

iShares EMEA Investment and Product Strategy

Q1 2026

iShares
by BlackRock

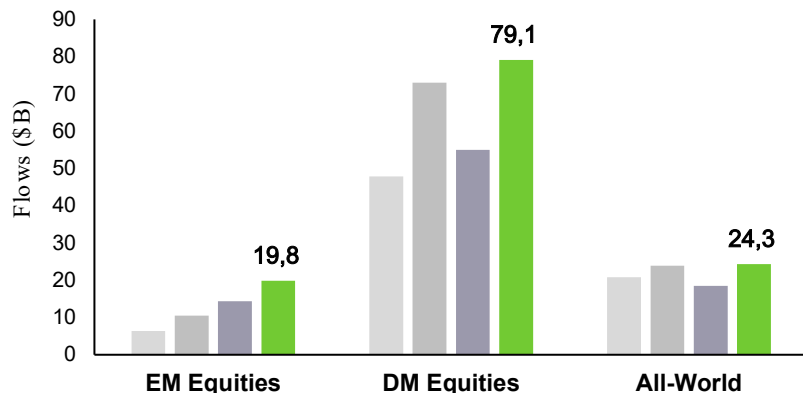
EUROPEAN EQUITIES



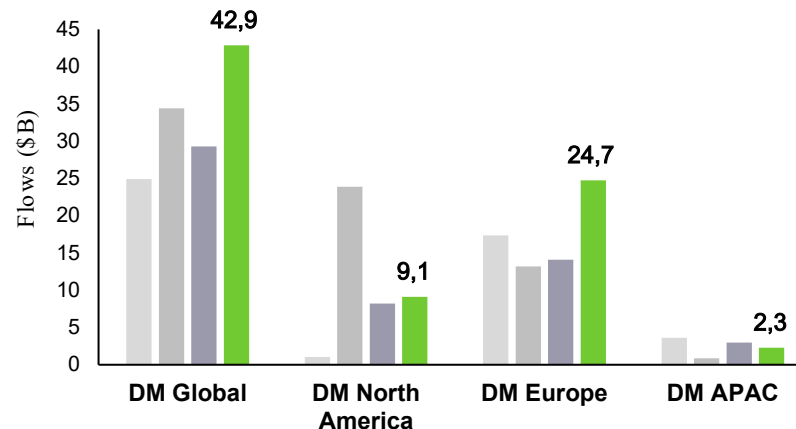
Developed market equity

■ Q2 2025 ■ Q3 2025
■ Q4 2025 ■ Q1 2026

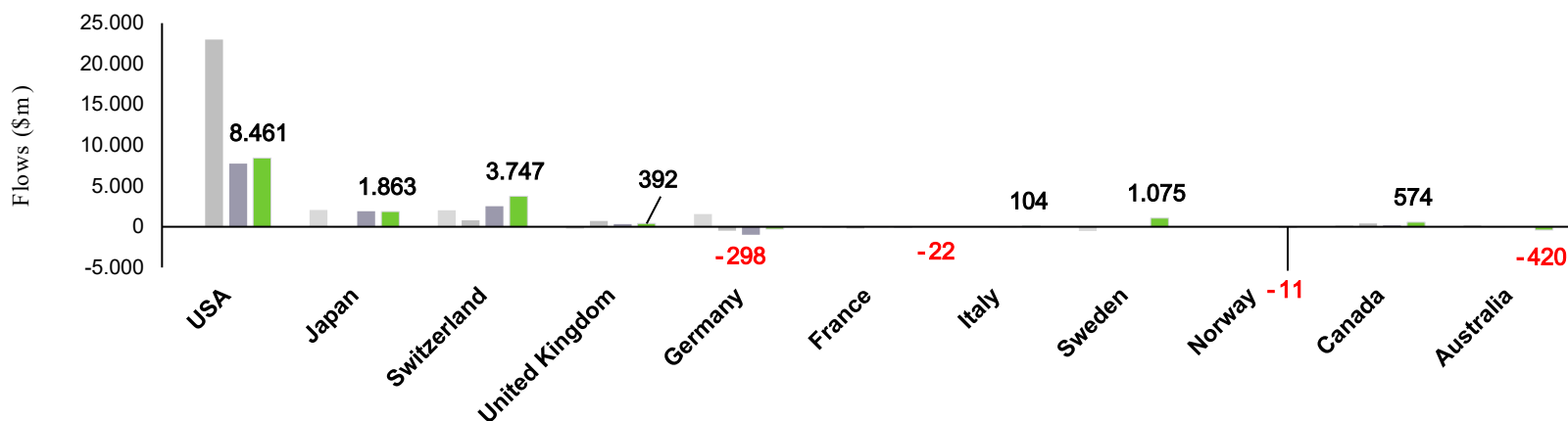
Developed Markets (DM) & Emerging Markets (EM)



DM Regional Equity Exposures



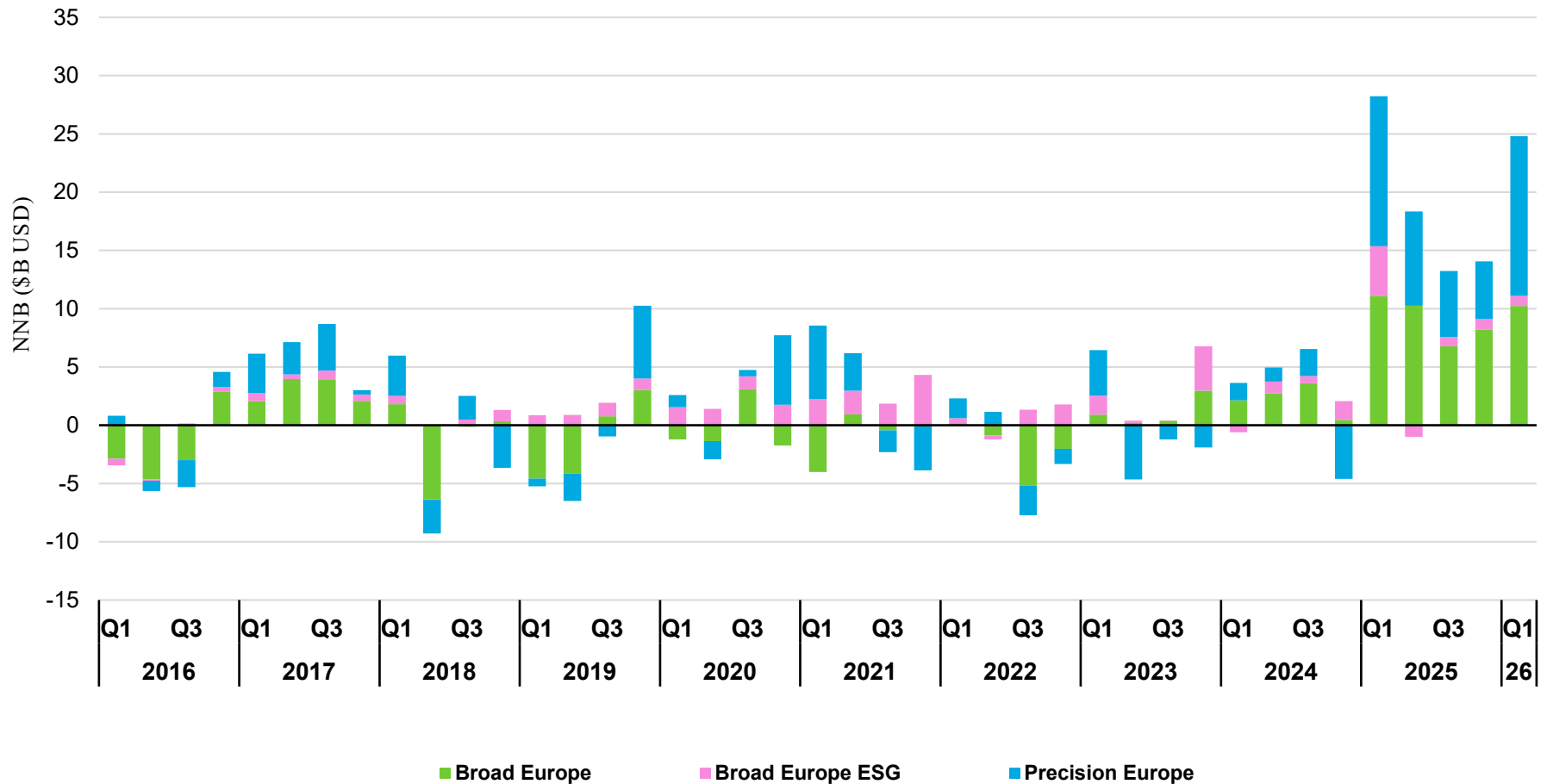
DM Single Country Exposures



Source: Unless otherwise stated all data is in US Dollars and sourced from the BlackRock Global ETP Landscape (a BlackRock tool that sources data from BlackRock and Markit) at 31 March 2026.

UCITS ETF flows – investors have turned to both broad and precision exposures to navigate European markets

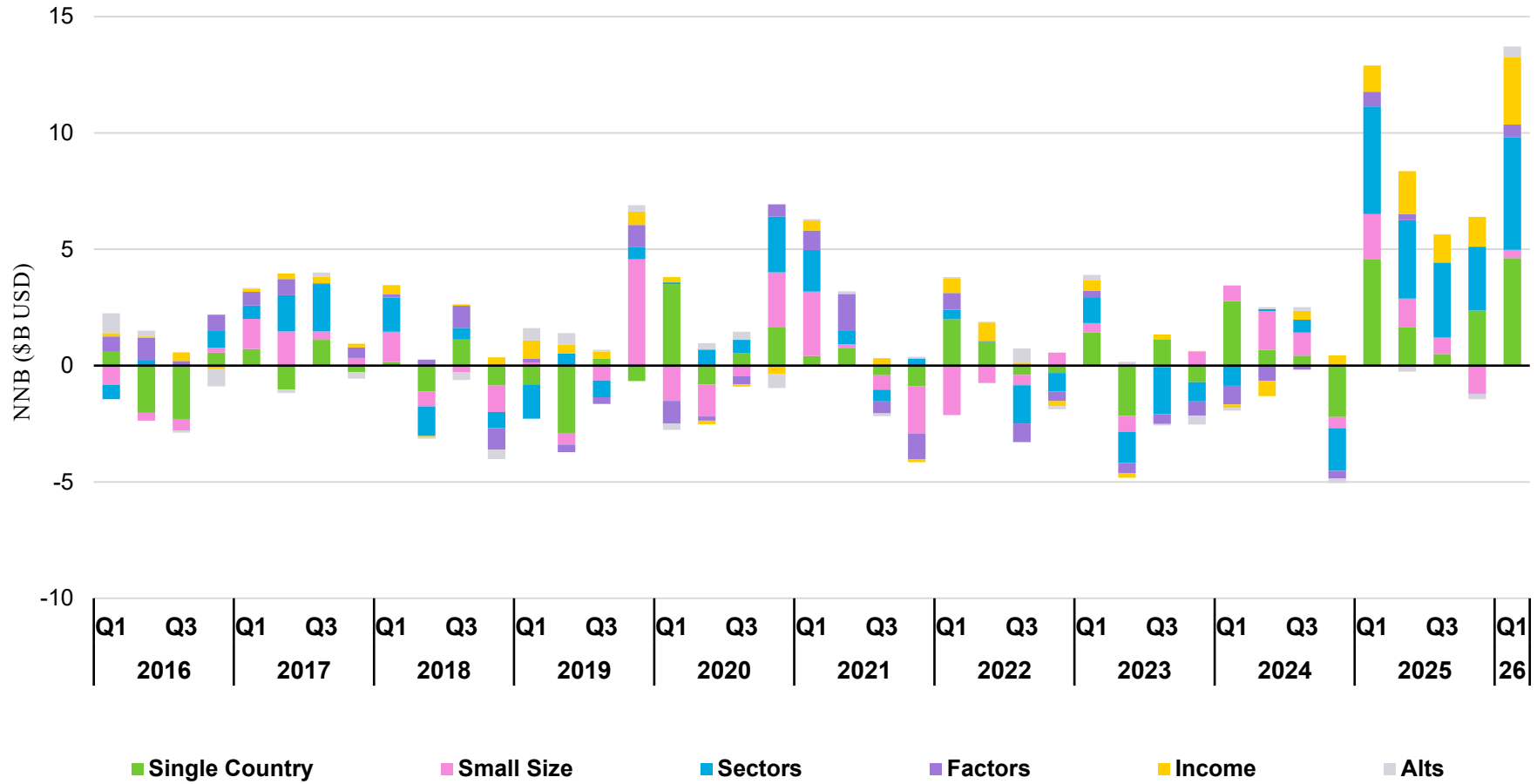
Quarterly ETF flows into European equities



Source: BlackRock Global ETP Landscape (a BlackRock tool that sources data from BlackRock and Markit) as of 31 March 2026. Precision US includes Single Country, Factors, Dividends, Small Size, Sectors, & Alternatives.

UCITS ETF flows – single country and sector ETFs have led European precision inflows since 2025

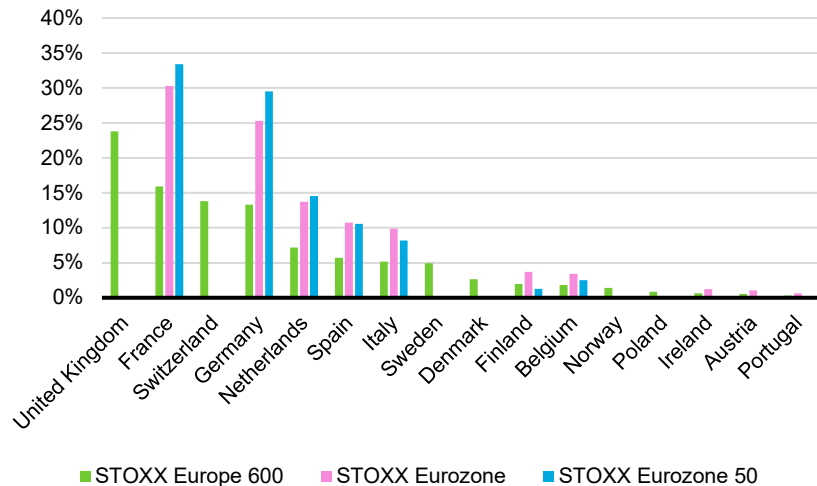
Quarterly ETF flows into European precision equity



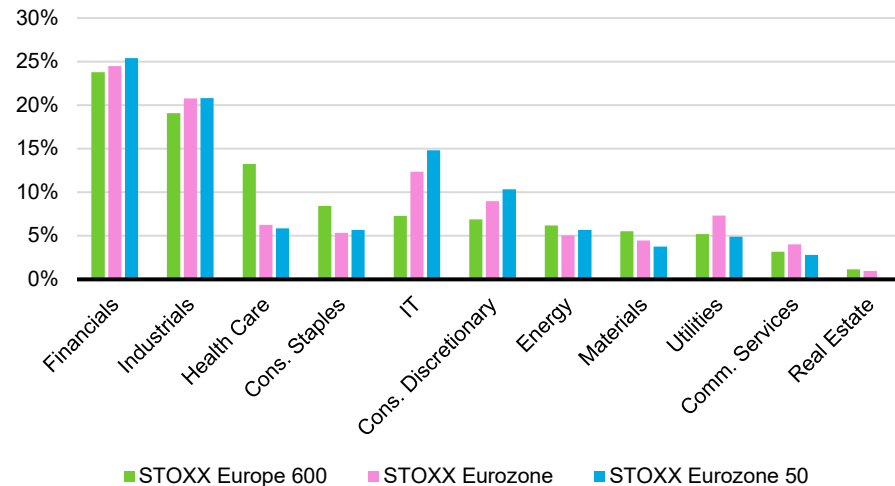
Source: BlackRock Global ETP Landscape (a BlackRock tool that sources data from BlackRock and Markit) as of 31 March 2026.

Know your European benchmark

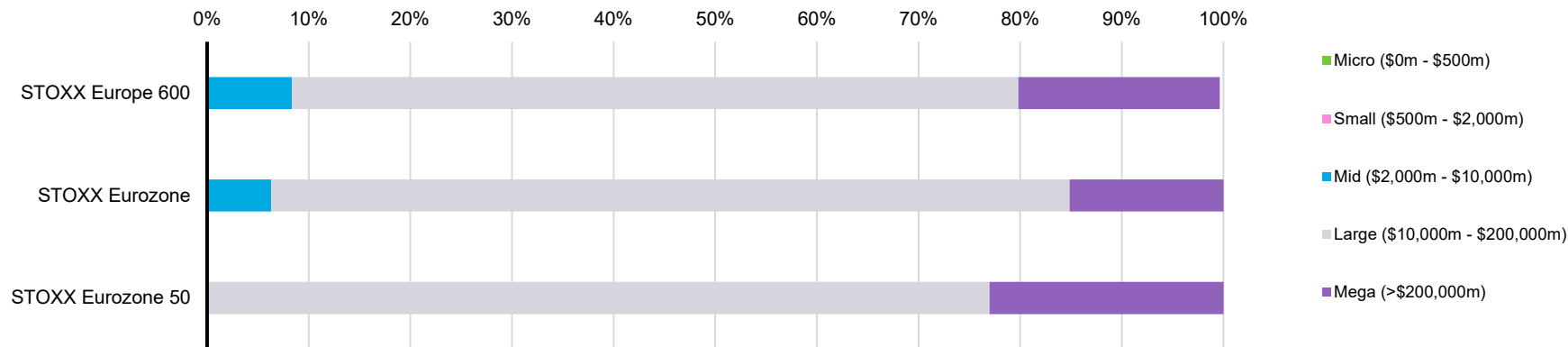
Geographic Exposure



Sector Exposure



Market Capitalisation



Source: BlackRock, as of 31 March 2026.

DFEU | iShares Europe Defence

Strategic opportunity

1

Aligning to EU Readiness 2030 and seizing the opportunity in European defence

2

Accessing a complete and more pure play exposure to defence

3

Closing the gap in European portfolios that are underweight defence

Product approach

Focused exposure to European defence

Granular approach to defence allocation

Data-led stock selection with screens



DFEU

TER | 0.35%

Number of holdings | 27

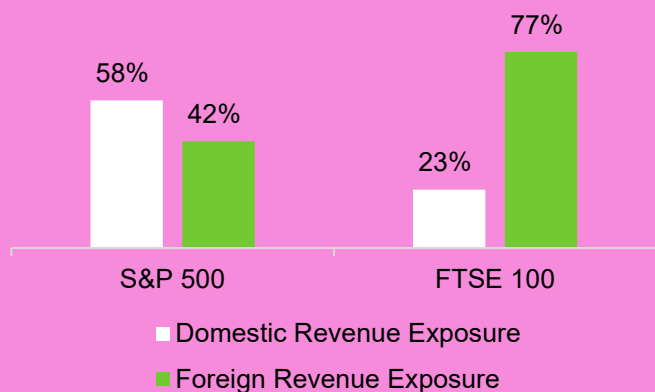
Index | STOXX Targeted Europe Defence Index

Inception | 28th May 2025

Rethinking Country Exposure in a Fragmented World

Country Exposure goes far beyond listing location

Traditional benchmarks often hide **true domestic exposure** — **S&P 500** companies earn around **42% of revenues abroad**, while roughly **77% of FTSE 100** sales come from outside the UK.



Today's markets are driven by **policy, tariffs, FX, and geopolitics** — these drivers affect **where companies sell**, rather than where they are listed.

The disconnect between country of incorporation and revenue drivers exposes investors to **unseen risk** and **limits the effectiveness of diversification**.

As geopolitics, war and deglobalisation widen the performance gap between different regions, investors are seeking **more granularity in how they can express their views**.

Source: STOXX and BlackRock as of December 2025. References include Apollo, FactSet, MSCI, MorningStar.



iShares Domestic and Foreign Focus Range

The **STOXX Revenue Focus Indices** redefine “country exposure” by combining **listing region** with **geographic revenue exposure**.

A company will fall into the **Domestic Focus index** if the **majority of its revenue is from domestic sources**. It will be classified as **Foreign Focus** if **foreign revenue exceeds 50%.***

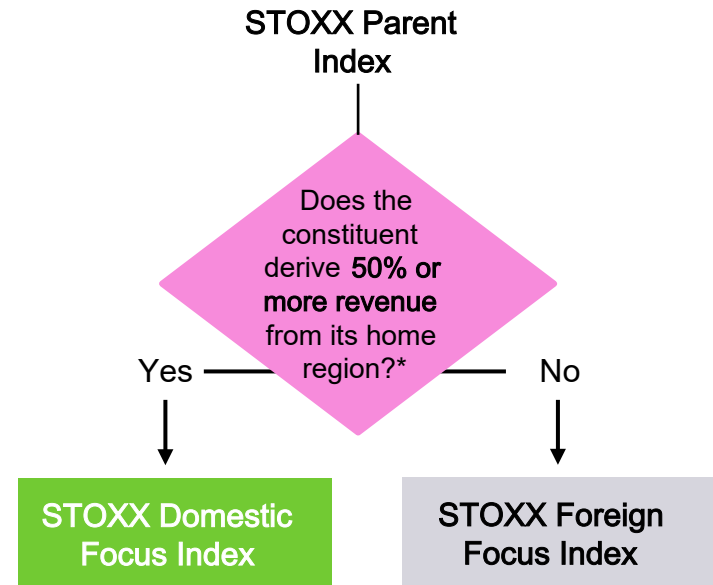
The framework separates **domestic -demand exposure** from **global -demand** and **export sensitivity**, giving a cleaner lever to express macro views, particularly around FX, growth differentials, and geopolitical risk.

*There is a buffer rule in place for existing constituents which means that constituents of the domestic index will now move to the foreign index until domestic revenue exposure falls below 45%.

Source: STOXX and BlackRock as of January 2026. Revenue data from FactSet as of October 2025.

Methodology Details

- **Free Float Market Cap Weighted**
- **Rebalances in line with Parent Index**
 - Quarterly for Europe, Semi-Annually for the remaining funds
- **Non - Sustainable** (Article 6)



The range provides a tool for tactical macro positioning or strategic diversification

Where does this fit into an investor's portfolio?

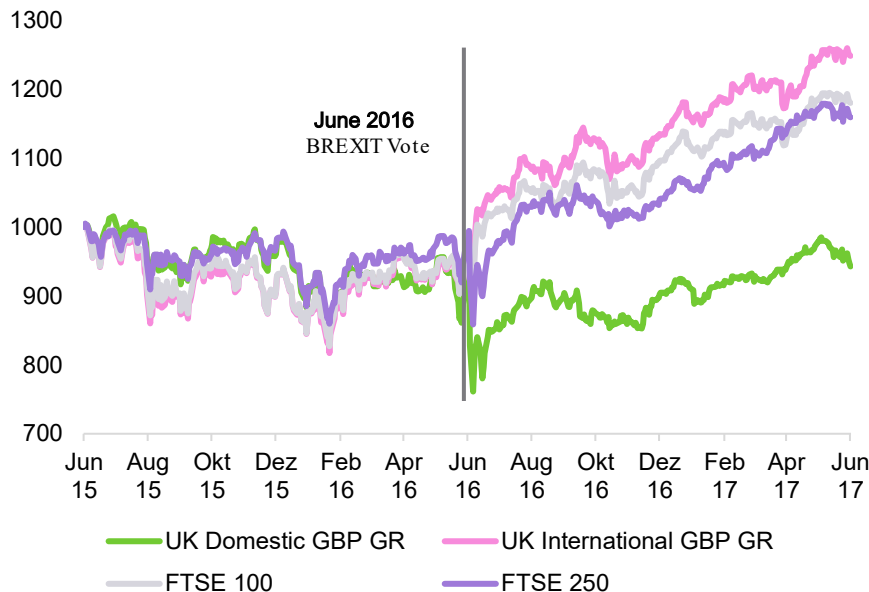
Tactical Allocation

Express macro views by leaning into domestic or foreign indices to play key events like elections, tariffs and policy changes

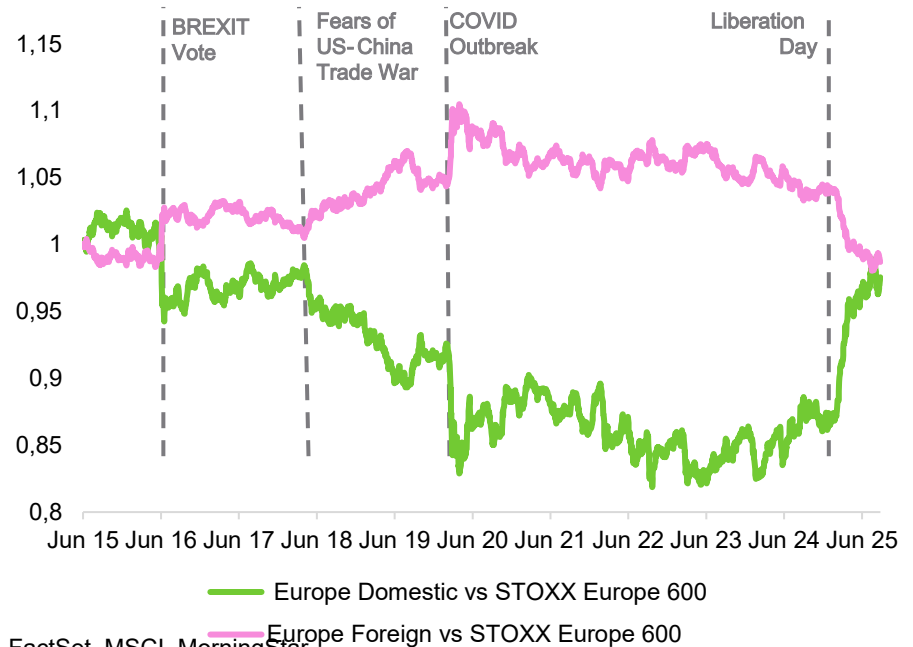
Strategic Allocation

Hold both indices, domestic and foreign, and **tilt in line with your macro outlook** or to offer long term diversification

Investing into the UK Foreign Focus basket would have delivered superior returns over the Brexit period



The full backtest for Europe demonstrates how each basket outperformed the parent at different times



Source: STOXX and BlackRock as of December 2025. References include Apollo, FactSet, MSCI, MorningStar.

iShares Domestic and Foreign Focus UCITS ETFs

The iShares Domestic and Foreign Focus ETF range divides major regional benchmarks into domestic and foreign - focus baskets based on revenue exposure, enabling investors to express tactical macro views and broaden diversification within their allocations.



| UK | Domestic | Foreign |
|---------------|-------------------------------------|------------------------------------|
| Name | iShares UK Domestic Focus UCITS ETF | iShares UK Foreign Focus UCITS ETF |
| Ticker | KDOM | KFOR |
| TER | 0.25% | 0.25% |
| ISIN | IE000KXML0D6 | IE000GW6RB11 |
| Index | STOXX UK Domestic Focus Index | STOXX UK Foreign Focus Index |
| SFDR | Article 6 | Article 6 |

| EUROPE | Domestic | Foreign |
|---------------|---|--|
| Name | iShares Europe Domestic Focus UCITS ETF | iShares Europe Foreign Focus UCITS ETF |
| Ticker | EDOM | EFOR |
| TER | 0.25% | 0.25% |
| ISIN | IE000P2CI9P3 | IE00078SFIQ6 |
| Index | STOXX Europe 600 Domestic Focus Index | STOXX Europe 600 Foreign Focus Index |
| SFDR | Article 6 | Article 6 |

The iShares European STOXX equity range

Broad & Precision

| Broad | Single Country | Market Cap | Factors & Income | STOXX Europe 600 Supersectors | | Additional Sectors |
|-------------------|----------------|------------------------|-----------------------------------|-------------------------------|----------------------------|--------------------|
| Stoxx Europe 600 | DAX | Euro STOXX Mid | STOXX Europe Multifactor Screened | Automobiles & Parts | Media | Euro STOXX Banks |
| Euro STOXX | DAX ESG | Euro STOXX Small | Euro Total Market Growth Large | Banks | Oil & Gas | TecDAX |
| Euro STOXX 50 | MDAX | STOXX Europe 50 | Euro Stoxx Select Dividend 30 | Basic Resources | Personal & Household Goods | |
| Euro Stoxx 50 ESG | | STOXX Europe Large 200 | STOXX Europe Select Dividend 30 | Chemicals | Real Estate | |
| | | STOXX Europe Mid 200 | DivDax | Construction & Materials | Retail | |
| | | STOXX Europe Small 200 | | Financial Services | Technology | |
| | | | | Food & Beverage | Telecommunications | |
| | | | | Health Care | Travel & Leisure | |
| | | | | Industrial Goods & Services | Utilities | |
| | | | | Insurance | | |

Source: BlackRock, as of 31 March 2026.

Risk Warnings

Investors should refer to the prospectus or offering documentation for the funds full list of risks.

Capital at risk. The value of investments and the income from them can fall as well as rise and are not guaranteed. Investors may not get back the amount originally invested.

Product Risks

iShares Europe Defence UCITS ETF EUR (Acc)

Concentration Risk, Counterparty Risk, Equity securities, ESG risk (benchmark screening)

iShares UK Foreign Focus UCITS ETF GBP (Acc)

Concentration Risk, Counterparty Risk, Equity securities

Description of Product Risks

Concentration Risk

Investment risk is concentrated in specific sectors, countries, currencies or companies. This means the Fund is more sensitive to any localised economic, market, political or regulatory events.

Counterparty Risk

The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Share Class to financial loss.

Equity securities

The value of equities and equity-related securities can be affected by daily stock market movements, political factors, economic news, company earnings and significant corporate events.

ESG risk (benchmark screening)

The benchmark index only excludes companies engaging in certain

activities inconsistent with ESG criteria if such activities exceed the thresholds determined by the index provider. Investors should therefore make a personal ethical assessment of the benchmark index's ESG screening prior to investing in the Fund. Such ESG screening may adversely affect the value of the Fund's investments compared to a fund without such screening.

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Risk Warnings

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