchmark Index. For FDI, any such analyses will apply only to the underlying securities. By adopting the ESG methodology of the Benchmark Index, the Fund applies the extra-financial indicator upgrade approach for the purposes of the AMF ESG Rules, which means that the weighted average environmental indicator of the Fund (being the relevant extra-financial indicator of the Fund) will be at least 20% better than the weighted average environmental indicator of the Parent Index (as defined below) based on a reduction of carbon emission intensity.

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