

# BLACKROCK UCITS FUNDS PROSPECTUS

14 December 2021

The BlackRock logo is displayed in white, bold, sans-serif capital letters on a black rectangular background.

## **BlackRock Asset Management Ireland Limited**

- BlackRock UK Credit Screened Fund
- BlackRock Developed Markets Sovereign Screened Bond Fund
- BlackRock Emerging Markets Sovereign Screened Bond Fund\*
- BlackRock Mix Fonds 1\*
- BlackRock Mix Fonds 2
- BlackRock Mix Fonds 3
- BlackRock Mix Fonds 4
- BlackRock Mix Fonds 5
- BlackRock Diversified Distribution Fund\*
- BlackRock Euro Sovereign Bond Index Fund 1
- BlackRock Customised Euro Corporate Bond Index Fund 1
- BlackRock Multi Style Strategy Fund\*
- BlackRock Global Equity Selection Fund
- BlackRock Fixed Income Selection Fund
- BlackRock Diversified Strategies Selection Fund
- BlackRock Multi Asset Balanced Selection Fund
- BlackRock Multi Asset Conservative Selection Fund
- BlackRock Euro Cash Fund
- BlackRock Dynamic Allocation Fund\*
- BlackRock UK Equity Income Fund\*
- BlackRock Defensive Yield ESG Screened Fund
- BlackRock Emerging Markets Alpha Tilts Fund
- BlackRock Systematic ESG Emerging Markets Equity Fund
- BlackRock Tactical Opportunities Fund\*

- BlackRock Diversifying Fixed Income Fund
- BlackRock Cangrande Global Index Equity Fund

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**If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.**

The Directors of the Manager of the Fund, whose names appear under the heading “Management and Administration”, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

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**BLACKROCK  
UCITS FUNDS**

*(An umbrella type open-ended Unit Trust authorised by the Central Bank of Ireland pursuant to the provisions of the UCITS Regulations)*

**PROSPECTUS**

**Manager**

**BLACKROCK ASSET MANAGEMENT IRELAND LIMITED**

**Investment Manager**

**BLACKROCK ADVISORS (UK) LIMITED**

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This Prospectus replaces the Prospectus dated 26 November 2021.

The date of this Prospectus is 14 December 2021.

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## PART I

### IMPORTANT INFORMATION

This Prospectus comprises information relating to BlackRock UCITS Funds (the “Fund”). The Fund is structured as a unit trust and qualifies and is authorised in Ireland by the Central Bank of Ireland or any successor thereof (the “Central Bank”) as a UCITS for the purposes of the UCITS Regulations. The Fund is structured as an umbrella fund in that it may be divided into different classes of units (“Units”) with one or more classes representing a separate sub-fund of the Fund. The creation of any sub-fund will require the prior approval of the Central Bank. Units are currently available in the following sub-funds (each a “Sub-Fund”, together the “Sub-Funds”):

- BlackRock UK Credit Screened Fund
- BlackRock Developed Markets Sovereign Screened Bond Fund
- BlackRock Emerging Markets Sovereign Screened Bond Fund\*
- BlackRock Mix Fonds 1\*
- BlackRock Mix Fonds 2
- BlackRock Mix Fonds 3
- BlackRock Mix Fonds 4
- BlackRock Mix Fonds 5
- BlackRock Diversified Distribution Fund\*
- BlackRock Euro Sovereign Bond Index Fund 1
- BlackRock Customised Euro Corporate Bond Index Fund 1
- BlackRock Multi Style Strategy Fund\*
- BlackRock Global Equity Selection Fund
- BlackRock Fixed Income Selection Fund
- BlackRock Diversified Strategies Selection Fund
- BlackRock Multi Asset Balanced Selection Fund
- BlackRock Multi Asset Conservative Selection Fund
- BlackRock Euro Cash Fund
- BlackRock Dynamic Allocation Fund\*
- BlackRock UK Equity Income Fund\*
- BlackRock Defensive Yield ESG Screened Fund
- BlackRock Emerging Markets Alpha Tilts Fund
- BlackRock Systematic ESG Emerging Markets Equity Fund
- BlackRock Tactical Opportunities Fund\*
- BlackRock Diversifying Fixed Income Fund\*
- BlackRock Cangrande Global Index Equity Fund

\*These Sub-Funds are terminated and are no longer available for investment. An application will be made to the Central Bank in due course in respect of the revocation of Central Bank approval of each Sub-Fund.

Applications for Units will only be considered on the basis of this Prospectus (and any relevant supplement (“Supplement”)) and the latest published audited annual report and accounts and, if published after such report, a copy of the latest unaudited semi-annual report. These reports will form part of this Prospectus and the relevant Supplements.

**The Fund is both authorised and supervised by the Central Bank. The authorisation of the Fund is not an endorsement or guarantee of the Fund by the Central Bank and the Central Bank is not responsible for the contents of this Prospectus. The authorisation of the Fund by the Central Bank does not constitute a warranty by the Central Bank as to the performance of the Fund and the Central Bank shall not be liable for the performance or default of the Fund.**

This Prospectus or separate Supplements contain the particulars of the offering of Units in each of the Sub-Funds. The offer proceeds will be invested by the Fund in accordance with the investment objectives for those Sub-Funds set out below, as amended from time to time.

An updated Prospectus or a separate Supplement relating to Units comprising any new Sub-Fund of the Fund will be issued by the Manager at the time of the establishment of that Sub-Fund in accordance

with the requirements of the Central Bank. Each Supplement shall form part of, and should be read in conjunction with, this Prospectus.

It is intended that application may be made in other jurisdictions to enable the Units of the Fund to be marketed freely in these jurisdictions.

Statements made in this Prospectus are, except where otherwise stated, based on the law and practice currently in force in Ireland, which may be subject to change.

No person has been authorised to give any information or to make any representation in connection with the offering or placing of Units other than those contained in this Prospectus and the reports referred to above and, if given or made, such information or representation must not be relied upon as having been authorised by the Fund. The delivery of this Prospectus (whether or not accompanied by the reports) or any issue of Units shall not, under any circumstances, create any implication that the affairs of the Fund have not changed since the date of this Prospectus.

The Units of the Sub-Funds are not currently listed on any stock exchange.

The distribution of this Prospectus and the offering and placing of Units in certain jurisdictions may be restricted and, accordingly, persons into whose possession this Prospectus comes are required by the Fund to make themselves aware of and to observe such restrictions.

Authorised intermediaries which offer, recommend or sell Units in the Sub-Funds must comply with all laws, regulations and regulatory requirements applicable to them. Also, such intermediaries should consider such information about the Sub-Funds as is made available by the Manager or Investment Manager for the purposes of the EU's product governance regime under MiFID II including, without limitation, target market information.

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Potential investors should inform themselves as to:

- (i) the legal requirements within the countries of their nationality, residence, ordinary residence or domicile for the acquisition of Units;
- (ii) any foreign exchange restrictions or exchange control requirements which they might encounter on the acquisition or sale of Units; and
- (iii) the income tax and other taxation consequences which might be relevant to the acquisition, holding or disposal of Units.

Units may not be offered or sold in the United Kingdom except as permitted by the Financial Services and Markets Act 2000 (as amended) ("FSMA 2000") and the regulations made under it, and this Prospectus may not be communicated to any person in the United Kingdom except in circumstances permitted by FSMA 2000 or those regulations or to a person to whom this Prospectus may otherwise lawfully be issued in the United Kingdom.

The Manager is not authorised to carry on investment business in the United Kingdom and investors are advised that the protections afforded by the United Kingdom regulatory system may not apply to an investment in the Fund and compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

The Fund is duly registered with the Comisión Nacional de Mercado de Valores in Spain under number 1646.

The Units have not been and will not be registered under the 1933 Act or the securities laws of any of the States of the United States. The Units are being offered and sold solely outside the United States to non-US Persons in reliance on Regulation S of the 1933 Act. The Fund has not been and will not be registered under the 1940 Act but will be exempt from such registration pursuant to Section 3(c)(7)

thereof. The outstanding securities of issuers relying on Section 3(c)(7), to the extent that they are owned by US Persons (or transferees of US Persons), must be owned exclusively by persons who, at the time of acquisition of such securities, are “qualified purchasers” within the meaning of Section 2(a)(51) of the 1940 Act. Any US purchaser of the Fund’s Units must therefore be both a “qualified institutional buyer” under Rule 144A under the 1933 Act and a “qualified purchaser” within Section 2(a)(51) of the 1940 Act. The Fund is not open for investment by any US Person that would be subject to the 1940 Act, the 1933 Act, the CEA, or US income tax unless: (1) such investment is authorised by the Directors; and (2) prior written consent is obtained from the Manager. Please see Appendix IV for the definition of US Persons and additional information on the restrictions pertaining to US Persons unless otherwise authorised by the Manager.

Applicants for Units will be required to certify that they are not US Persons.

The Units have not been, nor will they be, qualified for distribution to the public in Canada as no prospectus for the Fund has been filed with any securities commission or regulatory authority in Canada or any province or territory thereof. This document is not, and under no circumstances is to be construed, as an advertisement or any other step in furtherance of a public offering of Units in Canada. No Canadian Resident may purchase or accept a transfer of Units unless he is eligible to do so under applicable Canadian or provincial laws.

In order to ensure compliance with the restrictions referred to above, the Fund is, accordingly, not open for investment by any US Persons (including those deemed to be US Persons under the 1940 Act and/or the CEA and regulations thereunder), ERISA Plans and/or Canadian Residents except in exceptional circumstances and then only with the prior consent of the Manager. A prospective investor may be required at the time of acquiring Units to represent that such investor is a Qualified Holder and, in particular, is not a US Person or Canadian Resident or acquiring Units for or on behalf of a US Person or Canadian Resident or with the assets of an ERISA Plan. The granting of prior written consent by the Manager to an investment does not confer on the investor a right to acquire Units in respect of any future or subsequent application.

Unitholders are required to notify the Manager immediately in the event that they cease to be a Qualified Holder.

Where the Manager becomes aware that any Units are directly or beneficially owned by any person in breach of the above restrictions, the Manager may direct the Unitholder to transfer his Units to a person qualified to own such Units or to request the Manager to redeem Units, in default of which, the Unitholder shall, on the expiration of 30 days from the giving of such notice, be deemed to have given a request in writing for the redemption of the Units.

This Prospectus and any Supplements may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus/Supplement. To the extent that there is any inconsistency between the English language Prospectus/Supplement and the Prospectus/Supplement in another language, the English language Prospectus/Supplement will prevail, except to the extent (but only to the extent) required by law of any jurisdiction where the Units are sold, that in an action based upon disclosure in a Prospectus in a language other than English, the language of the Prospectus/Supplement on which such action is based shall prevail.

**The value of Investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in a Sub-Fund.**

**As the BlackRock Emerging Markets Sovereign Screened Bond Fund, the BlackRock Dynamic Allocation Fund and the BlackRock Tactical Opportunities Fund may be substantially invested in emerging markets globally, and may invest in excess of 30% of their respective net assets in fixed income securities which are below investment grade, an investment in these Sub-Funds should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

**As the BlackRock Emerging Markets Alpha Tilts Fund may be substantially invested in emerging markets globally, an investment in this Sub-Fund should not constitute a substantial proportion**

of an investment portfolio and may not be appropriate for all investors. Please refer to the sections entitled “Investment Objective and Policies” and “Risk Factors” for further details.

As the BlackRock Systematic ESG Emerging Markets Equity Fund may be substantially invested in emerging markets globally, an investment in this Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Please refer to the sections entitled “Investment Objective and Policies” and “Risk Factors” for further details.

Each of the following Sub-Funds intends to invest more than 20% of its Net Asset Value in units / shares of other CIS:

- the Mix Funds;
- BlackRock Global Equity Selection Fund;
- BlackRock Fixed Income Selection Fund;
- BlackRock Diversified Strategies Selection Fund;
- BlackRock Multi Asset Balanced Selection Fund;
- BlackRock Multi Asset Conservative Selection Fund;
- BlackRock Euro Cash Fund; and
- BlackRock Dynamic Allocation Fund.

Please refer to the section entitled “Investment Objective and Policies” and Appendix III for further information.

The BlackRock Defensive Yield ESG Screened Fund may invest in excess of 30% of its assets in fixed income securities which are below investment grade. As such, this Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Please refer to the sections entitled “Investment Objective and Policies” and “Risk Factors” for further details.

The BlackRock Diversified Distribution Fund may invest up to 40% of its Net Asset Value in units / shares of other CIS, may be substantially invested in emerging markets globally and may invest in excess of 30% of its net assets in fixed income securities which are below investment grade. As such, an investment in this Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Please refer to the section entitled “Investment Objective and Policies” and Appendix III for further information.

The BlackRock Diversifying Fixed Income Fund may be fully invested in units / shares of other CIS, may be substantially invested in emerging markets globally and may invest in excess of 30% of its net assets in fixed income securities which are below investment grade. As such, an investment in this Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Please refer to the section entitled “Investment Objective and Policies” and Appendix III for further information.

The BlackRock Cangrande Global Index Equity Fund may be fully invested in units / shares of other CIS and may invest in excess of 20% of its net assets in emerging markets globally from time to time. As such, an investment in this Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Please refer to the section entitled “Investment Objective and Policies” and Appendix III for further information.

The BlackRock Diversified Distribution Fund, the BlackRock Diversifying Fixed Income Fund and the BlackRock Cangrande Global Index Equity Fund may make distributions from capital as well as from net revenue, and may pursue investment strategies, in order to generate income and thereby provide increased distributions to their respective Unitholders. Whilst this might allow more income to be distributed, it may also have the effect of reducing capital and the potential for long-term capital growth, potentially depleting *all capital*. As a result, payment of dividends on this basis may reduce capital growth or reduce the capital of the BlackRock Diversified Distribution Fund, the BlackRock Diversifying Fixed Income Fund and the BlackRock Cangrande Global Index Equity Fund as relevant. Distributions paid

out of capital may have different tax implications to distributions paid out of net revenue and it is recommended that Investors seek advice in this regard.

Investors should note that a redemption fee of up to 2% of the Net Asset Value of the Units being redeemed may be chargeable in respect of that Sub-Fund where the Manager, in its reasonable opinion, and at its absolute discretion, believes an investor may be engaging in excessive trading.

Investors should read and consider the risk discussion under “Risk Factors” and the “Risk Factors” section below before investing in the Fund.



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## DEFINITIONS

The following definitions apply in this document unless the context otherwise requires:

**“Account Opening Form”**, such account opening form as the Manager may prescribe for the purposes of opening an account in relation to the relevant Class of the Sub-Fund.

**“Accumulating Classes”**, the Flexible Accumulating Unit Classes, Institutional Accumulating Unit Classes, Class A Accumulating Classes, Class D Accumulating Unit Classes, Class E Accumulating Unit Classes, Class R Accumulating Unit Classes, Class U Accumulating Unit Classes, Class S Accumulating Classes, Class X Accumulating Classes and Class Z Accumulating Unit Classes of the Sub-Funds.

**“Administration Agreement”**, the agreement made between the Manager and the Administrator dated 29 June 2007.

**“Administrator”**, J.P. Morgan Administration Services (Ireland) Limited and/or such other person as may be appointed, with the prior approval of the Central Bank, to provide administration services to the Sub-Funds.

**“Affiliate”**, a company which has the ultimate parent of the Investment Manager as its ultimate parent, or a company in which the ultimate parent of the Investment Manager has at least 50% direct or indirect ownership.

**“AUD”**, Australian Dollar, the lawful currency of Australia.

**“Auditors”**, Ernst & Young, Chartered Accountants, Dublin, or such other persons as may be appointed by the Manager.

**“Base Currency”**, in relation to any Sub-Fund, the currency in which the Sub-Fund is denominated as determined by the Manager.

**“Benchmarks Regulation”**, Regulation (EU) 2016/1011 of the European Parliament and of the Council.

**“Benchmarks Regulation Register”**, register of administrators and benchmarks maintained by ESMA under the Benchmarks Regulation.

**“BlackRock Group”**, the BlackRock, Inc. group of companies and any of their affiliates and connected persons.

**“Bond Connect”**, is an initiative launched in July 2017 for mutual bond market access between the PRC and Hong Kong, established by the CFETS, China Central Depository & Clearing Co., Ltd, Shanghai Clearing House, HKEX and Central Moneymarkets Unit.

**“Business Day”**, in relation to BlackRock UK Credit Screened Fund, a day (excluding Saturday and Sunday) on which the markets are open for business in the UK and Ireland;

in relation to BlackRock Euro Sovereign Bond Index Fund 1 and BlackRock Customised Euro Corporate Bond Index Fund 1 a day (excluding Saturday and Sunday) on which the markets are open for business in the UK, Ireland, France and Germany;

in relation to BlackRock Developed Markets Sovereign Screened Bond Fund, a day (excluding Saturday and Sunday) on which the markets are open for business in Ireland and England;

in relation to BlackRock Emerging Markets Sovereign Screened Bond Fund, a day (excluding Saturday and Sunday) on which the markets are open for business in Ireland and England;

in relation to the Mix Funds, a day (excluding Saturday and Sunday) on which the markets are open for business in Ireland, England and Luxembourg;

in relation to BlackRock Diversified Distribution Fund, a day (excluding Saturday and Sunday) on which the markets are open for business in Ireland and England;

in relation to BlackRock Diversifying Fixed Income Fund, a day (excluding Saturday and Sunday) on which the markets are open for business in Ireland and Luxembourg;

in relation to BlackRock Multi Style Strategy Fund, a day (excluding Saturday and Sunday) on which the markets are open for business in Ireland and France;

in relation to BlackRock Global Equity Selection Fund, a day (excluding Saturday and Sunday) on which the markets are open for business in Ireland and Luxembourg;

in relation to BlackRock Fixed Income Selection Fund, a day (excluding Saturday and Sunday) on which the markets are open for business in Ireland and Luxembourg;

in relation to BlackRock Diversified Strategies Selection Fund, a day (excluding Saturday and Sunday) on which the markets are open for business in Ireland and Luxembourg;

in relation to BlackRock Multi Asset Balanced Selection Fund, a day (excluding Saturday and Sunday) on which the markets are open for business in Ireland and Luxembourg;

in relation to BlackRock Multi Asset Conservative Selection Fund, a day (excluding Saturday and Sunday) on which the markets are open for business in Ireland and Luxembourg;

in relation to BlackRock Euro Cash Fund, every weekday on which banks and relevant markets are open for business in London or on which the Target System is open, except for a weekday which is any one of the following in Ireland: Easter Monday, St. Stephen's Day or the public holiday in respect of St. Stephen's Day if it falls on a Saturday or Sunday;

in relation to BlackRock Dynamic Allocation Fund, a day (excluding Saturday and Sunday) on which the markets are open for business in Ireland, England and Luxembourg;

in relation to BlackRock UK Equity Income Fund, a day (excluding Saturday and Sunday) on which the markets are open for business in Ireland and England;

in relation to BlackRock Defensive Yield ESG Screened Fund, a day (excluding Saturday and Sunday) on which the markets are open for business in Ireland, England, France and Germany;

in relation to BlackRock Emerging Markets Alpha Tilts Fund, BlackRock Systematic ESG Emerging Markets Equity Fund and BlackRock Tactical Opportunities Fund, a day (excluding Saturday and Sunday) on which the markets are open for business in Ireland and the US;

in relation to BlackRock Cangrande Global Index Equity Fund, a day (excluding Saturday and Sunday) on which the markets are open for business in the UK, Germany and Ireland;

other than any day declared as a non-Dealing Day by the Directors as further described in the section titled "Non-Dealing Days", or in relation to all Sub-Funds such day or days as the Manager may from time to time determine and notify in advance to Unitholders.

**"Canadian Resident"**, a person resident in Canada for the purposes of the Income Tax Act (Canada).

**"CEA"**, the Commodity Exchange Act (of the United States), as amended.

**"Central Bank UCITS Regulations"** means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, as may be amended from time to time.

**"CIS"**, collective investment schemes / undertakings.

**"Class", "Classes", "Unit Class" or "Unit Classes"** such Class of units in a Sub-Fund as the Manager may from time to time designate.

**“Class AI Units”** Subject to the discretion of the Manager (taking into account local regulations), Class AI Shares are available only in Italy through specific distributors selected by the Manager. Class AI Shares are available as Distributing and Accumulating Classes and are issued as registered shares and global certificates. Unless otherwise requested, all Class AI Units will be issued as registered units.

**“Class D Units”** Subject to the discretion of the Manager (taking into account local regulations), Class D Units are intended for providers of independent advisory services or discretionary investment management, or other distributors who: (i) provide investment services and activities as defined by MiFID II; and (ii) have separate fee arrangements with their clients in relation to those services and activities provided; and (iii) do not receive any other fee, rebate or payment from the relevant Fund in relation to those services and activities. Class D Units are available as Distributing and Accumulating Classes.

**“Client Agreement”**, an agreement between the Investment Manager, or an Affiliate, and an investor under which the investor has appointed the Investment Manager or such Affiliate to carry out investment management or advisory services on its behalf.

**“Credit Screened Funds”**, the BlackRock UK Credit Screened Fund.

**“Currency Hedged Class(es)”** means a Class designated in a currency that is either the same as, or different to, the Base Currency of a Sub-Fund, which permits the Base Currency exposure of a Sub-Fund to be hedged against the Valuation Currency of that Class.

**“Dealing Day”**, in relation to all Sub-Funds other than the BlackRock Diversifying Fixed Income Fund, such Business Day as the Manager may from time to time determine for dealings in a Sub-Fund, provided that there shall be at least one Dealing Day per fortnight. The Dealing Day in respect of each of the Sub-Funds shall be each Business Day unless otherwise determined by the Manager and notified in advance to Unitholders. However, some Business Days will not be Dealing Days where, for example, markets on which a Sub-Fund’s Investments are listed or traded are closed or where there is a public holiday in the relevant jurisdiction, subject always to the Directors’ discretion to temporarily suspend the determination of the Net Asset Value and sale, switching and/or redemption of Units of any Sub-Fund in accordance with the provisions of the Prospectus and Trust Deed;

in relation to the BlackRock Diversifying Fixed Income Fund such Business Day as the Manager may from time to time determine for dealings in a Sub-Fund, provided that there shall be at least one Dealing Day per fortnight. The Dealing Day in respect of the BlackRock Diversifying Fixed Income Fund shall be each Wednesday that is a Business Day of every calendar month unless otherwise determined by the Manager and notified in advance to Unitholders. However, some Business Days will not be Dealing Days where, for example, markets on which a Sub-Fund’s Investments are listed or traded are closed or where there is a public holiday in the relevant jurisdiction, subject always to the Directors’ discretion to temporarily suspend the determination of the Net Asset Value and sale, switching and/or redemption of Units of any Sub-Fund in accordance with the provisions of the Prospectus and Trust Deed.

**“Dealing Form”**, such dealing form as the Manager may prescribe for the purposes of dealing in Units of the Fund and/or relevant Class of Sub-Fund.

**“Dealing Price”**, the Net Asset Value per Unit adjusted to reflect the Duties and Charges relating to the purchase or sale of underlying investments which may be incurred by a Sub-Fund (where set out in the Prospectus) and being the price at which Units of a Sub-Fund are subscribed, redeemed or switched, as calculated and determined in accordance with the terms of the Prospectus. Such adjustment will be an addition to the Net Asset Value per Unit when on any Dealing Day the aggregate value of transactions in Units of all Classes of a Sub-Fund result in a net inflow and a deduction from the Net Asset Value per Unit when it results in a net outflow.

**“Dilution”**, means the reduction in the value of a Sub-Fund’s underlying assets as a result of the difference between the price at which assets were valued for the purpose of calculating the Net Asset Value and the price at which such assets were bought as a result of a subscription or sold as a result of a redemption.

**“Directive”**, Directive No. 2009/65/EC of the Council and of the European Parliament of 13 July 2009, as amended by Directive No. 2014/91/EU and as may be amended or replaced from time to time.

**“Directors”**, the directors of the Manager or any duly authorised committee thereof.

**“Distributing Classes”**, the Flexible Distributing Unit Classes, Institutional Distributing Unit Classes, Institutional 1 Distributing Unit Classes, Institutional 2 Distributing Unit Classes, Institutional 3 Distributing Unit Classes, Institutional 4 Distributing Unit Classes, Institutional 5 Distributing Unit Classes, Class A Distributing Classes, Class D Distributing Unit Classes, Class S Distributing Unit Classes, Class X Distributing Unit Classes, Class X1 Distributing Unit Classes, Class X2 Distributing Unit Classes, Class X3 Distributing Unit Classes and the Class Z Distributing Unit Classes of the Sub-Funds.

**“Duration Funds”**, the BlackRock UK Credit Screened Fund.

**“Duties and Charges”**, in relation to any Sub-Fund, all stamp and other duties, taxes, governmental charges, brokerage, bank charges, foreign exchange commissions and spreads, interest, custodian or sub-custodian charges (relating to sales and purchases), transfer fees, registration fees, and other duties and charges whether in connection with the original acquisition or increase of the assets of the relevant Sub-Fund or the creation, issue, sale, conversion or repurchase of Units or the purchase or sale of Investments or in respect of certificates or otherwise which may have become or may be payable in respect of or prior to or in connection with or arising out of or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable which, for the avoidance of doubt, includes, any provision for spreads (to take into account the difference between the price at which assets were valued for the purpose of calculating the Net Asset Value and the estimated price at which such assets shall be bought as a result of a subscription and sold as a result of a redemption) but shall not include any commission payable to agents on sales and purchases of Units or any commission, taxes, charges or costs which may have been taken into account in ascertaining the Net Asset Value of Units in the relevant Sub-Fund.

**“EEA”**, the European Economic Area being at the date of this Prospectus of the Member States, Norway, Iceland and Liechtenstein.

**“ERISA Plans”**, (i) any retirement plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended (ERISA); or, (ii) any individual retirement account or plan subject to Section 4975 of the United States Internal Revenue code of 1986, as amended.

**“EU”**, the European Union.

**“Euro” or “€”**, the single European currency unit referred to in Council Regulation (EC) No. 974/98 on 3 May 1998 on the introduction of the Euro.

**“Euro Short-Term Rate” or “€STR”**, the rate published by the European Central Bank which reflects the wholesale euro unsecured overnight borrowing costs of banks located in the eurozone.

**“FDIs”**, means financial derivative instruments.

**“Financial Intermediary”**, a person or entity who has entered into a written contract and/or been approved in writing by the Manager or Investment Manager, and who either (i) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons, or (ii) holds units in an investment undertaking or processes subscriptions and redemptions for Units on behalf of other persons. For purposes of this definition, Financial Intermediaries may include, but are not limited to, any broker, dealer, bank, investment advisor, financial planner, retirement plan or other third party administrator and any other institution having a selling, services or any similar agreement with the Manager or one of its affiliates.

**“Flexible Classes”**, the Flexible Accumulating Unit Class, the Flexible Distributing Unit Class, the Class X Accumulating Unit Class, the Class X Distributing Unit Class, the Class X1 Distributing Unit Classes, the Class X2 Distributing Unit Classes, the Class X3 Distributing Unit Classes in respect of which Unitholders must enter into a Client Agreement.

“**Fund**”, BlackRock UCITS Funds.

“**Guidance**”, the Central Bank of Ireland guidance entitled “UCITS Acceptable Investment in other Funds”.

“**GBP**”, Great British Pound, the lawful currency of the United Kingdom.

“**ICTA**”, the Income and Corporation Taxes Act 1988 (of the United Kingdom).

“**Index Sub-Fund**”, a Sub-Fund the investment objective of which is to track a benchmark index.

“**Institutional Classes**”, those Classes designated as being "Institutional Classes" in the list of Unit Classes listed under the heading "Introduction".

“**Investment**”, any investment authorised by the Trust Deed and which is permitted by the UCITS Regulations.

“**Investment Management Agreement**”, the agreement made between the Manager and the Investment Manager dated 29 June 2007 as amended.

“**Investment Manager**”, BlackRock Advisors (UK) Limited, and/or such other person as may be appointed, in accordance with the requirements of the Central Bank, to provide investment management services to the Sub-Funds, or any of them.

“**JPY**”, Japanese Yen, the lawful currency of Japan.

“**KIID**”, the key investor information document issued in respect of each Sub-Fund pursuant to the UCITS Regulations, as may be amended from time to time.

“**Manager**”, BlackRock Asset Management Ireland Limited, a limited liability company incorporated in Ireland.

“**Member State**”, the member states of the European Union as at the date of this Prospectus.

“**MiFID II**”, EU Directive 2014/65/EU on markets in financial instruments, as may be amended, modified or supplemented from time to time.

“**Minimum Holding**”, a holding of Units of any Class having an aggregate value of such minimum amount as set out in this Prospectus.

“**Minimum Redemption**”, such minimum value of Units or number thereof of any Class, which may be redeemed at any one time, as set out in this Prospectus.

“**Minimum Subscription**”, a Unitholder’s minimum subscription (whether initial or subsequent) for Units of any Class as set out in this Prospectus.

“**Mix Funds**” BlackRock Mix Fonds 1, BlackRock Mix Fonds 2, BlackRock Mix Fonds 3, BlackRock Mix Fonds 4 and BlackRock Mix Fonds 5.

“**Net Asset Value**”, the Net Asset Value of a Sub-Fund determined in accordance with the Trust Deed.

“**Net Asset Value per Unit**”, the Net Asset Value divided by the number of Units (in issue) of the relevant Sub-Fund subject to such adjustment, if any, as may be required where there is more than one Class of Units in the Sub-Fund.

“**OECD**”, the Organisation for Economic Co-operation and Development, whose member states currently comprise Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Luxembourg, Mexico, The Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom and United States.

**“OTC”**, over-the-counter.

**“OTC Derivatives”**, financial derivative instruments dealt over-the-counter.

**“PRC”**, the People’s Republic of China.

**“Qualified Holder”**, any person, corporation or entity other than: (i) a person, corporation or entity which acquires Units in a Flexible Class without first entering into a Client Agreement; (ii) a US Person; (iii) an ERISA Plan; (iv) a Canadian Resident; (v) any other person, corporation or entity which cannot acquire or hold Units without violating laws or regulations whether applicable to it or the Fund or otherwise or whose holding might result (either individually or in conjunction with other Unitholders in the same circumstances) in the Fund incurring any liability to taxation or suffering pecuniary disadvantages which the Fund might not otherwise incur or suffer or the Fund being required to register or register any Class of its securities under the laws of any jurisdiction (including without limitation, the 1933 Act, the 1940 Act or the CEA); or (vi) a custodian, nominee, or trustee for any person, corporation or entity described in (i) to (v) above.

**“Redemption Price”**, in respect of a Sub-Fund, the price at which Units of a Class are redeemed as calculated in the manner set out in the section of this Prospectus entitled “Redemptions”.

**“Regulated Markets”**, the stock exchanges and/or regulated markets listed in Appendix I.

**“Remuneration Policy”**, the policy as described in the section entitled “The Manager” including, but not limited to, a description as to how remuneration and benefits are calculated and identification of those individuals responsible for awarding remuneration and benefits.

**“Resolution”**, a resolution passed by a simple majority of the Unitholders present in person or by proxy at a duly convened meeting of Unitholders.

**“SCR”**, a “Solvency Capital Requirement” as defined by the Solvency II Regulation. “Spread SCR” means the standalone spread risk sub-module calculated using the standard formula methodology as detailed in the Solvency II Regulation.

**“SFD Regulation”**, the EU Sustainable Finance Disclosure Regulation (Regulation (EU) 2019/2088).

**“Solvency II Regulation”**, the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking up and pursuit of the business of Insurance and Reinsurance (Solvency II), as may be amended or supplemented from time to time.

**“Sovereign Screened Funds”**, the BlackRock Developed Markets Sovereign Screened Bond Fund and the BlackRock Emerging Markets Sovereign Screened Bond Fund.

**“Sterling”**, “**Stg**” or “**£**”, the lawful currency of the United Kingdom.

**“Sterling Overnight Index Average Rate” or “SONIA”**, the rate published by the Bank of England which reflects the average of the interest rates that banks pay to borrow Sterling overnight from other financial institutions and other institutional investors.

**“Stock Connect”**, means each of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, and collectively the “Stock Connects”.

**“Sub-Fund”**, a fund of assets established (with the prior approval of the Central Bank) for one or more classes of Units in the Fund which is invested in accordance with the investment objectives applicable to such fund.

**“Sub-Fund Cash Collection Account”**, a cash collection account opened in the name of a Sub-Fund which is considered to be highly leveraged.

**“Subscription Price”**, in respect of a Sub-Fund, the price at which Units of a Class are subscribed, as calculated in the manner set out in the section of this Prospectus entitled “Subscriptions”.



**“Target System”**, the Trans-European Automated Real-Time Gross Settlement Express Transfer system, which is the real-time gross settlement system for the Euro.

**“Taxonomy Regulation”**, means Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

**“Trust”**, the trust constituted by the Trust Deed.

**“Trustee”**, J.P. Morgan Bank (Ireland) plc or such other person as may be appointed, in accordance with the requirements of the Central Bank, to act as trustee to the Fund.

**“Trust Deed”**, the Amended and Restated Trust Deed dated 4 December 2009 made between the Manager and the Trustee and any deeds supplemental thereto.

**“UCITS”**, an Undertaking for Collective Investment in Transferable Securities established pursuant to the Directive.

**“UCITS Regulations”**, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as may be amended or supplemented from time to time.

**“Umbrella Cash Collection Account”**, a cash collection account at umbrella level opened in the name of the Fund.

**“United Kingdom”** or **“UK”**, the United Kingdom of Great Britain and Northern Ireland.

**“Unit”**, a unit in a Sub-Fund.

**“Unitholder”**, the registered holder of a Unit.

**“United States”** or **“US”**, the United States of America or any of its territories, possessions, any state of the United States and the District of Columbia.

**“United States Dollar”**, **“US Dollar”**, **“US\$”** or **“\$”**, the lawful currency of the United States of America.

**“US Person”** or **“US Persons”**, is defined in Appendix IV of this Prospectus. US Persons may not purchase Units in the Fund without the prior approval of the Directors and prior written consent of the Manager. The Directors may amend the definition of “US Persons” without notice to Unitholders as necessary in order best to reflect then-current applicable U.S. law and regulation.

**“Valuation Currency”**, in respect of a Class, the currency in which a Class is priced by the Administrator and in which such Units are denominated.

**“Valuation Point”**, in respect of BlackRock Developed Markets Sovereign Screened Bond Fund, BlackRock Emerging Markets Sovereign Screened Bond Fund, BlackRock Diversified Distribution Fund, BlackRock Diversifying Fixed Income Fund, BlackRock Multi Style Strategy Fund, BlackRock Global Equity Selection Fund, BlackRock Fixed Income Selection Fund, BlackRock Diversified Strategies Selection Fund, BlackRock Multi Asset Balanced Selection Fund, BlackRock Multi Asset Conservative Selection Fund, BlackRock Dynamic Allocation Fund, BlackRock UK Equity Income Fund, BlackRock Defensive Yield ESG Screened Fund, BlackRock Emerging Markets Alpha Tilts Fund, BlackRock Systematic ESG Emerging Markets Equity Fund, BlackRock Cangrande Global Index Equity Fund and BlackRock Tactical Opportunities Fund, the close of business in the markets relevant to their Investments or such other time on each Dealing Day as may be determined by the Manager, provided that if any of the relevant markets are not open on a Dealing Day, the value of the relevant Investments on the previous Dealing Day shall be used, using the same timing criteria;

in respect of the Mix Funds, the close of business in Ireland;

in respect of BlackRock UK Credit Screened Fund, BlackRock Euro Sovereign Bond Index Fund 1 and BlackRock Customised Euro Corporate Bond Index Fund 1 the close of business in the last relevant market on a Dealing Day;

in respect of BlackRock Euro Cash Fund, 4:00pm on a Dealing Day;

or

in relation to all Sub-Funds, such time and day as the Manager may from time to time determine (with the consent of the Administrator) in relation to the valuation of the assets and liabilities of a Sub-Fund provided that Unitholders will be notified in advance of any change in Valuation Point.

**“1933 Act”**, United States Securities Act of 1933, as amended.

**“1940 Act”**, United States Investment Company Act of 1940, as amended.

## DIRECTORY

### **Manager**

BlackRock Asset Management Ireland Limited  
1<sup>st</sup> Floor  
2 Ballsbridge Park  
Ballsbridge  
Dublin 4  
D04 YW83  
Ireland

### **Trustee**

J.P. Morgan Bank (Ireland) plc  
200 Capital Dock  
79 Sir John Rogerson's Quay  
Dublin 2, D02 RK57  
Ireland

### **Auditors**

Ernst & Young  
Harcourt Centre  
Harcourt Street  
Dublin 2  
Ireland

### **Secretary of the Manager**

Sanne  
4<sup>th</sup> Floor  
76 Baggot Street Lower  
Dublin 2  
Ireland

### **Directors of the Manager**

William Roberts (Chairman)  
Adele Spillane  
Barry O'Dwyer  
Catherine Woods  
Enda McMahon  
Justin Mealy  
Patrick Boylan  
Paul Freeman

### **Investment Manager, Promoter and Distributor**

BlackRock Advisors (UK) Limited  
12 Throgmorton Avenue  
London EC2N 2DL  
United Kingdom

### **Administrator, Registrar and Transfer Agent**

J.P. Morgan Administration Services (Ireland) Limited  
200 Capital Dock  
79 Sir John Rogerson's Quay  
Dublin 2, D02 RK57  
Ireland

### **Legal Advisers**

Matheson  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

## BLACKROCK UCITS FUNDS

### Introduction

BlackRock UCITS Funds is organised as an open-ended unit trust and authorised by the Central Bank as a UCITS pursuant to the provisions of the UCITS Regulations. The Fund is structured as an umbrella unit trust in that different Sub-Funds thereof may be established with the prior approval of the Central Bank. In addition, each Sub-Fund may have more than one Class allocated to it. The Units of each Class allocated to a Sub-Fund will rank *pari passu* with each other in all respects except as to all or any of the following or as the Manager may otherwise determine:

- currency of denomination of the Class;
- currency hedging strategy of the Class, if any;
- dividend policy (for example, Unit Classes may be accumulating or distributing, and in the case of Distributing Classes the frequency of distributions may differ between Unit Classes of the same Sub-Fund);
- the level of fees and expenses to be charged; and
- the Minimum Subscription, Minimum Redemption and Minimum Holding applicable.

The assets of each Sub-Fund will be separate from one another and will be invested in accordance with the investment objectives and policies applicable to such Sub-Fund. The Trust has created, and may in the future create, additional Unit Classes which are designated in a currency that is either the same as, or different to, the Base Currency of a Sub-Fund, and which permit the foreign currency exposure of such Classes to be hedged against appreciation or depreciation of the Valuation Currency of that Class to the extent of the initial subscription for Units in that Class or as may be adjusted periodically (monthly) thereafter relative to NAV movements at the discretion of the Manager.

All such transactions will be clearly attributable to the relevant Currency Hedged Class and the currency exposures of the different Currency Hedged Classes will not be combined or offset. As foreign exchange hedging will be utilised solely for the benefit of Currency Hedged Classes, its costs and related liabilities and/or benefits will be for the account of the relevant Currency Hedged Classes only.

While holding Currency Hedged Units will protect investors from a decline in the value of the Base Currency of the relevant Sub-Fund against the Valuation Currency of the relevant Currency Hedged Class, investors in Currency Hedged Classes will not generally benefit when the Valuation Currency of the relevant Currency Hedged Class Units declines against the Base Currency of the relevant Sub-Fund. The Investment Manager does not intend to have under-hedged or over-hedged positions, however due to market movements and factors outside the control of the Investment Manager, under-hedged and over-hedged positions may arise from time to time. The Investment Manager will limit hedging to the extent of the relevant Currency Hedged Class's currency exposure.

The Investment Manager shall monitor such hedging at each Valuation Point to ensure that such hedging shall not exceed 105 per cent or fall short of 95 per cent of the Net Asset Value of the relevant Currency Hedged Class, as prescribed by the Central Bank UCITS Regulations.

Foreign exchange hedging will not be used for speculative purposes and, subject to the above, Currency Hedged Units will not be leveraged as a result of such transactions.

Hedged positions shall be monitored by the Investment Manager to ensure that positions in excess of the above limits shall not be carried forward from month to month. Changes in the NAV of the Sub-Fund between Valuation Points may cause the Currency Hedged Class Units to be imperfectly hedged against their exposure to the Base Currency of the Sub-Fund to the extent of that movement, where the Valuation Currency differs from the Base Currency.

In the event that there is a gain on the foreign currency hedge, no leverage will result from such gain. In the event that there is a loss on the foreign currency hedge, leverage will result in the relevant Currency Hedged Class from such loss. Any leverage will be removed or reduced when the relevant currency hedge is adjusted or reset as required for the relevant Currency Hedged Class. The Investment Manager does not intend to leverage the Currency Hedged Class Units beyond the tolerance threshold at which point a reset of some or all of the currency hedges for that Currency Hedged Class will be triggered. In extreme market conditions, the tolerance threshold may be temporarily breached.

Purchasers of Currency Hedged Units should note that there are various risks associated with foreign exchange hedging strategies. Please see “Currency Risk – Currency Hedged Classes” under the heading “Risk Factors” below for a description of the risks associated with hedging the foreign currency exposures of the Currency Hedged Classes.

## Sub-Funds and Unit Classes

Name of Sub-Fund	Unit Classes
BlackRock UK Credit Screened Fund	Flexible Accumulating Unit Class Flexible Distributing Unit Class Institutional Accumulating Unit Class Institutional Distributing Unit Class
BlackRock Developed Markets Sovereign Screened Bond Fund	EUR - Flexible Accumulating Unit Class EUR - Flexible Distributing Unit Class EUR - Institutional Accumulating Unit Class EUR - Institutional Distributing Unit Class GBP - Flexible Accumulating Unit Class GBP - Flexible Distributing Unit Class GBP - Institutional Accumulating Unit Class GBP - Institutional Distributing Unit Class CHF - Flexible Accumulating Unit Class CHF - Flexible Distributing Unit Class CHF - Institutional Accumulating Unit Class CHF - Institutional Distributing Unit Class USD - Flexible Accumulating Unit Class USD - Flexible Distributing Unit Class USD - Institutional Accumulating Unit Class USD - Institutional Distributing Unit Class
BlackRock Emerging Markets Sovereign Screened Bond Fund	EUR - Flexible Accumulating Unit Class  EUR - Flexible Distributing Unit Class EUR - Institutional Accumulating Unit Class EUR - Institutional Distributing Unit Class GBP - Flexible Accumulating Unit Class GBP - Flexible Distributing Unit Class GBP - Institutional Accumulating Unit Class GBP - Institutional Distributing Unit Class CHF - Flexible Accumulating Unit Class CHF - Flexible Distributing Unit Class CHF - Institutional Accumulating Unit Class CHF - Institutional Distributing Unit Class USD - Flexible Accumulating Unit Class USD - Flexible Distributing Unit Class USD - Institutional Accumulating Unit Class USD - Institutional Distributing Unit Class
BlackRock Mix Fonds 1	Class R Accumulating
BlackRock Mix Fonds 2	Class R Accumulating
BlackRock Mix Fonds 3	Class R Accumulating
BlackRock Mix Fonds 4	Class R Accumulating
BlackRock Mix Fonds 5	Class R Accumulating
BlackRock Diversified Distribution Fund	EUR - Institutional Distributing Unit Class
BlackRock Euro Sovereign Bond Index Fund 1	EUR - Institutional Accumulating Unit Class
BlackRock Customised Euro Corporate Bond Index Fund 1	EUR - Institutional Accumulating Unit Class
BlackRock Multi Style Strategy Fund	Class U Accumulating
BlackRock Global Equity Selection Fund	Class A Accumulating, Class D Accumulating, Class E Accumulating

BlackRock Fixed Income Selection Fund	Class A Accumulating, Class D Accumulating, Class E Accumulating
BlackRock Diversified Strategies Selection Fund	Class D Accumulating, Class E Accumulating
BlackRock Multi Asset Balanced Selection Fund	Class D Accumulating, Class E Accumulating
BlackRock Multi Asset Conservative Selection Fund	Class A Accumulating, Class D Accumulating, Class E Accumulating, Flexible Accumulating Unit Class
BlackRock Euro Cash Fund	Class D Accumulating, Class E Accumulating
BlackRock Dynamic Allocation Fund	Class D Accumulating Class D Distributing Flexible Accumulating Unit Class Flexible Distributing Unit Class Institutional Accumulating Unit Class Institutional Distributing Unit Class
BlackRock UK Equity Income Fund	Class A Accumulating Class A Distributing Class D Accumulating Class D Distributing Class S Accumulating Class S Distributing Class X Accumulating Class X Distributing Class Z Accumulating Class Z Distributing
BlackRock Defensive Yield ESG Screened Fund	Class A Accumulating Class A Distributing Class D Accumulating Class D Distributing Class D CHF Hedged Accumulating Class D CHF Hedged Distributing Class D GBP Hedged Accumulating Class D GBP Hedged Distributing Class Z Accumulating Class Z Distributing Class Z CHF Hedged Accumulating Class Z CHF Hedged Distributing Flexible Accumulating Unit Class Flexible Distributing Unit Class
BlackRock Emerging Markets Alpha Tilts Fund	Class D Accumulating Class Z Accumulating Institutional Accumulating Unit Class Flexible Accumulating Unit Class
BlackRock Systematic ESG Emerging Markets Equity Fund	Class A Accumulating Flexible Accumulating Unit Class Class A EUR Accumulating Flexible EUR Accumulating Unit Class Class A EUR Hedged Accumulating Flexible EUR Hedged Accumulating Unit Class
BlackRock Tactical Opportunities Fund	Flexible Accumulating Unit Class Flexible Distributing Unit Class Institutional Accumulating Unit Class Institutional Distributing Unit Class Flexible EUR Hedged Accumulating Unit Class Flexible EUR Hedged Distributing Unit Class Institutional EUR Hedged Accumulating Unit Class Institutional EUR Hedged Distributing Unit Class

Flexible JPY Hedged Accumulating Unit Class  
Flexible JPY Hedged Distributing Unit Class  
Institutional JPY Hedged Accumulating Unit Class  
Institutional JPY Hedged Distributing Unit Class  
Flexible AUD Hedged Accumulating Unit Class  
Flexible AUD Hedged Distributing Unit Class  
Institutional AUD Hedged Accumulating Unit Class  
Institutional AUD Hedged Distributing Unit Class

BlackRock Diversifying Fixed Income Fund

Institutional Distributing Unit Class  
Institutional Accumulating Unit Class  
Institutional 1 Distributing Unit Class  
Institutional 2 Distributing Unit Class  
Institutional 3 Distributing Unit Class  
Institutional 4 Distributing Unit Class  
Institutional 5 Distributing Unit Class  
Class X1 Distributing  
Class X2 Distributing  
Class X3 Distributing

BlackRock Cangrande Global Index Equity Fund

Institutional Distributing Unit Class

Further Classes may be created in accordance with the requirements of the Central Bank. Details of the Classes available for subscription, and to which different fee structures may apply, are set out in this Prospectus or in separate Supplements, which form part of and should be read in conjunction with the general description of the Fund in this Prospectus, together with the most recent audited annual report and accounts and if published after such report, a copy of the latest unaudited semi-annual report.

Each Unit is a beneficial interest under the Trust. The value of the Units of each Sub-Fund shall at all times equal its Net Asset Value. The Base Currency of each Sub-Fund will be determined by the Manager.

Potential investors shall only be permitted to hold Units in the Flexible Classes if they have entered into a Client Agreement.

### **Investment Objectives and Policies**

#### General

The specific investment objectives and policies for each Sub-Fund will be formulated by the Manager at the time of the creation of each Sub-Fund as set out below.

The stock exchanges and markets in which the Sub-Funds may invest are set out in Appendix I. These stock exchanges and markets are listed in accordance with the requirements of the Central Bank, it being noted that the Central Bank does not issue a list of approved exchanges or markets.

Any alteration to the investment objectives or a material alteration to the investment policies of a Sub-Fund will be subject to the prior approval in writing of a majority of the Unitholders of the relevant Sub-Fund, or, if a general meeting of the Unitholders of such Sub-Fund is convened, by a majority of the votes cast at such meeting. The Manager will give Unitholders at least 21 days' written notice prior to the implementation of any alteration to the investment objectives or material alteration to the investment policies of a Sub-Fund. Changes to the name of a Sub-Fund will not require Unitholder approval.

A Sub-Fund may, subject to the conditions set out in Appendix III, invest in other CIS and/or Sub-Funds of the Fund.

#### Index Sub-Funds

The Index Sub-Funds may pursue either a replicating strategy or a non-replicating strategy in order to track their respective benchmark indices:

- (a) Replicating Strategy



Replicating Index Sub-Funds seek to replicate as closely as possible the constituents of the benchmark index by holding all the securities comprising the benchmark index in similar proportion to their weightings in the benchmark index and in doing so will apply the investment limits set out in Appendix III. It may not, however, always be possible or practicable to purchase each and every constituent of the benchmark index in accordance with the weightings of the benchmark index, or doing so may be detrimental to Unitholders (for example, where there are considerable costs or practical difficulties involved in compiling a portfolio of securities in order to replicate the benchmark index, or in circumstances where a security in the benchmark index becomes temporarily illiquid, unavailable or less liquid, or as a result of legal restrictions that apply to the Sub-Fund but not to the benchmark index).

(b) Non-replicating Strategy

Non-replicating Index Sub-Funds may, or may not, hold every security or the exact concentration of a security in its benchmark index, but will aim to track its benchmark index as closely as possible and may use optimisation techniques to achieve their investment objective. Optimisation techniques are techniques used by a Sub-Fund to achieve a similar return to its benchmark index. These techniques may include the strategic selection of certain securities that make up the benchmark index or other securities which provide similar performance to certain constituent securities. They may also include the use of FDIs. The extent to which an Index Sub-Fund uses optimisation techniques will depend on the nature of the constituents of its benchmark index, the practicalities and cost of tracking the relevant benchmark index, and such use is at the discretion of the Investment Manager. For example, an Index Sub-Fund may use optimisation techniques extensively and may be able to provide a return similar to that of its benchmark index by investing only in a relatively small number of the constituents of its benchmark index. The Index Sub-Fund may also hold some securities which provide similar performance (with matching risk profile) to certain securities that make up the relevant benchmark index even if such securities are not themselves constituents of the benchmark index and may exceed the number of constituents of the benchmark index. The use of optimisation techniques, implementation of which is subject to a number of constraints such as those detailed in Appendix III which apply to investment in FDIs, may not produce the intended results.

The following Index Sub-Funds use a non-replicating strategy:

BlackRock Euro Sovereign Bond Index Fund 1  
BlackRock Customised Euro Corporate Bond Index Fund 1  
BlackRock Cangrande Global Index Equity Fund

### **The Benchmark Regulation**

In respect of those Sub-Funds that track a benchmark index, or are managed by reference to a benchmark index, or use a benchmark index to compute a performance fee (in each case a “Benchmark Index”), the Manager works with the applicable benchmark administrators for the Benchmark Indices of such Sub-Funds to confirm that the benchmark administrators are, or intend to get themselves, included in the register maintained by ESMA under the Benchmark Regulation.

The list of benchmark administrators that are included in the Benchmark Regulation Register is available on ESMA’s website at [www.esma.europa.eu](http://www.esma.europa.eu).

The Manager has in place and maintains robust written plans setting out the actions that it would take in the event that a benchmark is materially changed or ceases to be provided and these are available on request and free of charge at the registered office of the Manager.

Pursuant to these written plans, where the Manager is notified by the benchmark administrator of a material change or cessation of a Benchmark Index, the Manager will assess the impact of a material change to the Benchmark Index on the relevant Sub-Fund and, where it determines appropriate or in the event of the cessation of a Benchmark Index, consider substituting another index for the Benchmark Index. Prior Unitholder approval will be sought in advance where a change of the Benchmark Index constitutes a change to the investment objective and/or a material change to the investment policy of a Sub-Fund. Where the Manager is unable to substitute another index for the Benchmark Index, the

Directors may resolve to seek the winding up of the Sub-Fund to the extent reasonable and practicable.

### **ESG Integration**

*The following disclosure applies to all Sub-Funds (with the exception of BlackRock Customised Euro Corporate Bond Index Fund 1, BlackRock Euro Sovereign Bond Index Fund 1 and BlackRock Cangiande Global Index Equity Fund):*

Environmental, Social and Governance (ESG) investing, is often conflated or used interchangeably with the term “sustainable investing.” BlackRock has identified sustainable investing as being the overall framework and ESG as a data toolkit for identifying and informing our solutions. BlackRock has defined ESG Integration as the practice of incorporating material ESG information and consideration of sustainability risks into investment decisions in order to enhance risk-adjusted returns. BlackRock recognises the relevance of material ESG information across all asset classes and styles of portfolio management. The Investment Manager may incorporate sustainability considerations in its investment processes across all investment platforms. ESG information and sustainability risks are included as a consideration in investment research, portfolio construction, portfolio review, and investment stewardship processes.

The Investment Manager considers ESG insights and data, including sustainability risks, within the total set of information in its research process and makes a determination as to the materiality of such information in its investment process. ESG insights are not the sole consideration when making investment decisions and the extent to which ESG insights are considered during investment decision making will also be determined by the ESG characteristics or objectives of the Sub-Fund. The Investment Manager’s evaluation of ESG data may be subjective and could change over time in light of emerging sustainability risks or changing market conditions. This approach is consistent with the Investment Manager’s regulatory duty to manage the Sub-Funds in accordance with their investment objectives and policies and in the best interests of the Sub-Funds’ investors. For each of the Sub-Funds, the firm’s Risk and Quantitative Analysis group will review portfolios in partnership with the Investment Manager to ensure that sustainability risks are considered regularly alongside traditional financial risks, that investment decisions are taken in light of relevant sustainability risks and that decisions exposing portfolios to sustainability risks are deliberate, and the risks diversified and scaled according to the investment objectives of the Sub-Funds.

BlackRock’s approach to ESG integration is to broaden the total amount of information the Investment Manager considers with the aim of improving investment analysis and understanding the likely impact of sustainability risks on the Sub-Funds’ investments. The Investment Manager assesses a variety of economic and financial indicators, which may include ESG data and insights, to make investment decisions appropriate for the Sub-Funds’ objectives. This can include relevant third-party insights or data, internal research or engagement commentary and input BlackRock Investment Stewardship.

Sustainability risks are identified at various steps of the investment process, where relevant, from research, allocation, selection, portfolio construction decisions, or management engagement, and are considered relative to the Sub-Funds’ risk and return objectives. Assessment of these risks is done relative to their materiality (i.e. likelihood of impacting returns of the investment) and in tandem with other risk assessments (e.g. liquidity, valuation, etc.).

Unless otherwise stated in Sub-Fund documentation and included within a Sub-Fund’s investment objective and investment policy, ESG integration does not change a Sub-Fund’s investment objective or constrain the Investment Manager’s investable universe, and there is no indication that an ESG or impact focused investment strategy or any exclusionary screens will be adopted by a Sub-Fund. Impact investments are investments made with the intention to generate positive, measurable social and/or environmental impact alongside a financial return. Similarly, ESG integration does not determine the extent to which a Sub-Fund may be impacted by sustainability risks. Please refer to Sustainability Risk in the risk factors section of this prospectus.

BlackRock discloses further information about ESG risk integration practices at the team or platform level and for each unique investment strategy through a series of integration statements that are publicly available on product pages where permitted by law/regulation or otherwise made available to current and prospective investors and investment advisors.

*The following disclosure applies to BlackRock Customised Euro Corporate Bond Index Fund 1, BlackRock Euro Sovereign Bond Index Fund 1 and BlackRock Cangrande Global Index Equity Fund:*

Environmental, social and governance (ESG) investing, is often conflated or used interchangeably with the term “sustainable investing.” BlackRock has identified sustainable investing as being the overall framework and ESG as a data toolkit for identifying and informing our solutions. BlackRock has defined ESG Integration as the practice of incorporating material ESG information and consideration of sustainability risks into investment decisions in order to enhance risk-adjusted returns. BlackRock recognises the relevance of material ESG information across all asset classes and styles of portfolio management. The Investment Manager incorporates sustainability considerations into its investment processes across all Sub-Funds. ESG information and sustainability risks are included as a consideration in index selection, portfolio review and investment stewardship processes.

Passively managed Sub-Funds seek to provide investors with a return that reflects the return of the relevant Benchmark Index as set out in the investment objective of the relevant Sub-Fund. A Benchmark Index may have a sustainability objective or may be designed to avoid certain issuers based on ESG criteria or gain exposure to issuers with better ESG ratings, an ESG theme, or to generate positive environmental or social impact (Sustainable Suite). BlackRock considers the suitability characteristics and risk assessments of the index provider and BlackRock may adapt its investment approach appropriately in line with the Sub-Fund’s investment objective and policy. A Benchmark Index may also not have explicit sustainability objectives or sustainability requirements. Across all passively managed Sub-Funds, ESG integration includes:

- Engagement with index providers relating to the Benchmark Index
- Consultation across the industry on ESG considerations;
- Advocacy in relation to transparency and reporting, including methodology criteria and reporting on sustainability-related information
- Investment stewardship activities that are undertaken across all investment strategies invested in corporate equity issuers to advocate for sound corporate governance and business practices in relation to the material ESG factors that are likely to impact long-term financial performance.

Unless otherwise stated in Sub-Fund documentation and included within a Sub-Fund’s investment objective and investment policy, ESG integration does not change a Fund’s investment objective or constrain the Investment Manager’s investable universe, and there is no indication that an ESG or impact focused investment strategy or any exclusionary screens will be adopted by a Fund. Impact investments are investments made with the intention to generate positive, measurable social and /or environmental impact alongside a financial return. Similarly, ESG integration does not determine the extent to which a Sub-Fund may be impacted by sustainability risks. Please refer to “Sustainability Risk” in the “Risk Factors” section of this Prospectus. For funds managed in reference to indices which explicitly include sustainability objectives, the Risk and Quantitative Analysis group (RQA) conducts regular reviews with portfolio managers to ensure that both benchmark performance tracking and adherence to the sustainability objectives embedded in the benchmark’s methodology are appropriately pursued.

BlackRock discloses portfolio-level ESG and sustainability related data that is publicly available on product pages where permitted by law/regulation so current and prospective investors and investment advisors can view sustainability-related information for a Sub-Fund.

*The following disclosures apply to all Sub-Funds:*

BlackRock currently intends to comply with transparency requirements relating to principal adverse sustainability impacts of the Sub-Funds within the timeframe set out in the SFD Regulation.

### Investment Stewardship

BlackRock undertakes investment stewardship engagements and proxy voting with the goal of protecting and enhancing the long-term value of the Sub-Funds’ assets for relevant asset classes. In our experience, sustainable financial performance and value creation are enhanced by sound governance practices, including risk management oversight, board accountability, and compliance with regulations. We focus on board composition, effectiveness and accountability as a top priority. In our

experience, high standards of corporate governance are the foundations of board leadership and oversight. We engage to better understand how boards assess their effectiveness and performance, as well as their position on director responsibilities and commitments, turnover and succession planning, crisis management and diversity.

BlackRock takes a long-term perspective in its investment stewardship work informed by two key characteristics of our business: the majority of our investors are saving for long-term goals, so we presume they are long-term shareholders; and BlackRock offers strategies with varying investment horizons, which means BlackRock has long-term relationships with its investee companies.

For further detail regarding BlackRock's approach to sustainable investing and investment stewardship please refer to the website at [www.blackrock.com/corporate/sustainability](http://www.blackrock.com/corporate/sustainability) and <https://www.blackrock.com/corporate/about-us/investment-stewardship#our-responsibility>

### **Article 8 Sub-Funds**

The following Sub-Funds of the Trust are article 8 funds in accordance with the SFD Regulation ("Article 8 Sub-Funds"): BlackRock Defensive Yield ESG Screened Fund and BlackRock Systematic ESG Emerging Markets Equity Fund.

### **Taxonomy Regulation**

Article 6 Sub-Funds in accordance with the SFD Regulation ("Article 6 Sub-Funds"):

The investments underlying these Sub-Funds do not take into account the EU criteria for environmentally sustainable economic activities.

Article 8 Sub-Funds:

The Technical Screening Criteria ("TSC") were finalised only on 9 December 2021 (i.e. in respect of the first two Taxonomy environmental objectives of climate change mitigation and climate change adaptation) or have not yet been developed (i.e. for the other four Taxonomy environmental objectives). These detailed criteria will require the availability of multiple, specific data points regarding each investment. As at the date hereof, there is insufficient reliable, timely and verifiable data available for BlackRock to be able to assess investments using the TSC.

In addition, the Regulatory Technical Standards ("RTS") under the SFD Regulation which define the methodology for the calculation of the share of environmentally sustainable investments and the templates for these disclosures are not yet in force. As at the date hereof, BlackRock is not able to provide standardised and comparable disclosures on the Taxonomy alignments of the Sub-Funds.

While there may be investments in the Sub-Funds that are in economic activities that contribute to an environmental objective and may be eligible to be assessed against the TSC, BlackRock is not currently in a position to describe:

1. the extent to which the investments of the Sub-Funds are in economic activities that qualify as environmentally sustainable and are aligned with the Taxonomy Regulation;
2. the proportion, as a percentage of the Sub-Funds' portfolios, of investments in environmentally sustainable economic activities which are aligned with the Taxonomy Regulation; or
3. the proportion, as a percentage of the Sub-Funds' portfolios, of enabling and transitional activities (as described in the Taxonomy Regulation).

BlackRock is keeping this situation under active review and where, in its discretion, it has assessed that it has sufficient reliable, timely and verifiable data on the Sub-Funds' investments, BlackRock will provide the descriptions referred to above, in which case this Prospectus will be updated. For further information please refer to <https://www.blackrock.com/corporate/literature/prospectus/eu-taxonomy.pdf>.

## **BlackRock UK Credit Screened Fund**

The investment objective of the Sub-Fund is to provide investors with diversified exposure to corporate credit issuers predominantly issuing Sterling denominated fixed income securities.

In order to achieve this investment objective, the investment policy of the Sub-Fund is to invest predominantly in Sterling denominated fixed income securities and FDIs, as detailed below. The fixed income securities in which the Sub-Fund may invest include, but are not limited to corporate bonds and, to a lesser extent, government bonds and municipal bonds and will normally be listed or traded on Regulated Markets as set out in Appendix I.

The fixed income securities in which the Sub-Fund will invest will be fixed and floating and will be investment grade. A fixed income security will be deemed to be investment grade if it has a rating of BBB- and/or higher by S&P or an equivalent rating by any of the other principal rating agencies. Any fixed income security that is subsequently downgraded may continue to be held in order to avoid a distressed sale.

The Investment Manager will employ a credit-screening strategy to assist in minimising the Sub-Fund's exposure to fixed income securities believed to be most susceptible to excessive price deterioration.

The Sub-Fund may also employ FDIs including, but not limited to, credit default swaps, exchange traded bond futures, exchange traded interest rate futures, total return swaps (which may be used to manage exposures to certain securities or securities indexes), and interest rate swaps (which may be used to manage interest rate risk) forward FX contracts (which may be used to manage currency risk), for direct investment and/or efficient portfolio management purposes in accordance with the limitations set down in Appendix II (subject to the conditions and within the limits laid down by the Central Bank). These FDIs may be dealt in over-the-counter or be listed or traded on the Regulated Markets set out in Appendix I. These FDIs will be used to hedge risk or to enhance returns. In implementing its investment policies the Sub-Fund is not expected to be leveraged.

The Sub-Fund may also, subject to the conditions set out in Appendix III, invest up to 10% of its Net Asset Value in aggregate in other CIS, including exchange traded funds, and/or other Sub-Funds of the Fund. The annual report of the Fund shall indicate the maximum proportion of management fees charged both to the Sub-Fund and the CIS in which it invests for the period covered by such report.

The Base Currency of the Sub-Fund is Sterling.

### *Use of Benchmark Index*

The Sub-Fund is actively managed and the Investment Manager has discretion to select the Sub-Fund's investments. In doing so, the Investment Manager will refer to the iBoxx Sterling Corporates ex T1 & UT2 (2% Capped) Custom Index (the "Index") when constructing the Sub-Fund's portfolio, and also for risk management purposes to ensure that the active risk (i.e. degree of deviation from the Index) taken by the Sub-Fund remains appropriate given the Sub-Fund's investment objective and policy. The Investment Manager is not bound by the components or weighting of the Index when selecting investments. The Investment Manager may also use its discretion to invest in securities not included in the Index in order to take advantage of specific investment opportunities. However, the geographical scope and credit rating requirements of the investment objective and policy may have the effect of limiting the extent to which the portfolio holdings will deviate from the Index. The Sub-Fund is also designed to provide investors with achievement of the investment objective by typically taking a low to conservative level of active risk relative to the index in order to seek a commensurate active return in excess of applicable management fees over the medium term (i.e. 3 years or more) and may generate a modest positive or negative active gross return. The Index should be used by investors to compare the performance of the Sub-Fund.

## **BlackRock Developed Markets Sovereign Screened Bond Fund**

The investment objective of the Sub-Fund is to seek to provide investors with diversified exposure primarily to developed government bond markets globally.

In order to achieve this investment objective, the investment policy of the Sub-Fund is to invest primarily in the fixed income securities that make up the Bloomberg Barclays Global Treasury Index (customised) (the “Developed Index”), subject to those securities meeting certain sovereign credit-screening criteria. The Investment Manager may also invest in fixed income securities that are not contained in the Developed Index. The Investment Manager is not obliged to construct the portfolio to reflect the composition or capping constraints of the Developed Index or any other index.

The Investment Manager will employ a sovereign credit-screening strategy to assist in minimising the Sub-Fund’s exposure to fixed income securities believed to be most susceptible to excessive price deterioration. The credit screening strategy ranks sovereign debt issuers in terms of factors such as fiscal position, external finance position, credit worthiness, and willingness to pay. Based on this ranking the Investment Manager can determine which fixed income securities are most susceptible to excessive price deterioration and avoid investing in such securities.

The Sub-Fund will invest in fixed income securities including, fixed rate and floating rate securities (which may include, but are not limited to, treasury bills and gilts) and bonds which may be issued by governments or any of their political subdivisions, authorities, agencies, or instrumentalities, supranational organisations, central banks, corporations or other issuers and may be unlisted or be listed or traded on a regulated market and are expected to primarily have fixed rates, but may also have floating rates. In those jurisdictions where the Sub-Fund might be liable to withholding taxes on investment in government bonds, the Sub-Fund may look to invest in high quality financial institutions and corporate issuers. All fixed income securities in which the Sub-Fund invests will be investment grade rated by Moody’s Investor Services, Standard and Poor’s Corporation or Fitch Ratings at the time of purchase or will be deemed by the Investment Manager to be of an equivalent rating. If the credit ratings of such fixed income securities are downgraded, the Sub-Fund may continue to hold the affected fixed income securities for a period of time, at the discretion of the Investment Manager, in order to avoid a distressed sale of the downgraded bond.

The Sub-Fund may also employ FDIs including, but not limited to, credit default swaps, exchange traded bond futures, exchange traded interest rate futures, total return swaps (which may be used to manage exposures to certain securities or securities indexes), and interest rate swaps (which may be used to manage interest rate risk) forward FX contracts (which may be used to manage currency risk), for direct investment and/or efficient portfolio management purposes in accordance with the limitations set down in Appendix II (subject to the conditions and within the limits laid down by the Central Bank). These FDIs may be dealt in over-the-counter or be listed or traded on the Regulated Markets set out in Appendix I. These FDIs will be used to hedge risk or to enhance returns.

All underlying portfolio currency exposures in the BlackRock Developed Markets Sovereign Screened Bond Fund are hedged back to the Base Currency of the Sub-Fund using FDIs.

In implementing its investment policy the BlackRock Developed Markets Sovereign Screened Bond Fund is generally expected to be leveraged at around 200% of its Net Asset Value. The Sub-Fund may have higher levels of leverage, including in atypical or volatile market conditions, however leverage is not expected to exceed 300% of its Net Asset Value. For the purposes of this disclosure, leverage is investment exposure gained through the use of FDIs. It is calculated using the sum of the notional values of all of the FDIs held by the Sub-Fund, without netting. The Investment Manager uses Relative VaR to monitor and manage the global exposure of the Sub-Fund.

The return of the Sub-Fund will be compared with the return of the Developed Index, which is a customised index comprised of government bonds (primarily fixed rate) based on the standard Barclays Capital Global Treasury Index series, but with a fixed cap of 10% on any one country and a 30% fixed cap on Eurozone countries collectively. The Developed Index represents local currency government debt of investment grade countries. It is intended that the Developed Index will initially comprise the following exposure: 10% Japan, 10% UK, 10% USA, 30% Eurozone countries, and with the remaining 40% made up of a mixture of other countries.

In order to assist in meeting its investment objective, the Sub-Fund may also, subject to the conditions set out in Appendix III, invest up to 10% of its Net Asset Value in aggregate in other CIS, including exchange traded funds, and/or other Sub-Funds of the Fund where the objectives of such schemes are consistent with its objective or for efficiently managing cash holdings and/or collateral. The annual report

of the Fund shall indicate the maximum proportion of management fees charged both to the Sub-Fund and the CIS in which it invests for the period covered by such report.

The Base Currency of the Sub-Fund is Euro.

#### *Use of Benchmark Index*

The Sub-Fund is actively managed and the Investment Manager has discretion to select the Sub-Fund's investments. In doing so, the Investment Manager will refer to the Developed Index (which comprises the BBG Barclays Global Treasury ex CCY 100% EUR Hedged Index (40%), BBG Barclays Global Aggregate Euro Treasury Index (30%), BBG Barclays Global Treasury Japan Capped 100% EUR Hedged Index (10%), BBG Barclays Global Aggregate US Treasury 100% EUR Hedged Index (10%) and BBG Barclays Global Treasury UK 100% EUR Hedged Index (10%)) as described in its investment policy, and also for risk management purposes to ensure that the active risk (i.e. degree of deviation from the Developed Index) taken by the Sub-Fund remains appropriate given the Sub-Fund's investment objective and policy. The range of issuers permitted by the investment objective and policy may have the effect of limiting the extent to which the portfolio holdings will deviate from the Developed Index. The Sub-Fund is also designed to provide investors with achievement of the investment objective by typically taking a low to conservative level of active risk relative to the Developed Index in order to seek a commensurate active return in excess of applicable management fees over the medium term (i.e. 3 years or more), and is designed to provide a selected exposure to the Developed Index which may generate a modest positive or negative active gross return. The Developed Index should be used by Investors to compare the performance of the Sub-Fund.

#### **BlackRock Emerging Markets Sovereign Screened Bond Fund**

The investment objective of the Sub-Fund is to seek to provide investors with diversified exposure primarily to emerging market government bond markets globally.

In order to achieve this investment objective, the investment policy of the Sub-Fund is to invest primarily in the fixed income securities that make up the J.P. Morgan Government Bond Index - Emerging Markets Global Diversified Emerging Index (the "Emerging Index") subject to those securities meeting certain sovereign credit-screening criteria. The Investment Manager may also invest in fixed income securities that are not contained in the Emerging Index. The Investment Manager is not obliged to construct the portfolio to reflect the composition or capping constraints of the Emerging Index or any other index.

The Investment Manager will employ a sovereign credit-screening strategy to assist in minimising the Sub-Fund's exposure to fixed income securities believed to be most susceptible to excessive price deterioration. The credit screening strategy ranks sovereign debt issuers in terms of factors such as fiscal position, external finance position, credit worthiness, and willingness to pay. Based on this ranking the Investment Manager can determine which fixed income securities are most susceptible to excessive price deterioration and avoid investing in such securities.

The Sub-Fund will invest in fixed income securities (mainly denominated in the currency of the relevant emerging market country issuer) including, fixed rate, variable rate, floating rate and zero coupon securities and bonds, which may be below investment grade or unrated. Below investment grade securities may be upgraded to investment grade or downgraded to default grade or credit ratings may be withdrawn in certain circumstances from time to time. In such event the Sub-Fund may hold investment grade, default grade or unrated securities as required by the Investment Manager. Such investments may be issued by governments or any of their political subdivisions, authorities, agencies, or instrumentalities, supranational organisations, central banks, corporations or other issuers and may be unlisted or be listed or traded on a regulated market.

The Sub-Fund may also employ FDIs including, but not limited to, credit default swaps, exchange traded bond futures, exchange traded interest rate futures, total return swaps (which may be used to manage exposures to certain securities or securities indexes), and interest rate swaps (which may be used to manage interest rate risk) forward FX contracts (which may be used to manage currency risk), for direct investment and/or efficient portfolio management purposes in accordance with the limitations set down in Appendix II (subject to the conditions and within the limits laid down by the Central Bank). These

FDIs may be dealt in over-the-counter or be listed or traded on the Regulated Markets set out in Appendix I. These FDIs will be used to hedge risk or to enhance returns.

Underlying portfolio currency exposures in the BlackRock Emerging Markets Sovereign Screened Bond Fund are not hedged back to the Base Currency.

In implementing its investment policy the BlackRock Emerging Markets Sovereign Screened Bond Fund is generally not expected to be leveraged above 50% of its Net Asset Value. The Sub-Fund may have higher levels of leverage, including in atypical or volatile market conditions, however leverage is not expected to exceed 100% of its Net Asset Value. For the purposes of this disclosure, leverage is investment exposure gained through the use of FDIs. It is calculated using the sum of the notional values of all of the FDIs held by the Sub-Fund, without netting. The Investment Manager uses Relative VaR to monitor and manage the global exposure of the Sub-Fund.

The return of the Sub-Fund will be compared with the return on a benchmark index, which will initially be the Emerging Index but with a fixed cap of 10% on any one country. The Emerging Index is an index representing local currency emerging market government debt. It is comprised of only those countries from J.P. Morgan's Government Bond Index universe that meets J.P. Morgan's criteria for an emerging market. As at the date of this Prospectus, the Benchmark consists of local currency bonds issued by emerging market governments in countries across Asia, Europe, Latin America and the Middle East and Africa.

Notwithstanding that the Emerging Index has a fixed cap of 10% on any one country; the Investment Manager is not obliged to construct the portfolio to reflect the composition or capping constraints of the Index and investment in securities traded on Russian markets may be up to 15% of the Sub-Fund's net asset value.

In order to assist in meeting its investment objective the Sub-Fund may also, subject to the conditions set out in Appendix III, invest up to 10% of its Net Asset Value in aggregate in other CIS, including exchange traded funds, and/or other Sub-Funds of the Fund where the objectives of such schemes are consistent with its objective or for efficiently managing cash holdings and/or collateral. The annual report of the Fund shall indicate the maximum proportion of management fees charged both to the Sub-Fund and the CIS in which it invests for the period covered by such report.

The Base Currency of the Sub-Fund is Euro.

### **BlackRock Mix Fonds 1-5**

The Mix Funds represent five diversified asset allocation portfolios across the risk/return spectrum. Each Mix Fund has a pre-determined asset allocation across different geographies and sectors which is achieved through investing primarily in index tracking UCITS with exposure to equities and fixed income securities.

The underlying CIS in which the Mix Funds invest will be UCITS domiciled in an EU jurisdiction. The underlying CIS are expected to be CIS that are managed by the Investment Manager or an Affiliate. The initial investments of the Mix Funds will consist mainly of underlying sub-funds of BlackRock Global Index Funds, BlackRock Index Selection Funds, BlackRock Fixed Income Dublin Funds plc, Institutional Cash Series plc and the iShares exchange traded funds ranges which are all UCITS umbrella investment vehicles domiciled in Ireland except BlackRock Global Index Funds which is domiciled in Luxembourg. The Mix Funds also have the ability to invest in UCITS that are not managed within the BlackRock Group.

Equities generally have a higher risk/return expectation than fixed income securities. Accordingly, funds with higher allocations to equities tend to have a higher risk profile and greater return expectation than funds with higher allocations to fixed income securities which tend to have a lower risk profile and less return expectation than equity funds.

Each Mix Fund has a distinct expected risk profile as set out in the table below headed "Asset Allocations and Expected Risk Profile". The higher the Mix Funds allocation to underlying equity funds the higher the risk profile and the greater expectation for returns. The higher the Mix Funds allocation to underlying fixed income funds the lower the risk profile and the lower expectation for returns. Based



on the extent of the Mix Funds allocation to underlying equity funds and fixed income funds and, in the case of BlackRock Mix Fonds 1, to cash, BlackRock Mix Fonds 1 has the lowest risk/return profile and BlackRock Mix Fonds 5 has the highest risk/return profile, while the risk/return profiles of BlackRock Mix Fonds 2, BlackRock Mix Fonds 3, and BlackRock Mix Fonds 4 increase respectively.

The table below and Investment Policies of the Mix Funds set out the asset allocations across the risk/return spectrum. These percentage asset allocations are indicative and the Investment Manager may vary these at its discretion from time to time. To the extent that the asset allocations deviate materially from the below asset allocations for an extended period of time, Unitholders will be notified and the prospectus will be updated accordingly to reflect any new allocations.

#### Asset Allocations\* and Expected Risk Profile

<b>Sub-Fund</b>	<b>Fixed Income Exposure</b>	<b>Equity Exposure</b>	<b>Expected Risk Profile</b>
BlackRock Mix Fonds 1**	80%	10%	Low
BlackRock Mix Fonds 2	70%	30%	Moderately Low
BlackRock Mix Fonds 3	50%	50%	Medium
BlackRock Mix Fonds 4	30%	70%	Moderately High
BlackRock Mix Fonds 5	10%	90%	High

\*as a % of the relevant Sub-Fund's Net Asset Value

\*\* 10% is allocated to the BlackRock ICS Euro Liquidity Fund, a sub-fund of Institutional Cash Series plc

The Mix Funds will invest principally in units or shares of index tracking UCITS (including exchange-traded funds) with exposure to equity and fixed income securities, subject to the conditions set out in Appendix III. While each Mix Fund will invest principally in CIS they may also invest directly in other eligible Investments in accordance with the investment objective and policies of the Sub-Funds as set out below.

#### Performance Benchmark

The return of each Mix Fund will be compared with the return of certain performance benchmarks. Each Mix Fund aims to provide a similar return to the return of the relevant performance benchmark. The Investment Manager may change the performance benchmarks from time to time and any such changes will be reflected in the Prospectus as part of the next Prospectus update and disclosed in the Trust's annual or semi-annual report.

The return of the Mix Funds allocations to underlying equity investments will be compared to the return of the MSCI All Country World Index (denominated in Euro) ("MSCI ACWI"). The return of the Mix Funds allocations to underlying fixed income investments will be compared to the return of the Barclays Euro Aggregate Bond Index (denominated in Euro) ("Eur Agg") with the exception of BlackRock Mix Fonds 1 whose underlying fixed income investments will be compared to the return of the Barclays Global Aggregate Euro Hedged Index (denominated in Euro) ("Global Agg").

For example, regarding BlackRock Mixed Fonds 1, the 10% equity allocation will be compared to MSCI ACWI and the 80% fixed income allocation will be compared to Global Agg. The remaining 10% is allocated to cash.

MSCI ACWI is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of developed and emerging markets globally. Eur Agg is designed to measure the performance of Euro denominated investment grade bonds publicly issued in the Eurobond and Euro zone domestic markets. Only bonds with a minimum remaining time to maturity of 1 year are included in the index. Global Agg is designed to measure the performance of global investment grade bonds of varying denomination publicly issued in the global and regional markets. Only bonds with a minimum remaining time to maturity of 1 year are included in the index.

The Investment Manager is not obliged to construct the portfolios of the Mix Funds to reflect the composition of MSCI ACWI, Eur Agg or Global Agg.

## **BlackRock Mix Fonds 1**

### Investment Objective

The investment objective of the Sub-Fund is to seek to achieve capital growth over the long term commensurate with the target risk profile of the Sub-Fund in respect of its asset allocation.

### Investment Policy

In order to achieve this investment objective, the investment policy of the Sub-Fund is to invest principally in a portfolio of UCITS which may be managed by the Investment Manager or its Affiliates.

The Sub-Fund intends to invest approximately 80% of its Net Asset Value in index tracking UCITS with principal exposure to fixed income securities and approximately 10% of its Net Asset Value in index tracking UCITS with exposure to equities. The remaining 10% will be invested into cash. The underlying fixed income exposure will comprise mainly investment grade rated (but may also comprise non-investment grade / unrated) fixed and floating rate global government and corporate fixed income securities / bonds. The underlying equity exposure will comprise mainly large and mid-capitalisation companies globally. The Sub-Fund may also invest in CIS not managed by the Investment Manager or its Affiliates.

To a lesser extent, the Sub-Fund may also invest directly on a global basis in equity securities, fixed and floating rate government and corporate bonds (rated or unrated, investment grade or rated below investment grade) and exchange traded funds. Any such direct investments will be in accordance with the Sub-Fund's intended fixed income and equity exposure allocations disclosed above and will consist of the investments held by the underlying CIS in which the Sub-Fund invests.

The Sub-Fund may also employ FDIs including, but not limited to, forwards (which may be used to manage currency risk) and futures (which may be used to gain exposure to fixed income / equity indices) for direct investment and/or efficient portfolio management purposes in accordance with the limitations set down in Appendix II (subject to the conditions and within the limits laid down by the Central Bank). These FDIs may be dealt in over-the-counter or be listed or traded on the Regulated Markets set out in Appendix I. These FDIs will be used to hedge risk or to enhance returns.

The Sub-Fund is generally not expected to be leveraged. It may generate leverage intermittently if FDIs are used; however such leverage will not exceed 100% of its Net Asset Value pursuant to the UCITS Regulations. For the purposes of this disclosure, leverage is investment exposure gained through the use of FDIs. It is calculated by aggregating the underlying market or notional values of derivative instruments. The Investment Manager uses the commitment approach to monitor and manage the global exposure of the Sub-Fund.

BlackRock Mix Fonds 1 is expected to have a low risk profile.

The Base Currency of the Sub-Fund is Euro. Any non-Euro currency exposure of the BlackRock Mix Fonds 1 may be hedged into Euro.

## **BlackRock Mix Fonds 2**

### Investment Objective

The investment objective of the Sub-Fund is to seek to achieve capital growth over the long term commensurate with the target risk profile of the Sub-Fund in respect of its asset allocation.

### Investment Policy

In order to achieve this investment objective, the investment policy of the Sub-Fund is to invest principally in a portfolio of UCITS which may be managed by the Investment Manager or its Affiliates.

The Sub-Fund intends to invest approximately 70% of its Net Asset Value in underlying index tracking UCITS with principal exposure to fixed income securities and approximately 30% of its Net Asset Value in underlying index tracking funds with exposure to equities. The underlying fixed income exposure will comprise mainly investment grade rated (but may also comprise non-investment grade / unrated) fixed

and floating rate global government and corporate fixed income securities / bonds. The underlying equity exposure will comprise mainly large and mid-capitalisation companies globally. The Sub-Fund may also invest in CIS not managed by the Investment Manager or its Affiliates.

To a lesser extent, the Sub-Fund may also invest directly on a global basis in equity securities, fixed and floating rate government and corporate bonds (rated or unrated, investment grade or rated below investment grade) and exchange traded funds. Any such direct investments will be in accordance with the Sub-Fund's intended fixed income and equity exposure allocations disclosed above and will consist of the investments held by the underlying CIS in which the Sub-Fund invests.

The Sub-Fund may also employ FDIs including, but not limited to, forwards (which may be used to manage currency risk) and futures (which may be used to gain exposure to fixed income / equity indices) for direct investment and/or efficient portfolio management purposes in accordance with the limitations set down in Appendix II (subject to the conditions and within the limits laid down by the Central Bank). These FDIs may be dealt in over-the-counter or be listed or traded on the Regulated Markets set out in Appendix I. These FDIs will be used to hedge risk or to enhance returns.

The Sub-Fund is generally not expected to be leveraged. It may generate leverage intermittently if FDIs are used; however such leverage is not expected to exceed 10% of its Net Asset Value. For the purposes of this disclosure, leverage is investment exposure gained through the use of FDIs. It is calculated using the sum of the notional values of all of the FDIs held by the Sub-Fund, without netting. The Investment Manager uses Relative VaR to monitor and manage the global exposure of the Sub-Fund. The Investment Manager uses Relative VaR to monitor and manage the global exposure of the Sub-Fund, using the respective MSCI ACWI and Eur Agg indexes as reference portfolios.

BlackRock Mix Fonds 2 is expected to have a moderately low risk profile.

The Base Currency of the Sub-Fund is Euro.

#### *Use of Benchmark Index*

The Sub-Fund is managed in the manner described under the heading BlackRock Mix Fonds 1-5. The Investment Manager will refer to a composite index comprising the MSCI All Country World Index (30%) and the Barclays Euro Aggregate Bond Index (70%) (the "Composite Index") for risk management purposes to ensure that the active risk (i.e. degree of deviation from the Composite Index) taken by the Sub-Fund remains appropriate given the Sub-Fund's investment objective and policy. The Sub-Fund is designed to provide investors with a selected exposure to the Composite Index, as described in its objectives and policy, which may generate a modest tracking difference. The Index should be used by investors to compare the performance of the Fund.

### **BlackRock Mix Fonds 3**

#### Investment Objective

The investment objective of the Sub-Fund is to seek to achieve capital growth over the long term commensurate with the target risk profile of the Sub-Fund in respect of its asset allocation.

#### Investment Policy

In order to achieve this investment objective, the investment policy of the Sub-Fund is to invest principally in a portfolio of UCITS which may be managed by the Investment Manager or its Affiliates.

The Sub-Fund intends to invest approximately 50% of its Net Asset Value in underlying index tracking UCITS with principal exposure to fixed income securities and approximately 50% of its Net Asset Value in underlying index tracking funds with exposure to equities. The underlying fixed income exposure will comprise mainly investment grade rated (but may also comprise non-investment grade / unrated) fixed and floating rate global government and corporate fixed income securities / bonds. The underlying equity exposure will comprise mainly large and mid-capitalisation companies globally. The Sub-Fund may also invest in CIS not managed by the Investment Manager or its Affiliates.

To a lesser extent, the Sub-Fund may also invest directly on a global basis in equity securities, fixed and floating rate government and corporate bonds (rated or unrated, investment grade or rated below investment grade) and exchange traded funds. Any such direct investments will be in accordance with

the Sub-Fund's intended fixed income and equity exposure allocations disclosed above and will consist of the investments held by the underlying CIS in which the Sub-Fund invests.

The Sub-Fund may also employ FDIs including, but not limited to, forwards (which may be used to manage currency risk) and futures (which may be used to gain exposure to fixed income / equity indices) for direct investment and/or efficient portfolio management purposes in accordance with the limitations set down in Appendix II (subject to the conditions and within the limits laid down by the Central Bank). These FDIs may be dealt in over-the-counter or be listed or traded on the Regulated Markets set out in Appendix I. These FDIs will be used to hedge risk or to enhance returns.

The Sub-Fund is generally not expected to be leveraged. It may generate leverage intermittently if FDIs are used; however such leverage is not expected to exceed 10% of its Net Asset Value. For the purposes of this disclosure, leverage is investment exposure gained through the use of FDIs. It is calculated using the sum of the notional values of all of the FDIs held by the Sub-Fund, without netting. The Investment Manager uses Relative VaR to monitor and manage the global exposure of the Sub-Fund. The Investment Manager uses Relative VaR to monitor and manage the global exposure of the Sub-Fund, using the respective MSCI ACWI and Eur Agg indexes as reference portfolios.

BlackRock Mix Fonds 3 is expected to have a medium risk profile.

The Base Currency of the Sub-Fund is Euro.

#### *Use of Benchmark Index*

The Sub-Fund is managed in the manner described under the heading BlackRock Mix Fonds 1-5. The Investment Manager will refer to a composite index comprising the MSCI All Country World Index (50%) and the Barclays Euro Aggregate Bond Index (50%) (the "Composite Index") for risk management purposes to ensure that the active risk (i.e. degree of deviation from the Composite Index) taken by the Sub-Fund remains appropriate given the Sub-Fund's investment objective and policy. The Sub-Fund is designed to provide investors with a selected exposure to the Composite Index, as described in its objectives and policy, which may generate a modest tracking difference. The Index should be used by investors to compare the performance of the Sub-Fund.

### **BlackRock Mix Fonds 4**

#### Investment Objective

The investment objective of the Sub-Fund is to seek to achieve capital growth over the long term commensurate with the target risk profile of the Sub-Fund in respect of its asset allocation.

#### Investment Policy

In order to achieve this investment objective, the investment policy of the Fund is to invest principally in a portfolio of UCITS which may be managed by the Investment Manager or its Affiliates.

The Sub-Fund intends to invest approximately 30% of its Net Asset Value in underlying index tracking UCITS with principal exposure to fixed income securities and approximately 70% of its Net Asset Value in underlying index tracking funds with exposure to equities. The underlying fixed income exposure will comprise mainly investment grade rated (but may also comprise non-investment grade / unrated) fixed and floating rate global government and corporate fixed income securities / bonds. The underlying equity exposure will comprise mainly large and mid-capitalisation companies globally. The Sub-Fund may also invest in CIS not managed by the Investment Manager or its Affiliates.

To a lesser extent, the Sub-Fund may also invest directly on a global basis in equity securities, fixed and floating rate government and corporate bonds (rated or unrated, investment grade or rated below investment grade) and exchange traded funds. Any such direct investments will be in accordance with the Sub-Fund's intended fixed income and equity exposure allocations disclosed above and will consist of the investments held by the underlying CIS in which the Sub-Fund invests.

The Sub-Fund may also employ FDIs including, but not limited to, forwards (which may be used to manage currency risk) and futures (which may be used to gain exposure to fixed income / equity indices) for direct investment and/or efficient portfolio management purposes in accordance with the limitations

set down in Appendix II (subject to the conditions and within the limits laid down by the Central Bank). These FDIs may be dealt in over-the-counter or be listed or traded on the Regulated Markets set out in Appendix I. These FDIs will be used to hedge risk or to enhance returns.

The Sub-Fund is generally not expected to be leveraged. It may generate leverage intermittently if FDIs are used; however such leverage is not expected to exceed 10% of its Net Asset Value. For the purposes of this disclosure, leverage is investment exposure gained through the use of FDIs. It is calculated using the sum of the notional values of all of the FDIs held by the Sub-Fund, without netting. The Investment Manager uses Relative VaR to monitor and manage the global exposure of the Sub-Fund. The Investment Manager uses Relative VaR to monitor and manage the global exposure of the Sub-Fund, using the respective MSCI ACWI and Eur Agg indexes as reference portfolios.

BlackRock Mix Fonds 4 is expected to have a moderately high risk profile.

The Base Currency of the Sub-Fund is Euro.

#### *Use of Benchmark Index*

The Sub-Fund is managed in the manner described under the heading BlackRock Mix Fonds 1-5. The Investment Manager will refer to a composite index comprising the MSCI All Country World Index (70%) and the Barclays Euro Aggregate Bond Index (30%) (the "Composite Index") for risk management purposes to ensure that the active risk (i.e. degree of deviation from the Composite Index) taken by the Sub-Fund remains appropriate given the Sub-Fund's investment objective and policy. The Sub-Fund is designed to provide investors with a selected exposure to the Composite Index, as described in its objectives and policy, which may generate a modest tracking difference. The Index should be used by investors to compare the performance of the Sub-Fund.

### **BlackRock Mix Fonds 5**

#### Investment Objective

The investment objective of the Sub-Fund is to seek to achieve capital growth over the long term commensurate with the target risk profile of the Sub-Fund in respect of its asset allocation.

#### Investment Policy

In order to achieve this investment objective, the investment policy of the Sub-Fund is to invest principally in a portfolio of UCITS which may be managed by the Investment Manager or its Affiliates.

The Sub-Fund intends to invest approximately 10% of its Net Asset Value in underlying index tracking UCITS with principal exposure to fixed income securities and approximately 90% of its Net Asset Value in underlying index tracking funds with exposure to equities. The underlying fixed income exposure will comprise mainly investment grade rated (but may also comprise non-investment grade / unrated) fixed and floating rate global government and corporate fixed income securities / bonds. The underlying equity exposure will comprise mainly large and mid-capitalisation companies globally. The Fund may also invest in CIS not managed by the Investment Manager or its Affiliates.

To a lesser extent, the Sub-Fund may also invest directly on a global basis in equity securities, fixed and floating rate government and corporate bonds (rated or unrated, investment grade or rated below investment grade) and exchange traded funds. Any such direct investments will be in accordance with the Sub-Fund's intended fixed income and equity exposure allocations disclosed above and will consist of the investments held by the underlying CIS in which the Sub-Fund invests.

The Sub-Fund may also employ FDIs including, but not limited to, forwards (which may be used to manage currency risk) and futures (which may be used to gain exposure to fixed income / equity indices) for direct investment and/or efficient portfolio management purposes in accordance with the limitations set down in Appendix II (subject to the conditions and within the limits laid down by the Central Bank). These FDIs may be dealt in over-the-counter or be listed or traded on the Regulated Markets set out in Appendix I. These FDIs will be used to hedge risk or to enhance returns.

The Sub-Fund is generally not expected to be leveraged. It may generate leverage intermittently if FDIs are used; however such leverage is not expected to exceed 10% of its Net Asset Value. For the

purposes of this disclosure, leverage is investment exposure gained through the use of FDIs. It is calculated using the sum of the notional values of all of the FDIs held by the Sub-Fund, without netting. The Investment Manager uses Relative VaR to monitor and manage the global exposure of the Sub-Fund. The Investment Manager uses Relative VaR to monitor and manage the global exposure of the Sub-Fund, using the respective MSCI ACWI and Eur Agg indexes as reference portfolios.

BlackRock Mix Fonds 5 is expected to have a high risk profile.

The Base Currency of the Sub-Fund is Euro.

#### *Use of Benchmark Index*

The Sub-Fund is managed in the manner described under the heading BlackRock Mix Fonds 1-5. The Investment Manager will refer to a composite index comprising the MSCI All Country World Index (90%) and the Barclays Euro Aggregate Bond Index (10%) (the "Composite Index") for risk management purposes to ensure that the active risk (i.e. degree of deviation from the Composite Index) taken by the Sub-Fund remains appropriate given the Sub-Fund's investment objective and policy. The Sub-Fund is designed to provide investors with a selected exposure to the Composite Index, as described in its objectives and policy, which may generate a modest tracking difference. The Index should be used by investors to compare the performance of the Sub-Fund.

#### **BlackRock Diversified Distribution Fund**

The investment objective of the Sub-Fund is to seek to provide investors with an annual income as well as a total return over the long-term, through investment in a diversified portfolio of fixed income securities and, to a limited extent, equity securities.

In order to achieve this investment objective, the investment policy of the Sub-Fund is to invest mainly in fixed income transferable securities and fixed income related securities (including FDIs) issued by, or giving exposure to companies, governments and agencies worldwide. The Sub-Fund may invest in excess of 20% of its Net Asset Value in such securities of companies, governments or agencies in emerging markets. These fixed income securities in which the Sub-Fund may invest include, but are not limited to corporate, government and municipal bonds, and will be fixed and floating and may be investment grade, sub-investment grade or unrated (subject to the conditions and within the limits laid down by the Central Bank).

The Sub-Fund may invest up to 20% of its Net Asset Value in equity securities issued by companies worldwide and may also invest up to 40% of its Net Asset Value in CIS subject to the conditions set out in Appendix III. Equity securities will predominantly be selected from the components of the MSCI World Index (the "Index") and the Sub-Fund's equity securities will primarily reflect the components of the Index, including the weighting and composition of the Index. The Index reflects large and mid-capitalisation companies in developed market countries. CIS in which the Sub-Fund may invest include exchange traded funds, and/or other Sub-Funds of the Fund where the objectives of such schemes are consistent with its objective or for efficiently managing cash holdings and/or collateral. The underlying CIS in which the Sub-Fund may invest will be UCITS domiciled in an EU jurisdiction and are expected to be CIS that are managed by the Investment Manager or an Affiliate, but may also be UCITS that are not managed within the BlackRock Group. The annual report of the Fund shall indicate the maximum proportion of management fees charged both to the Sub-Fund and the CIS in which it invests for the period covered by such report.

When deemed appropriate the Sub-Fund may also invest in cash and near-cash instruments which may comprise fixed term deposits, fixed and floating rate instruments including (but not limited to) certificates of deposit, banker acceptances, freely transferable promissory notes, commercial paper, floating rate notes, debentures, asset backed commercial paper, asset backed securities and money market funds which may be acquired for ancillary liquid asset purposes. Circumstances in which the Sub-Fund may deem it appropriate to so invest include when it is anticipated that readily realisable assets may be required in order to meet redemption requests or other short-term obligations of the Sub-Fund.

The fixed income and equity securities in which the Sub-Fund may invest will normally be listed or traded on Regulated Markets as set out in Appendix I.

The Sub-Fund may also employ FDIs including, but not limited to, credit default swaps, exchange traded bond futures, exchange traded interest rate futures, options and options on futures, equity futures, total return swaps (which may be used to manage exposures to certain securities), and interest rate swaps (which may be used to manage interest rate risk) forward FX contracts (which may be used to manage currency risk), for direct investment and/or efficient portfolio management purposes in accordance with the limitations set down in Appendix II (subject to the conditions and within the limits laid down by the Central Bank). The reference assets underlying the options, if any, shall be any security or eligible asset which is consistent with the investment policies of the Sub-Fund as described herein, including interest rate options on U.S. corporate bonds, currency options and options on equities and fixed income securities. The reference assets underlying the total return swaps, if any, shall be any security, basket of securities, or eligible indices which are consistent with the investment policies of the Sub-Fund which are expected to include, without limitation, fixed income indices giving access to emerging market bond issuances globally. The counterparties to all swap transactions will be institutions subject to prudential supervision and belonging to categories approved by the Central Bank and will not have discretion over the assets of the Sub-Fund.

Swaps. These include total return swaps, interest rate swaps and credit default swaps. A total return swap is a bilateral financial contract, which allows one party to enjoy all of the cash flow benefits of an asset without actually owning this asset. An interest rate swap involves the exchange by one party with another party of their respective commitments to pay or receive cash flows. The “buyer” in a credit default contract is obligated to pay the “seller” a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference obligation has occurred. A seller receives a fixed rate of income throughout the term of the contract.

Options. A call option is where the purchaser has the right to buy the securities underlying the option at the specified exercise price at any time during the term of the option. A put option gives the purchaser the right to sell the underlying securities at the specified exercise price during the term of the option.

Futures and Options on Futures. These include bond futures, equity futures and interest rate futures. The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price. An option on futures is an option to acquire or dispose of a future.

Forward Currency Exchange Contracts. The Sub-Fund may buy and sell currencies on a spot and forward basis. A forward currency exchange contract involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract.

These FDIs may be dealt in over-the-counter or be listed or traded on the Regulated Markets set out in Appendix I. These FDIs will be used to hedge risk or to enhance returns.

Underlying portfolio currency exposures in the Sub-Fund, may be hedged back to the Base Currency of the Sub-Fund using FDIs.

The Sub-Fund may generate leverage where FDIs are used. In implementing its investment policy the Sub-Fund is generally expected to be leveraged at around 200% of its Net Asset Value. The Sub-Fund is not expected to be leveraged in excess of 300% of its Net Asset Value but may, on a short-term basis, have higher levels of leverage, including in atypical or volatile market conditions. For the purposes of this disclosure, leverage is investment exposure gained through the use of FDIs. It is calculated using the sum of the notional values of all of the FDIs held by the Sub-Fund, without netting. The Investment Manager uses Relative VaR to monitor and manage the global exposure of the Sub-Fund. The reference portfolio of the Sub-Fund is made up of a number of indices which may include fixed income, corporate, emerging market and equity indices. The reference portfolio will be unleveraged, will not contain any FDI or embedded FDI, and has a risk profile which is consistent with the investment objective, policies and limits of the Sub-Fund. The Investment Manager may change the reference portfolio from time to time. The composition of the reference portfolio is available from the Investment Manager on request.

The Base Currency of the Sub-Fund is Euro.

## **BlackRock Diversifying Fixed Income Fund**

### Investment Objective

The investment objective of the Sub-Fund is to seek to provide investors with a semi-annual income as well as seeking to maintain capital over the long-term, through investment in a diversified portfolio of collective investment schemes and/or a diversified portfolio of fixed income securities.

### Investment Policy

In order to achieve its investment objective, the Sub-Fund will have a flexible approach in seeking exposure to fixed income securities by investing up to 100% of its Net Asset Value directly in fixed income transferable securities and fixed income related securities, including financial derivative instruments ('FDIs') issued by, or giving exposure to companies, governments and agencies worldwide and/or by seeking such exposure indirectly by investing in collective investment schemes ("CIS"). The Fund may be fully invested in CIS. The Investment Manager will use a combination of direct investment and indirect exposure by investing in CIS to achieve its investment objective. The Investment Manager's allocation of the assets of the Sub-Fund between such direct investments and CIS will be determined by the Investment Manager in a manner which is deemed to be the most efficient for the Sub-Fund (such determination may be by reference to, without limitation, the specific security, its liquidity, transaction costs, any related fees and the NAV of the Sub-Fund). It is expected that the Sub-Fund will initially gain exposure to fixed income transferable securities and fixed income related securities indirectly by investing in CIS, and, over time, will increase the Sub-Fund's direct investment in such securities.

The Sub-Fund may invest in excess of 20% of its Net Asset Value in fixed income securities of companies, governments or agencies in emerging markets. These fixed income securities in which the Sub-Fund may invest include, but are not limited to corporate, government and municipal bonds, and will be fixed and floating and may be investment grade, sub-investment grade or unrated (subject to the conditions and within the limits laid down by the Central Bank).

The Sub-Fund may be fully invested in CIS, subject to the conditions set out in Appendix III. The CIS in which the Sub-Fund may invest include exchange traded funds, and/or other Sub-Funds of the Fund where the objectives of such schemes are consistent with its objective or for efficiently managing cash holdings and/or collateral. The underlying CIS in which the Sub-Fund may invest will be UCITS domiciled in an EU jurisdiction and are expected to be CIS that are managed by the Investment Manager or an Affiliate, but may also be UCITS that are not managed within the BlackRock Group. The annual report of the Fund shall indicate the maximum proportion of management fees charged both to the Sub-Fund and the CIS in which it invests for the period covered by such report.

When deemed appropriate the Sub-Fund may also invest in cash and near-cash instruments which may comprise fixed term deposits, fixed and floating rate instruments including (but not limited to) certificates of deposit, banker acceptances, freely transferable promissory notes, commercial paper, floating rate notes, debentures, asset backed commercial paper, asset backed securities and money market funds which may be acquired for ancillary liquid asset purposes. Circumstances in which the Sub-Fund may deem it appropriate to so invest include when it is anticipated that readily realisable assets may be required in order to meet redemption requests or other short-term obligations of the Sub-Fund.

The fixed income securities in which the Sub-Fund may invest will normally be listed or traded on Regulated Markets as set out in Appendix I.

The Sub-Fund may employ FDIs including, but not limited to, credit default swaps, exchange traded bond futures, exchange traded interest rate futures, options and options on futures, total return swaps (which may be used to manage exposures to certain securities), and interest rate swaps (which may be used to manage interest rate risk) forward FX contracts (which may be used to manage currency



risk), for direct investment and/or efficient portfolio management purposes in accordance with the limitations set down in Appendix II (subject to the conditions and within the limits laid down by the Central Bank). The reference assets underlying the FDIs, if any, shall be any security or eligible asset which is consistent with the investment policies of the Sub-Fund as described herein, currency options and fixed income securities. The reference assets underlying the total return swaps, if any, shall be any security, basket of securities, or eligible indices which are consistent with the investment policies of the Sub-Fund which are expected to include, without limitation, fixed income indices giving access to emerging market bond issuances globally. The counterparties to all swap transactions will be institutions subject to prudential supervision and belonging to categories approved by the Central Bank and will not have discretion over the assets of the Sub-Fund.

The Investment Manager will have a flexible approach to asset allocation and will maintain the ability to dynamically adjust the Sub-Fund's exposure through time. Asset allocation decisions will be based on the Investment Manager's medium and long-term risk-return expectations as well as on current macro-economic conditions, assets valuations and market views. The Investment Manager will take a disciplined approach to investing by attempting to maintain a portfolio that is typically diversified across geographies, credit ratings, sectors and issuers within the fixed income universe. The Investment Manager may also use a quantitative and/or qualitative bottom-up investment process in order to select securities within a specific asset class. This process will typically be based on the Investment Manager's own research.

Swaps. These include total return swaps, interest rate swaps and credit default swaps. A total return swap is a bilateral financial contract, which allows one party to enjoy all of the cash flow benefits of an asset without actually owning this asset. An interest rate swap involves the exchange by one party with another party of their respective commitments to pay or receive cash flows. The "buyer" in a credit default contract is obligated to pay the "seller" a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference obligation has occurred. A seller receives a fixed rate of income throughout the term of the contract.

Options. A call option is where the purchaser has the right to buy the securities underlying the option at the specified exercise price at any time during the term of the option. A put option gives the purchaser the right to sell the underlying securities at the specified exercise price during the term of the option.

Futures and Options on Futures. These include bond futures and interest rate futures. The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price. An option on futures is an option to acquire or dispose of a future.

Forward Currency Exchange Contracts. The Sub-Fund may buy and sell currencies on a spot and forward basis. A forward currency exchange contract involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract.

These FDIs may be dealt in over-the-counter or be listed or traded on the Regulated Markets set out in Appendix I. These FDIs will be used to hedge risk or to enhance returns.

Underlying portfolio currency exposures in the Sub-Fund, may be hedged back to the Base Currency of the Sub-Fund using FDIs.

The Sub-Fund may generate leverage where FDIs are used. In implementing its investment policy the Sub-Fund is generally expected to be leveraged at around 50% of its Net Asset Value. The Sub-Fund is not expected to be leveraged in excess of 100% of its Net Asset Value but may, on a short-term basis, have higher levels of leverage, including in atypical or volatile market conditions. For the purposes of this disclosure, leverage is investment exposure gained through the use of FDIs. It is calculated using the sum of the notional values of all of the FDIs held by the Sub-Fund, without netting. The Investment Manager uses the commitment approach to monitor and manage the global exposure of the Sub-Fund.

The Base Currency of the Sub-Fund is Euro.

### **SCR**

The Sub-Fund will, insofar as it is possible and practical, seek to maintain a level of Spread SCR within a range of 12%-16% of Net Asset Value under normal market conditions. From time to time, the Spread SCR may fall outside the stated range. Should this occur, the Sub-Fund will adjust its allocation in order to return the Sub-Fund's Spread SCR to within the stated range. However, in extreme market conditions, the Investment Manager may in its sole discretion, choose to reduce the credit risk of the Sub-Fund with the ultimate objective of capital preservation, resulting in a Spread SCR below 12%.

### *Use of Benchmark Index*

The Sub-Fund is actively managed. The Investment Manager has discretion to select the Sub-Fund's investments and is not constrained by any benchmark in this process. The Sub-Fund is designed to provide investors with achievement of the investment objective by typically taking a higher level of absolute risk in order to seek a commensurate return in excess of applicable management fees over the long term (i.e. 5 years or more). The 3-Month EURIBOR rate should be used by investors to compare the performance of the Sub-Fund.

### **BlackRock Euro Sovereign Bond Index Fund 1**

#### Investment objective

The investment objective of the Sub-Fund is to provide a total return, taking into account both capital and income returns which, reflects the return of the Barclays Euro Aggregate Treasury Bond Index.

#### Investment policy

In order to achieve this objective, the Sub-Fund will invest in fixed income securities that as far as possible and practicable consist of the component securities of the Barclays Euro Aggregate Treasury Bond Index (the "Benchmark Index"). The Sub-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 Sub-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 Sub-Fund may hold cash and 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 Sub-Fund may hold all constituents of the Benchmark Index.

In cases where the Investment Manager invests in securities that are not constituents of the Benchmark Index, these will be selected by the Investment Manager based on its determination, in light of current market conditions and taking due account of its assessment of credit quality and liquidity, of the most cost effective manner of generating a return that tracks the return of the Benchmark Index.

The Sub-Fund will invest in transferable securities which will be fixed income debt securities typically issued by EMU member states in Euro or the legacy currencies of sovereign countries participating in the European Economic and Monetary Union. Legacy currencies are the currencies of countries that were formerly part of the Eurozone. As of the date of this Prospectus, there are no such currencies. Such instruments may be fixed and/or floating rate. They will, at the time of purchase, meet the credit rating requirements of the Benchmark Index, which in this case is investment grade. While it is intended that the Sub-Fund's investments will comprise investment grade issues, issues may be downgraded in certain circumstances from time to time. In such event, the Sub-Fund may hold non-investment grade issues until such time as the non-investment grade issues cease to form part of the Sub-Fund's Benchmark Index (where applicable) and it is possible and practicable (in the Investment Manager's view) to liquidate the position. The Sub-Fund shall not be invested in excess of 30% of Net Asset Value in non-investment grade securities.

The Sub-Fund may invest in FDIs for direct investment purposes or for efficient portfolio management purposes (please refer to the section "Investment in Financial Derivative Instruments Efficient Portfolio Management/Direct Investment" for Efficient Portfolio Management).

When investing in FDIs for direct investment purposes, the Sub-Fund may engage in transactions in FDIs including options and futures transactions, swaps, forward contracts, credit default swaps, spot foreign exchange transactions, caps and floors (which are interest rate swap contracts in which the return is based only on the positive (in the case of a cap) or negative (in the case of a floor) movement

of interest rates relative to a fixed rate agreed by the parties), contracts for differences for direct investment, in accordance with the limitations set down in Appendix II (subject to the conditions and within the limits laid down by the Central Bank), to assist in achieving its objective and for reasons such as generating efficiencies in gaining exposure to the constituents of the Benchmark Index, to reduce transaction costs or taxes or allow exposure in the case of illiquid securities or securities which are unavailable for market or regulatory reasons or to minimise tracking errors or for such other reasons as the Directors deem of benefit to the Sub-Fund.

Swaps. These include total return swaps, interest rate swaps and credit default swaps. A total return swap is a bilateral financial contract, which allows one party to enjoy all of the cash flow benefits of an asset without actually owning this asset. An interest rate swap involves the exchange by one party with another party of their respective commitments to pay or receive cash flows. The “buyer” in a credit default contract is obligated to pay the “seller” a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference obligation has occurred. A seller receives a fixed rate of income throughout the term of the contract.

Options. A call option is where the purchaser has the right to buy the securities underlying the option at the specified exercise price at any time during the term of the option. A put option gives the purchaser the right to sell the underlying securities at the specified exercise price during the term of the option.

Futures and Options on Futures. These include bond futures and interest rate futures. The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price. An option on futures is an option to acquire or dispose of a future.

Forward Currency Exchange Contracts. The Sub-Fund may buy and sell currencies on a spot and forward basis in order to hedge currency exposure. A forward currency exchange contract involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract.

Contracts for Difference. A contract for difference is a contract between two parties whereby one party will pay to the other the difference between the value of an asset at the time the contract is agreed and its value at the maturity of the contract.

In implementing its investment policy the BlackRock Euro Sovereign Bond Index Fund 1 is generally not expected to be leveraged above 10% of its Net Asset Value. The Sub-Fund may have higher levels of leverage, including in atypical or volatile market conditions, however such leverage will not exceed 100% of its Net Asset Value. For the purposes of this disclosure, leverage is investment exposure gained through the use of FDIs. It is calculated by aggregating the underlying market or notional values of derivative instruments. The Investment Manager uses the commitment approach to monitor and manage the global exposure of the Sub-Fund.

The Base Currency of the Sub-Fund is Euro.

#### Benchmark Index

The Barclays Euro Aggregate Treasury Bond Index measures the performance of Euro denominated fixed rate government bonds issued by EMU member states. The Benchmark Index includes investment grade bonds (based on the index provider’s rating which uses the middle rating of credit rating agencies Fitch, Moody’s and S&P), with at least one year remaining until maturity. The Benchmark Index rebalances on a monthly basis and is market capitalisation weighted. Further details regarding the Benchmark Index (including its constituents) are available on the index provider’s website at <http://index.barcap.com/index.dxml?pagelid=4377>.

#### *Use of Benchmark Index*

The Sub-Fund is passively managed as described in more detail in its investment policy. The Barclays Euro Aggregate Treasury Bond Index should be used by investors to compare the performance of the Sub-Fund.

### **BlackRock Customised Euro Corporate Bond Index Fund 1**

### Investment objective

The investment objective of the Sub-Fund is to provide a total return, taking into account both capital and income returns, which reflects the return of the Bloomberg Barclays Euro Aggregate Corporate Index.

### Investment policy

In order to achieve this objective, the Sub-Fund will invest in fixed income securities that as far as possible and practicable consist of the component securities of the Bloomberg Barclays Euro Aggregate Corporate Index (the "Benchmark Index"). The Sub-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 Sub-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. Additionally, the Investment Manager will exclude certain securities from the Sub-Fund in accordance with its customised environmental, social and governance (ESG) restrictions which currently may include the exclusion of issuers involved in the production of controversial weapons, the extraction of oil sands, thermal coal mining, the production and/or retail of tobacco products and issuers which have contravened the UN Global Compact principles (full details are available on request from the Investment Manager) ("ESG Policy"). As a result of the application of the ESG Policy the Sub-Fund's risk profile and return may deviate from the risk profile and return of the Benchmark Index.

It is the Investment Manager's intention that the ESG Policy of the Sub-Fund will evolve and advance over time as improved data and more research on this subject becomes available. The list of customised ESG restrictions may be amended from time to time at the Investment Manager's discretion and may be implemented without notification to Unitholders unless the change otherwise impacts the Fund's investment objective and policy as set out above. The Fund's asset allocation will not solely be driven by the Fund's consideration of certain ESG characteristics, rather such considerations may be utilised by the Investment Manager in determining whether an investment may be appropriate for the Fund. The Fund may gain indirect exposure (through, including but not limited to, FDI) to issuers with exposures that are inconsistent with the ESG criteria used by the Investment Manager in respect of the Fund as described above. Circumstances in which such indirect exposure may arise include, but are not limited to, where a counterparty to a FDI in which the Fund invests posts collateral which is inconsistent with ESG criteria. The Investment Manager may take corrective action in such circumstances.

The Sub-Fund may hold cash and 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 Sub-Fund may hold all constituents of the Benchmark Index.

In cases where the Investment Manager invests in securities that are not constituents of the Benchmark Index, these will be selected by the Investment Manager based on its determination, in light of current market conditions and taking due account of its assessment of credit quality and liquidity, of the most cost effective manner of generating a return that tracks the return of the Benchmark Index.

The Sub-Fund may invest in transferable securities and money market instruments issued or guaranteed by sovereigns (investment in securities or instruments issued or guaranteed by sovereigns is not expected to be material), public international bodies, corporations or securitised entities, excluding issues by entities that are involved in controversial business practices and/or the manufacture of controversial weapons (as further described in the paragraph entitled "Benchmark Index" below). These are credit instruments, such as corporate bonds, supranational bonds and agency bonds. Such instruments may be fixed and/or floating rate. Such instruments will be investment grade rated by Moody's, Standard & Poor's Corporation or Fitch Ratings at the time of purchase or are deemed by the Investment Manager to be of an equivalent rating. While it is intended that the Sub-Fund's investments will comprise investment grade issues that comply with the Benchmark Index exclusions described above, issues may be downgraded or become excluded in certain circumstances from time to time. In such event, the Sub-Fund may hold non-investment grade issues, or issues that have been excluded, until such time as the non-investment grade issues, or excluded issue, cease to form part of the Sub-Fund's Benchmark Index (where applicable) and it is possible and practicable (in the Investment Manager's view) to liquidate the position. The Sub-Fund shall not be invested in excess of 30% of Net Asset Value in non-investment grade securities.

The Sub-Fund may invest in FDIs for direct investment purposes or for efficient portfolio management purposes (please refer to the section "Investment in Financial Derivative Instruments Efficient Portfolio Management/Direct Investment" for Efficient Portfolio Management). These FDIs may not be consistent with the ESG criteria described above.

When investing in FDIs for direct investment purposes, the Sub-Fund may engage in transactions in FDIs including options and futures transactions, swaps, forward contracts, credit default swaps, spot foreign exchange transactions, caps and floors (which are interest rate swap contracts in which the return is based only on the positive (in the case of a cap) or negative (in the case of a floor) movement of interest rates relative to a fixed rate agreed by the parties) contracts for differences for direct investment, in accordance with the limitations set down in Appendix II (subject to the conditions and within the limits laid down by the Central Bank), to assist in achieving its objective and for reasons such as generating efficiencies in gaining exposure to the constituents of the benchmark index, to reduce transaction costs or taxes or allow exposure in the case of illiquid securities or securities which are unavailable for market or regulatory reasons or to minimise tracking errors or for such other reasons as the Directors deem of benefit to the Sub-Fund.

Swaps. These include total return swaps, interest rate swaps and credit default swaps. A total return swap is a bilateral financial contract, which allows one party to enjoy all of the cash flow benefits of an asset without actually owning this asset. An interest rate swap involves the exchange by one party with another party of their respective commitments to pay or receive cash flows. The "buyer" in a credit default contract is obligated to pay the "seller" a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference obligation has occurred. A seller receives a fixed rate of income throughout the term of the contract.

Options. A call option is where the purchaser has the right to buy the securities underlying the option at the specified exercise price at any time during the term of the option. A put option gives the purchaser the right to sell the underlying securities at the specified exercise price during the term of the option.

Futures and Options on Futures. These include bond futures and interest rate futures. The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price. An option on futures is an option to acquire or dispose of a future.

Forward Currency Exchange Contracts. The Sub-Fund may buy and sell currencies on a spot and forward basis in order to hedge currency exposure. A forward currency exchange contract involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract.

Contracts for Difference. A contract for difference is a contract between two parties whereby one party will pay to the other the difference between the value of an asset at the time the contract is agreed and its value at the maturity of the contract.

In implementing its investment policy the Fund is generally not expected to be leveraged above 10% of its Net Asset Value. The Sub-Fund may have higher levels of leverage, including in atypical or volatile market conditions, however such leverage will not exceed 100% of its Net Asset Value. For the purposes of this disclosure, leverage is investment exposure gained through the use of FDIs. It is calculated by aggregating the underlying market or notional values of derivative instruments. The Investment Manager uses the commitment approach to monitor and manage the global exposure of the Sub-Fund.

The Base Currency of the Sub-Fund is Euro.

#### Benchmark Index

The Bloomberg Barclays Euro Aggregate Corporate Index measures the performance of investment grade fixed income securities denominated in Euro and which pay income according to a fixed rate of interest. These securities may be issued or guaranteed by corporate issuers in the industrial, utility and financial sectors and are issued in the Eurobond and Eurozone markets (regardless of the domicile of the issuer). The Benchmark Index rebalances on a monthly basis and is market capitalisation weighted.

Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <https://www.bloomberg.com/professional/product/indices/bloomberg-barclays-indices/#/>

#### *Use of Benchmark Index*

The Sub-Fund is passively managed as described in more detail in its investment policy. The Barclays Euro Aggregate Corporate Index should be used by investors to compare the performance of the Sub-Fund.

### **BlackRock Multi Style Strategy Fund**

#### Investment Objective

The investment objective of the Sub-Fund is to achieve an absolute return for investors regardless of market movements over the targeted investment horizon.

#### Investment Policy

##### **The Sub-Fund will invest principally in FDI.**

In order to achieve this objective, the Sub-Fund will seek to gain exposure globally to equities and equity-related securities, fixed income transferable securities (which may include some high yield fixed income transferable securities) and fixed income-related securities (including FDI such as swaps on fixed income securities or bond futures as described below), shares or units of CIS (subject to the conditions set out in Appendix III), FDIs, cash and near-cash instruments. The Sub-Fund may be fully or substantially invested in FDI in order to obtain exposure to these asset classes. The equity-related securities in which the Sub-Fund may invest include common stock, convertibles (which will embed options and therefore leverage which is not expected to be material), warrants, FDIs and units/shares of CIS that invest in equities, such as investment companies, unit trusts or their equivalents, which fall within the categories of collective investment schemes which are eligible for investment by UCITS as set out in the Guidance. The fixed income securities in which the Sub-Fund may invest include, but are not limited to, corporate, government and municipal bonds, which may have fixed or floating rate coupons and may be investment grade or sub-investment grade (subject to the requirements of the UCITS Regulations). The near-cash instruments in which the Sub-Fund may invest may comprise fixed term deposits and fixed and floating rate instruments (certificates of deposit, banker acceptances, freely transferable promissory notes, commercial paper, floating rate notes, debentures, asset backed commercial paper, asset backed securities (which will not embed derivatives or leverage) and money market funds which may be acquired for ancillary liquid asset purposes). The securities that the Sub-Fund will invest in will normally be listed or traded on one or more of the Regulated Markets as set out in Appendix I. The Sub-Fund will not have a geographical or sector focus.

The Sub-Fund may, at times, take indirect exposure to commodities through investments in other eligible CIS, medium term notes (which will not embed derivatives or leverage), exchange traded funds (UCITS or equivalent, as set out in the Guidance) and total return swaps on commodity indices. Any commodity index to which exposure is proposed will be cleared in advance by the Central Bank. The currency exposure of the Sub-Fund is flexibly managed and reflects the Sub-Fund's ability to engage in FDI for hedging purposes or enhanced returns. The Sub-Fund will maintain the ability to adjust exposures in order to obtain a premium from exposure to a variety of style factor strategies, which are set out below.

In order to achieve the investment objective and policy, the Sub-Fund will use quantitative (i.e. mathematical or statistical) models in order to achieve a systematic (i.e. rule based) approach to stock selection with a view to generating returns from gaining exposure to a combination of long positions, synthetic long positions and synthetic short positions. The Sub-Fund will utilise the following investment styles applied across the asset groups (as disclosed within the Sub-Fund's Investment Policy) as follows:

- The "Value" style will focus upon investments (whether equity, fixed income, currencies, commodities or a combination of such assets) that appear cheap relative to similar investments with an aim to benefit from outperformance relative to assets that are expensive relative to similar investments.

- The “Momentum” style will focus on investments (whether equity, fixed income, currencies, commodities or a combination of such assets) with relatively strong medium-term performance and will aim to benefit from the tendency that an asset’s recent relative performance will continue in the short term.
- The “Carry” style focuses on higher-yielding investments (whether equity, fixed income, currencies, commodities or a combination of such assets) and aims to benefit from the higher returns provided by these assets relative to lower-yielding assets.
- The “Defensive” style refers to investments (whether equity, fixed income, currencies, commodities or a combination of such assets) with low-risk characteristics (e.g. fixed income securities with investment grade credit ratings based on the rating that is the middle rating or higher of credit rating agencies Moody’s, Standard & Poor’s Corporation or Fitch Ratings) that aim to benefit from the tendency for lower risk, higher quality assets (e.g. fixed income securities with such investment grade credit rating) to generate higher risk-adjusted returns than higher risk, lower quality assets.

Each investment style will utilise FDI (contracts for difference, swaps, forwards and futures and options on futures) in order to effect these style factor strategies by gaining appropriate exposure to specific investments, in accordance with each investment style. The asset allocation of the Sub-Fund is intended to be flexible and will follow a risk based methodology that ensures diversification across the various style factor strategies. The Sub-Fund’s risk-based style factor strategies are constructed with the aim of avoiding undesirable concentrations, and of having low correlation with macro risk factors such as poor economic growth, rising real interest rates, increasing inflation, disruption in emerging markets, liquidity and credit risk. According to such methodology, risk is initially equally allocated to style factor strategies with subsequent tilts towards strategies that provide the most attractive risk and return characteristics as well as those that demonstrate better relative performance in periods of market stress. The Investment Manager intends to allocate risk among style factor strategies in an attempt to maximise returns. The Sub-Fund may engage in any one of the style factor strategies and/or asset groups set out above, or in any combination of the strategies or asset groups, as may be determined by the Investment Manager from time to time. The Investment Manager intends to pursue a broadly market neutral strategy overall in order to assist it in achieving an absolute return. This means it uses derivatives (synthetic short or synthetic long positions) to reduce or mitigate the directional market risk (i.e. the risk associated with the market moving in one direction, up or down) relating to the instruments it has exposure to (via long positions or synthetic positions).

Contracts for Difference. A contract for difference is a contract between two parties whereby one party will pay to the other the difference between the value of an asset at the time the contract is agreed and its value at the maturity of the contract. The reference assets underlying the contract for difference, if any, may be any security or basket of securities which are consistent with the investment policies of the Sub-Fund.

Swaps. These include total return swaps (which may be used to manage exposures to certain securities), interest rate swaps (which may be used to manage interest rate risk) and credit default swaps. A total return swap is a bilateral financial contract, which allows one party to enjoy all of the cash flow benefits of an asset without actually owning this asset. An interest rate swap involves the exchange by one party with another party of their respective commitments to pay or receive cash flows. The “buyer” in a credit default contract is obligated to pay the “seller” a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference obligation has occurred. A seller receives a fixed rate of income throughout the term of the contract. The reference assets underlying the total return swaps, if any, may be any security or basket of securities which are consistent with the investment policies of the Sub-Fund.

Forward Currency Exchange Contracts. The Sub-Fund may buy and sell currencies on a spot and forward basis in order to hedge currency exposure and generate income. A forward currency exchange contract (which may be used to manage currency risk and/or generate income) involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract.

Futures and Options on Futures. These include bond futures, interest rate futures and equity index futures. The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of

financial instrument called for in the contract in a specified delivery month, at a stated price. An option on futures is an option to acquire or dispose of a future.

As the Sub-Fund seeks to be highly diversified it will make extensive use of derivatives; using them to gain investment exposure to instruments and at the same time to mitigate the directional market risk of those instruments. The Sub-Fund intends to take full advantage of the ability to invest in derivatives providing synthetic long and/or synthetic short positions with the aim of maximising positive absolute returns. The Sub-Fund is expected to invest between 0% and 500% of its Net Assets in long positions in the securities in which it may invest, and between 0% and 500% of its Net Assets in short positions. The short position strategy of the Sub-Fund is typically intended to hedge the long position strategy of the Sub-Fund in order to pursue a broadly market neutral strategy.

These FDIs may be dealt in over-the-counter or be listed or traded on the Regulated Markets set out in Appendix I. These FDIs will be used to hedge risk or to enhance returns.

Underlying portfolio currency exposures in the Sub-Fund, may be hedged back to the Base Currency of the Sub-Fund using FDIs.

The Sub-Fund will not engage in securities lending or be subject to repurchase and reverse repurchase agreements.

The Sub-Fund may generate leverage where FDIs are used. In implementing its investment policy the Sub-Fund is generally expected to be leveraged at around 700% of its Net Asset Value. The Sub-Fund may have higher levels of leverage on a short term basis, including in atypical or volatile market conditions and through the use of FDI disclosed above, however leverage is not expected to exceed 1000% of its Net Asset Value. For the purposes of this disclosure, leverage is investment exposure gained through the use of FDIs. It is calculated using the sum of the notional values of all of the FDIs held by the Sub-Fund, without netting. The Investment Manager uses Absolute VaR to monitor and manage the global exposure of the Sub-Fund.

The Base Currency of the Sub-Fund will be Euro.

#### Additional Information

The Sub-Fund will be managed with the aim of delivering absolute (more than zero) returns over the targeted investment horizon regardless of market movement. This means, in the context of this Sub-Fund, the Sub-Fund seeks to provide a return for investors regardless of market movement over a 24-36 month period on a rolling basis. However, an absolute return is not guaranteed over a 24-36 month period or any other period and the Sub-Fund may experience periods of negative return. The Sub-Fund's capital is at risk.

### **BlackRock Global Equity Selection Fund**

#### Investment Objective

The investment objective of the Sub-Fund is to seek to provide investors with capital growth over the long term.

#### Investment Policy

In order to achieve its investment objective, the Sub-Fund will invest at least 90% of its Net Asset Value in underlying CIS (including exchange traded funds) with exposure to equity securities globally. When deemed appropriate, the Sub-Fund may allocate up to 10% of its Net Asset Value to investment in exchange traded notes and other debt instruments (such as asset-backed debt securities) listed or traded on Regulated Markets which provide exposure to commodities but which do not embed leverage or derivatives and/or to cash or near-cash instruments. The Sub-Fund will not have a geographical or sector focus but in practice it may have a high allocation to a particular country or sector at any one time.

The return of the Sub-Fund will be compared with the returns of two benchmark indices which will result in 50% of its allocation being compared to MSCI Europe Index and 50% of its allocation being compared to MSCI All Country World ex Europe Index (the "Benchmark Indices"). The MSCI Europe Index



captures large and mid-capitalisation equities across 15 developed markets in Europe. The MSCI All Country World ex Europe Index captures large and mid-capitalisation equities across developed and emerging markets outside Europe. The Sub-Fund will seek to invest its assets in underlying CIS, which may be actively or passively managed, that reflect the return of the Benchmark Indices.

The Investment Manager will allocate between actively and passively managed CIS based on its own assessment of the potential for actively managed strategies to outperform passively managed strategies. The Sub-Fund's allocation to CIS may reflect, among other factors, the Investment Manager's assessment, in light of current and expected market conditions, of the performance history, liquidity and volatility of the underlying CIS. The Investment Manager's decision to allocate among different CIS may also be based on its own fundamental research and analysis of the performance of regions, countries and sectors within the Benchmark Indices. The underlying equity exposure of the CIS will comprise mainly large and mid-capitalisation companies globally.

The underlying CIS in which the Sub-Fund may invest will be UCITS domiciled in an EU jurisdiction and are expected to be CIS that are managed by the Investment Manager or an Affiliate, but may also be UCITS that are not managed within the BlackRock Group.

The Sub-Fund may also employ FDIs to hedge risk or for efficient portfolio management purposes (please refer to the section "Investment in Financial Derivative Instruments Efficient Portfolio Management/Direct Investment" for Efficient Portfolio Management) including forwards (which may be used to manage currency risk) and futures (which may be used to gain exposure to equity indices). These FDIs will be used for efficient portfolio management purposes in accordance with the limitations set down in Appendix II (subject to the conditions and within the limits laid down by the Central Bank). These FDIs may be dealt in over-the-counter or be listed or traded on the Regulated Markets set out in Appendix I.

Forward Currency Exchange Contracts. A forward currency exchange contract (which may be used to manage currency risk) involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract. The Sub-Fund may buy and sell currencies on a spot and forward basis in order to partially or totally hedge currency exposure. Either the base currency of the underlying CIS or a benchmark with currency exposures that are representative of the underlying CIS will be used to hedge back to the base currency of the Sub-Fund.

Futures and Options on Futures. The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price. An option on futures is an option to acquire or dispose of a future.

The Sub-Fund will not engage in total return swaps or be subject to repurchase and reverse repurchase agreements.

In implementing its investment policy, the Sub-Fund is generally not expected to be leveraged. It may generate leverage intermittently if FDIs are used; however such leverage is not expected to exceed 40% of the Sub-Fund's Net Asset Value. The Sub-Fund may have higher levels of leverage, including in atypical or volatile market conditions, however leverage is not expected to exceed 100% of its Net Asset Value. For the purposes of this disclosure, leverage is investment exposure gained through the use of FDIs. It is calculated using the sum of the notional values of all of the FDIs held by the Sub-Fund, without netting. The Investment Manager uses Relative VaR to monitor and manage the global exposure of the Sub-Fund, using the MSCI Europe and MSCI All Country World ex Europe Indices as reference portfolios on an equal basis.

The Base Currency of the Sub-Fund will be Euro.

#### Additional Information

"Capital growth" typically refers to an increase in the value of the Sub-Fund over the long term.

#### *Use of Benchmark Index*

The Sub-Fund is actively managed and the Investment Manager has discretion to select the Sub-Fund's

investments. The Sub-Fund has an unconstrained investment style (i.e. it will not take a benchmark index into account when selecting the Sub-Fund's investments). However, the Investment Manager will refer to a composite benchmark comprising the MSCI Europe Index (50%) and the MSCI All Country World ex Europe Index (50%) (the "Index") for risk management purposes to ensure that the active risk (i.e. degree of deviation from the Index) taken by the Sub-Fund remains appropriate given the Sub-Fund's investment objective and policy (including, in particular, its unconstrained investment style). The Sub-Fund is also designed to provide investors with achievement of the investment objective by typically taking a conservative level of active risk relative to the index in order to seek a commensurate active return in excess of applicable management fees over the long term (i.e. 5 years or more). The Investment Manager is not bound by the components or weighting of the Index when selecting investments. The Investment Manager may also use its discretion to invest in securities not included in the Index in order to take advantage of specific investment opportunities. The Sub-Fund's portfolio holdings are expected to deviate materially from the Index. The Index should be used by investors to compare the performance of the Sub-Fund.

## **BlackRock Fixed Income Selection Fund**

### Investment Objective

The investment objective of the Sub-Fund is to seek to maximise total return over the long-term while seeking to maintain a defensive level of risk.

### Investment Policy

In order to achieve its investment objective, the Sub-Fund will invest at least 80% of its Net Asset Value in underlying CIS (including exchange traded funds) with exposure to fixed income securities globally. The Sub-Fund may invest up to 20% of its Net Asset Value in underlying CIS with multi-asset exposure. When deemed appropriate, the Sub-Fund may allocate up to 10% of its Net Asset Value to investment in exchange traded notes and other debt instruments (such as asset-backed debt securities) listed or traded on Regulated Markets which provide exposure to commodities but which do not embed leverage or derivatives and/or to cash or near-cash instruments. The Sub-Fund will not have a geographical or sector focus but in practice it may have a high allocation to a particular country or sector at any one time.

The Sub-Fund will allocate its assets to underlying CIS, which may be actively or passively managed, in order to maintain the targeted level of volatility, set out below. The Investment Manager will allocate between actively and passively managed CIS based on its own assessment of the potential for actively managed strategies to outperform passively managed strategies. The Sub-Fund's allocation to CIS may reflect the Investment Manager's assessment, in light of current and expected market conditions, of the performance history, liquidity and volatility of the underlying CIS. The Investment Manager's decision to allocate among the different CIS may also be based on its own fundamental research and analysis of the performance of regions, countries and sectors within the fixed income market.

Through its investments in CIS, the sub-fund may take an indirect exposure to a wide range of fixed income securities including fixed and floating rate government and corporate bonds globally, which may be investment grade or sub-investment grade, asset backed securities, mortgage backed securities, credit linked notes and convertible bonds. The Sub-Fund may also invest in underlying CIS with multi-asset exposure in order to diversify the overall portfolio and maintain the targeted levels of risk and volatility. The investment of the underlying CIS with multi-asset exposure may include, but are not limited to, fixed income transferable securities, equities, equity-related securities, cash, deposits and money market instruments. The underlying CIS in which the Sub-Fund may invest will be UCITS domiciled in an EU jurisdiction and are expected to be CIS that are managed by the Investment Manager or an Affiliate, but may also be UCITS that are not managed within the BlackRock Group.

The Sub-Fund will seek to maintain a level of volatility within a range of 2%-5% of Net Asset Value as measured by annualised volatility over a rolling 5 year period. In order to keep volatility within this range, the Investment Manager will typically target an estimated level of risk that conforms with prior annualised volatility data when allocating to the underlying CIS. However, there can be no guarantee that the Sub-Fund will attain or maintain such a level of risk, especially during periods of unusually high or low volatility in financial markets. As a consequence, the Sub-Fund's defensive risk profile may fall outside the stated range from time to time. Should this occur, the Sub-Fund will adjust its allocation in

order to return the Sub-Fund's risk profile to within the stated range.

The Sub-Fund may also employ FDIs to hedge risk or for efficient portfolio management purposes (please refer to the section "Investment in Financial Derivative Instruments Efficient Portfolio Management/Direct Investment" for Efficient Portfolio Management) including forwards (which may be used to manage currency risk) and futures (which may be used to gain exposure to fixed income indices). These FDIs will be used for efficient portfolio management purposes in accordance with the limitations set down in Appendix II (subject to the conditions and within the limits laid down by the Central Bank). These FDIs may be dealt in over-the-counter or be listed or traded on the Regulated Markets set out in Appendix I.

Forward Currency Exchange Contracts. A forward currency exchange contract (which may be used to manage currency risk) involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract. The Sub-Fund may buy and sell currencies on a spot and forward basis in order to partially or totally hedge currency exposure. Either the base currency of the underlying CIS or a benchmark with currency exposures that are representative of the underlying CIS will be used to hedge back to the base currency of the Sub-Fund.

Futures and Options on Futures. These include bond and interest rate futures. The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price. An option on futures is an option to acquire or dispose of a future.

The Sub-Fund will not engage in total return swaps or be subject to repurchase and reverse repurchase agreements.

In implementing its investment policy, the Sub-Fund is generally not expected to be leveraged. It may generate leverage intermittently if FDIs are used; however such leverage is not expected to exceed 40% of its Net Asset Value. The Sub-Fund may have higher levels of leverage, including in atypical or volatile market conditions, however leverage is not expected to exceed 100% of its Net Asset Value. For the purposes of this disclosure, leverage is investment exposure gained through the use of FDIs. It is calculated using the sum of the notional values of all of the FDIs held by the Sub-Fund, without netting. The Investment Manager uses Absolute VaR to monitor and manage the global exposure of the Sub-Fund using the 3 month EURIBOR rate as a primary reference portfolio.

The Base Currency of the Sub-Fund will be Euro.

#### Additional Information

"Total Return" typically refers to a return from a combination of capital growth and income only.

#### *Use of Benchmark Index*

The Sub-Fund is actively managed. The Investment Manager has discretion to select the Sub-Fund's investments and is not constrained by any benchmark in this process. The Sub-Fund is also designed to provide investors with achievement of the investment objective by typically taking a moderate level of absolute risk in order to seek a commensurate active return in excess of applicable management fees over the medium term (i.e. 3 years or more).

### **BlackRock Diversified Strategies Selection Fund**

#### Investment Objective

The investment objective of the Sub-Fund is to seek to provide investors with an absolute return over the targeted investment horizon with limited correlation to market movements.

#### Investment Policy

In order to achieve its investment objective, the Sub-Fund will invest in underlying CIS (including exchange traded funds). The Sub-Fund may be fully invested in underlying CIS, and up to 90% of the Sub-Fund's Net Asset Value may be invested in underlying CIS (including exchange traded funds)

characterized by absolute return and total return strategies. When deemed appropriate, the Sub-Fund may allocate up to 10% of its Net Asset Value to investment in exchange traded notes and other debt instruments (such as asset-backed debt securities) listed or traded on Regulated Markets which provide exposure to commodities but which do not embed leverage or derivatives and/or to cash or near-cash instruments. The Sub-Fund will not have a geographical or sector focus but in practice it may have a high allocation to a particular country or sector at any one time.

The Sub-Fund will allocate its assets to underlying CIS, which may be actively or passively managed, in order to maintain the targeted level of volatility, set out below. The Investment Manager will allocate between actively and passively managed CIS based on its own assessment of the potential for actively managed strategies to outperform passively managed strategies. The Sub-Fund will seek to diversify its portfolio by investing its assets in underlying CIS characterized by an absolute and/or total return investment objective and which provide exposure to equity only strategies and/or fixed income only strategies and/or multi-asset strategies. The asset allocation of the Sub-Fund is based on fundamental research and analysis of market conditions with a view to achieving diversification of risk within the portfolio. The asset allocation of the Sub-Fund is intended to be flexible to allow the Sub-Fund to maintain the ability to switch exposure as market conditions dictate or as the level of risk and correlation amongst the underlying CIS materially alters, such that the Sub-Fund is able to maintain diversification among the underlying strategies while keeping overall risk in conformity with the range of volatility stated below.

The underlying equity exposure of the CIS will comprise mainly large and mid-capitalisation companies globally. The underlying fixed income exposure of the CIS will comprise a wide range of fixed income securities including fixed and floating rate government and corporate bonds globally, which may be investment grade or sub-investment grade, asset backed securities, mortgage backed securities, credit linked notes and convertible bonds. The underlying CIS with multi-asset exposure may invest in the full spectrum of permitted investments including fixed income transferable securities, equities, equity-related securities, cash, deposits and money market instruments. The underlying CIS in which the Sub-Fund may invest will be UCITS domiciled in an EU jurisdiction and are expected to be CIS that are managed by the Investment Manager or an Affiliate, but may also be UCITS that are not managed within the BlackRock Group.

The Sub-Fund will seek to maintain a level of volatility within a range of 2%-6% of Net Asset Value as measured by annualised volatility over a rolling 5 year period. In order to keep volatility within this range, the Investment Manager will typically target an estimated level of risk that conforms with prior annualised volatility data when allocating to the underlying CIS. However, there can be no guarantee that the Sub-Fund will attain or maintain such a level of risk, especially during periods of unusually high or low volatility in financial markets. As a consequence, the Sub-Fund's risk profile may fall outside the stated range from time to time. Should this occur, the Sub-Fund will adjust its allocation in order to return the Sub-Fund's risk profile to within the stated range.

The Sub-Fund may also employ FDIs to hedge risk or for efficient portfolio management purposes (please refer to the section "Investment in Financial Derivative Instruments Efficient Portfolio Management/Direct Investment" for Efficient Portfolio Management) including forwards (which may be used to manage currency risk) and futures (which may be used to gain exposure to fixed income/equity indices). These FDIs will be used for efficient portfolio management purposes in accordance with the limitations set down in Appendix II (subject to the conditions and within the limits laid down by the Central Bank). These FDIs may be dealt in over-the-counter or be listed or traded on the Regulated Markets set out in Appendix I.

Forward Currency Exchange Contracts. A forward currency exchange contract (which may be used to manage currency risk) involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract. The Sub-Fund may buy and sell currencies on a spot and forward basis in order to partially or totally hedge currency exposure. Either the base currency of the underlying CIS or a benchmark with currency exposures that are representative of the underlying CIS will be used to hedge back to the base currency of the Sub-Fund.

Futures and Options on Futures. These include bond futures and interest rate futures. The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for

in the contract in a specified delivery month, at a stated price. An option on futures is an option to acquire or dispose of a future.

The Sub-Fund will not engage in total return swaps or be subject to repurchase and reverse repurchase agreements.

In implementing its investment policy, the Sub-Fund is generally not expected to be leveraged. It may generate leverage intermittently if FDIs are used; however such leverage is not expected to exceed 60% of its Net Asset Value. The Sub-Fund may have higher levels of leverage, including in atypical or volatile market conditions, however leverage is not expected to exceed 150% of its Net Asset Value. For the purposes of this disclosure, leverage is investment exposure gained through the use of FDIs. It is calculated using the sum of the notional values of all of the FDIs held by the Sub-Fund, without netting. The Investment Manager uses Absolute VaR using the 3 month EURIBOR rate to monitor and manage the global exposure of the Sub-Fund.

The Base Currency of the Sub-Fund will be Euro.

#### Additional Information

The Sub-Fund will be managed with the aim of delivering absolute (more than zero) returns over the targeted investment horizon in any market conditions. Absolute return strategies typically aim to achieve positive returns regardless of market indexes or market benchmarks. This means, in the context of this Sub-Fund, the Sub-Fund seeks to provide a return for investors in any market conditions over a five year period. However, an absolute return is not guaranteed over a five year period or any period and the Sub-Fund may experience periods of negative return. The Sub-Fund's capital is at risk.

#### *Use of Benchmark Index*

The Sub-Fund is actively managed, The Investment Manager has discretion to select the Sub-Fund's investments and is not constrained by any benchmark in this process. The Sub-Fund is also designed to provide investors with achievement of the investment objective by typically taking a conservative level of absolute risk in order to seek a commensurate active return in excess of applicable management fees over the long term (i.e. 5 years or more).

### **BlackRock Multi Asset Balanced Selection Fund**

#### Investment Objective

The investment objective of the Sub-Fund is to seek to provide investors with capital growth over the long term while seeking to maintain a moderate level of risk.

#### Investment Policy

In order to achieve its investment objective, the Sub-Fund will invest between 40% and 75% of its Net Asset Value in underlying CIS (including exchange traded funds) with exposure to fixed income securities globally and between 25% and 60% of its Net Asset Value in underlying CIS (including exchange traded funds) with exposure to equity securities globally. The Sub-Fund may invest up to 30% of its Net Asset Value in underlying CIS (including exchange traded funds) with multi-asset exposure. When deemed appropriate, the Sub-Fund may allocate up to 10% of its Net Asset Value to investment in exchange traded notes and other debt instruments (such as asset-backed debt securities) listed or traded on Regulated Markets which provide exposure to commodities but which do not embed leverage or derivatives and/or to cash or near-cash instruments. The Sub-Fund will not have a geographical or sector focus but in practice it may have a high allocation to a particular country or sector at any one time.

The Sub-Fund will allocate its assets to underlying CIS, which may be actively or passively managed, in order to meet the targeted level of volatility, set out below. The Investment Manager will allocate between actively and passively managed CIS based on its own assessment of the potential for actively managed strategies to outperform passively managed strategies. The Sub-Fund's macro allocation will typically be tilted moderately towards fixed income securities with the aim of balancing the impact of volatility and the performance of equity markets on its returns and in so doing achieve a moderate level of risk within the targeted volatility band stated below. The Investment Manager's decision to allocate among different CIS may also be based on its own fundamental research and analysis of the performance of regions, countries and sectors within the financial markets.

The underlying equity exposure of the CIS will comprise mainly large and mid-capitalisation companies globally. The underlying fixed income exposure of the CIS will comprise a wide range of fixed income securities including fixed and floating rate government and corporate bonds globally, which may be investment grade or sub-investment grade, asset backed securities, mortgage backed securities, credit linked notes and convertible bonds. The underlying CIS with multi-asset exposure may invest in the full spectrum of permitted investments including fixed income transferable securities, equities, equity-related securities, cash, deposits and money market instruments. The underlying CIS in which the Sub-Fund may invest will be UCITS domiciled in an EU jurisdiction and are expected to be CIS that are managed by the Investment Manager or an Affiliate, but may also be UCITS that are not managed within the BlackRock Group.

The Sub-Fund will seek to maintain a level of volatility within a range of 5%-10% of Net Asset Value as measured by annualised volatility over a rolling 5 year period. In order to keep volatility within this range, the Investment Manager will typically target an estimated level of risk that conforms with such annualised volatility data when allocating to the underlying CIS. However, there can be no guarantee that the Sub-Fund will attain or maintain such a level of risk, especially during periods of unusually high or low volatility in the equity and fixed income markets. As a consequence, the Sub-Fund's risk profile may fall outside the stated range from time to time. Should this occur, the Sub-Fund will adjust its allocation in order to return the Sub-Fund's risk profile to within the stated range.

The Sub-Fund may also employ FDIs to hedge risk or for efficient portfolio management purposes (please refer to the section "Investment in Financial Derivative Instruments Efficient Portfolio Management/Direct Investment" for Efficient Portfolio Management) including forwards (which may be used to manage currency risk) and futures (which may be used to gain exposure to fixed income/equity indices) for efficient portfolio management purposes in accordance with the limitations set down in Appendix II (subject to the conditions and within the limits laid down by the Central Bank). These FDIs may be dealt in over-the-counter or be listed or traded on the Regulated Markets set out in Appendix I.

Forward Currency Exchange Contracts. A forward currency exchange contract (which may be used to manage currency risk) involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract. The Sub-Fund may buy and sell currencies on a spot and forward basis in order to partially or totally hedge currency exposure. Either the base currency of the underlying CIS or a benchmark with currency exposures that are representative of the underlying CIS will be used to hedge back to the base currency of the Sub-Fund.

Futures and Options on Futures. These include bond futures and interest rate futures. The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price. An option on futures is an option to acquire or dispose of a future.

The Sub-Fund will not engage in total return swaps or be subject to repurchase and reverse repurchase agreements.

In implementing its investment policy, the Sub-Fund is generally not expected to be leveraged. It may generate leverage intermittently if FDIs are used; however such leverage is not expected to exceed 40% of its Net Asset Value. The Sub-Fund may have higher levels of leverage, including in atypical or volatile market conditions, however leverage is not expected to exceed 100% of its Net Asset Value. For the purposes of this disclosure, leverage is investment exposure gained through the use of FDIs. It is calculated using the sum of the notional values of all of the FDIs held by the Sub-Fund, without netting. The Investment Manager uses Relative VaR to monitor and manage the global exposure of the Sub-Fund. The reference portfolio of the Sub-Fund is made up of the MSCI Europe Index, the MSCI All Country World ex Europe Index, the Barclays Global Aggregate Index ex JPY (EUR Hedged), the BofA ML Global High Yield (EUR Hedged) and the JP Morgan Emerging Market Bond Global Diversified Index. The reference portfolio will be unleveraged, will not contain any FDI or embedded FDI, and has a risk profile which is consistent with the investment objective, policies and limits of the Sub-Fund. The Investment Manager may change the reference portfolio from time to time. Further detail as to the composition of the reference portfolio is available from the Investment Manager on request.

The Base Currency of the Sub-Fund will be Euro.

#### Additional Information

“Capital growth” typically refers to an increase in the value of the Sub-Fund over the long term.

#### *Use of Benchmark Index*

The Sub-Fund is actively managed and the Investment Manager has discretion to select the Sub-Fund's investments. The Sub-Fund has an unconstrained investment style (i.e. it will not take a benchmark index into account when selecting the Sub-Fund's investments). However, the Investment Manager will refer to a composite benchmark index comprising the MSCI Europe Index (20%), the MSCI All Country World ex Europe Index (20%), the Barclays Global Aggregate Index ex JPY (EUR Hedged) (50%), the BofA ML Global High Yield (EUR Hedged) (6%) and the JP Morgan Emerging Market Bond Global Diversified Index (4%) (the “Index”) for risk management purposes to ensure that the active risk (i.e. degree of deviation from the Index) taken by the Sub-Fund remains appropriate given the Sub-Fund's investment objective and policy (including, in particular, its unconstrained investment style). The Sub-Fund is also designed to provide investors with achievement of the investment objective by typically taking a conservative level of active risk relative to the Index in order to seek a commensurate active return in excess of applicable management fees over the long term (i.e. 5 years or more).

### **BlackRock Multi Asset Conservative Selection Fund**

#### Investment Objective

The investment objective of the Sub-Fund is to seek to maximise total return over the long-term while seeking to maintain a conservative level of risk.

#### Investment Policy

In order to achieve its investment objective, the Sub-Fund will invest between 40% and 90% of its Net Asset Value in underlying CIS (including exchange traded funds) with exposure to fixed income securities globally, and between 10% and 50% of its Net Asset Value in underlying CIS (including exchange traded funds) with exposure to equity securities globally. The Sub-Fund may invest up to 30% of its Net Asset Value in underlying CIS (including exchange traded funds) with multi-asset exposure. When deemed appropriate, the Sub-Fund may allocate up to 10% of its Net Asset Value to investment in exchange traded notes and other debt instruments (such as asset-backed debt securities) listed or traded on Regulated Markets which provide exposure to commodities but which do not embed leverage or derivatives and/or to cash or near-cash instruments. The Sub-Fund will not have a geographical or sector focus but in practice it may have a high allocation to a particular country or sector at any one time.

The Sub-Fund will allocate its assets to underlying CIS, which may be actively or passively managed, in order to meet the targeted level of volatility, set out below. The Investment Manager will allocate between actively and passively managed CIS based on its own assessment of the potential of actively managed strategies to outperform passively managed strategies. The Investment Manager's decision to allocate may also be based on its own fundamental research and analysis of the performance of regions, countries and sectors within the financial markets. The Sub-Fund's macro allocation will tilt towards fixed income securities in order to reduce the impact of volatility and the performance of equity markets on its returns and in so doing achieve a conservative level of risk within the targeted volatility band stated below. The Investment Manager's decision to allocate among different CIS may also be based on its own fundamental research and analysis of the performance of regions, countries and sectors within the financial markets.

The underlying equity exposure of the CIS will comprise mainly large and mid-capitalisation companies globally. The underlying fixed income exposure of the CIS will comprise a wide range of fixed income securities including fixed and floating rate government and corporate bonds globally, which may be investment grade or sub-investment grade, asset backed securities, mortgage backed securities, credit linked notes and convertible bonds. The underlying CIS with multi-asset exposure may invest in the full spectrum of permitted investments including fixed income transferable securities, equities, equity-related securities, cash, deposits and money market instruments. The underlying CIS in which the Sub-Fund may invest will be UCITS domiciled in an EU jurisdiction and are expected to be CIS that are managed by the Investment Manager or an Affiliate, but may also be UCITS that are not managed

within the BlackRock Group.

The Sub-Fund will seek to maintain a level of volatility within a range of 4%-8% of Net Asset Value as measured by annualised volatility over a rolling 5 year period. In order to keep volatility within this range, the Investment Manager will typically target an estimated level of risk that conforms with prior annualised volatility data when allocating to the underlying CIS. However, there can be no guarantee that the Sub-Fund will maintain such a level of risk, especially during periods of unusually high or low volatility in the equity and fixed income markets. As a consequence, the Sub-Fund's risk profile may fall outside the stated range from time to time. Should this occur, the Sub-Fund will adjust its allocation in order to return the Sub-Fund's risk profile to within the stated range.

The Sub-Fund may also employ FDIs to hedge risk or for efficient portfolio management purposes (please refer to the section "Investment in Financial Derivative Instruments Efficient Portfolio Management/Direct Investment" for Efficient Portfolio Management) including forwards (which may be used to manage currency risk) and futures (which may be used to gain exposure to fixed income/equity indices). These FDIs will be used for efficient portfolio management purposes in accordance with the limitations set down in Appendix II (subject to the conditions and within the limits laid down by the Central Bank). These FDIs may be dealt in over-the-counter or be listed or traded on the Regulated Markets set out in Appendix I.

Forward Currency Exchange Contracts. A forward currency exchange contract (which may be used to manage currency risk) involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract. The Sub-Fund may buy and sell currencies on a spot and forward basis in order to partially or totally hedge currency exposure. Either the base currency of the underlying CIS or a benchmark with currency exposures that are representative of the underlying CIS will be used to hedge back to the base currency of the Sub-Fund.

Futures and Options on Futures. These include bond futures and interest rate futures. The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price. An option on futures is an option to acquire or dispose of a future.

The Sub-Fund will not engage in total return swaps or be subject to repurchase and reverse repurchase agreements.

In implementing its investment policy, the Sub-Fund is generally not expected to be leveraged. It may generate leverage intermittently if FDIs are used; however such leverage is not expected to exceed 40% of its Net Asset Value. The Sub-Fund may have higher levels of leverage, including in atypical or volatile market conditions, however leverage is not expected to exceed 100% of its Net Asset Value. For the purposes of this disclosure, leverage is investment exposure gained through the use of FDIs. It is calculated using the sum of the notional values of all of the FDIs held by the Sub-Fund, without netting. The Investment Manager uses Absolute VaR to monitor and manage the global exposure of the Sub-Fund using the 3 month EURIBOR rate as a primary reference portfolio.

The Base Currency of the Sub-Fund will be Euro.

#### Additional Information

"Total Return" typically refers to a return from a combination of capital growth and income only.

#### *Use of Benchmark Index*

The Sub-Fund is actively managed. The Investment Manager has discretion to select the Sub-Fund's investments and is not constrained by any benchmark in this process. The Sub-Fund is also designed to provide investors with achievement of the investment objective by typically taking a moderate level of absolute risk in order to seek a commensurate return in excess of applicable management fees over the long term (i.e. 5 years or more).

#### **BlackRock Euro Cash Fund**



The investment objective of the Sub-Fund is to invest 100% of its assets in the BlackRock ICS Euro Liquidity Fund, a sub-fund of Institutional Cash Series plc.

The Sub-Fund is a feeder of the BlackRock ICS Euro Liquidity Fund, and permanently invests 100% of its assets in shares of BlackRock ICS Euro Liquidity Fund. The investment objective and policies of the BlackRock ICS Euro Liquidity Fund are set out at Appendix VII. Further information relating to the BlackRock ICS Euro Liquidity Fund may be obtained, on request, from the Manager.

As the Sub-Fund will invest exclusively in the BlackRock ICS Euro Liquidity Fund, the risk profile of the Sub-Fund is expected to reflect the risk profile of the BlackRock ICS Euro Liquidity Fund. The performance of the Sub-Fund is similarly expected to reflect the performance of the BlackRock ICS Euro Liquidity Fund.

The Manager has adopted internal conduct of business rules (“ICB Rules”) to ensure that the Sub-Fund will comply with its obligations under the Directive. The ICB Rules define the arrangements between the Manager, the Sub-Fund and the BlackRock ICS Euro Liquidity Fund. The ICB Rules include measures to mitigate conflicts of interest that may arise, arrangements to facilitate the exchange of information between the Sub-Fund and the BlackRock ICS Euro Liquidity Fund, the basis of investment and divestment by the Sub-Fund in the BlackRock ICS Euro Liquidity Fund, the standard dealing arrangements, event affecting dealing arrangements and standard arrangements for the respective entities’ audit reports.

The Sub-Fund is not a money market fund pursuant to Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds and any delegated regulation published pursuant to it (the “MMF Regulations”). As BlackRock ICS Euro Liquidity Fund is a money market fund pursuant to the MMF Regulations, the Sub-Fund is a feeder fund of a money market fund.

The Sub-Fund is actively managed and in accordance with its investment objective, the Sub-Fund invests 100% of its assets in the BlackRock ICS Euro Liquidity Fund, a sub-fund of Institutional Cash Series plc. The investment manager of the BlackRock ICS Euro Liquidity Fund has discretion to select the BlackRock ICS Euro Liquidity Fund’s investments and is not constrained by any benchmark in this process.

#### *Use of Benchmark Index*

As the Sub-Fund invests 100% of its assets in the BlackRock ICS Euro Liquidity Fund, investors should use the performance benchmark of the BlackRock ICS Euro Liquidity Fund, the Euro Short-Term Rate (€STR), to compare the performance of the Sub-Fund.

### **BlackRock Dynamic Allocation Fund**

#### Investment Objective

The investment objective of the Sub-Fund is to seek to provide a total return over the medium to long term, in the form of both capital growth and income.

#### Investment Policy

In order to achieve this investment objective, the Sub-Fund has a flexible approach to asset allocation to maintain the ability to adjust its exposure. The Sub-Fund will take a disciplined approach to investing by attempting to maintain a portfolio that is typically diversified across issuers and industry sectors. The Sub-Fund will use a judgment-based investment process that adapts to changing market conditions and the Sub-Fund will seek to diversify its exposure by investing globally in equity securities, fixed income securities, collective investment schemes (CIS) (including exchange traded funds), money market instruments, deposits, cash, and financial derivative instruments (FDIs). The Sub-Fund will not have a geographical or sector focus but in practice it may have a high allocation to a particular country or sector at any one time.

In order to gain this exposure the Sub-Fund will invest indirectly, through FDIs and CIS (including exchange traded funds), or directly in equity securities, fixed income securities, money-market instruments, FDIs, CIS, deposits, and cash. A significant proportion of the Sub-Fund’s portfolio may consist of FDIs on a daily basis.

The Sub-Fund may also take indirect exposure to commodities (such as precious metals, agricultural produce, and natural resources), infrastructure, or real estate through eligible index FDIs (such as total return swaps on commodity indices), eligible CIS, or structured securities (freely transferable securities which may be linked to instruments in which the Sub-Fund may invest as described herein and which may embed leverage such as collateralised loan obligations, asset backed securities, or equity-linked notes and certificates). Any commodity, infrastructure or real estate index to which exposure is proposed will be cleared in advance with the Central Bank.

The Sub-Fund may invest in a wide range of fixed income securities and money market instruments, which may include non-investment grade and unrated securities. Such investments may be issued by governments or any of their political subdivisions, central banks, corporations, supranational organisations, and other issuers. The fixed income securities in which the Sub-Fund may invest will normally be listed or traded on the Regulated Markets as set out in Appendix I.

The Sub-Fund may also invest in equity securities issued by companies worldwide. Equity securities in which the Sub-Fund may invest will normally be listed or traded on the Regulated Markets as set out in Appendix I.

Through its investments in CIS, the Sub-Fund may take an indirect exposure to a wide range of fixed income securities including fixed and floating rate government and corporate bonds globally, which may be investment grade or sub-investment grade, asset backed securities, mortgage backed securities, credit linked notes and convertible bonds.

The Sub-Fund may also take indirect exposure to equity securities, through its investments in CIS.

The Sub-Fund may also invest in underlying CIS with multi-asset exposure in order to diversify the overall portfolio. The investments of the underlying CIS with multi-asset exposure may include, but are not limited to, fixed income transferable securities, equities, equity-related securities, cash, deposits and money market instruments.

The underlying CIS in which the Sub-Fund may invest are expected to be CIS that are managed by the Investment Manager or an Affiliate, but may also be CIS that are not managed within the BlackRock Group. Such underlying CIS may be investment companies, unit trusts or their equivalents, which fall within the categories of collective investment schemes which are eligible for investment by UCITS as set out in the Guidance.

The currency exposure of the Sub-Fund is flexibly managed and reflects the Sub-Fund's ability to engage in FDIs for hedging purposes or enhanced returns. Underlying portfolio currency exposures in the Sub-Fund may be hedged back to the Base Currency of the Sub-Fund using FDIs.

The Sub-Fund may invest up to 5% of its Net Asset Value in fixed income securities traded on Russian markets.

The Sub-Fund may invest in FDIs for direct investment purposes or for efficient portfolio management purposes (please refer to the section "Investment in Financial Derivative Instruments Efficient Portfolio Management/Direct Investment").

When investing in FDIs, the Sub-Fund may engage in transactions in FDIs including options and futures transactions, swaps, forward contracts, credit default swaps, spot foreign exchange transactions, caps and floors (which are interest rate swap contracts in which the return is based only on the positive (in the case of a cap) or negative (in the case of a floor) movement of interest rates relative to a fixed rate agreed by the parties), contracts for differences for direct investment, in accordance with the limitations set down in Appendix II (subject to the conditions and within the limits laid down by the Central Bank), to assist in achieving its objective, to reduce transaction costs or taxes or allow exposure in the case of illiquid securities or securities which are unavailable for market or regulatory reasons or for such other reasons as the Directors deem of benefit to the Sub-Fund. The reference assets underlying the options, if any, shall be any security or eligible asset which is consistent with the investment policies of the Sub-Fund as described herein, including options on equities and fixed income securities. The reference assets underlying the total return swaps, if any, shall be any security, basket of securities, or eligible indices which are consistent with the investment policies of the Sub-Fund. The counterparties to all

swap transactions will be institutions belonging to categories permitted by the Central Bank and will not have discretion over the assets of the Sub-Fund.

Swaps. These include total return swaps, interest rate swaps and credit default swaps. A total return swap is a bilateral financial contract, which allows one party to enjoy all of the cash flow benefits of an asset without actually owning this asset. An interest rate swap involves the exchange by one party with another party of their respective commitments to pay or receive cash flows. The “buyer” in a credit default contract is obligated to pay the “seller” a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference obligation has occurred. A seller receives a fixed rate of income throughout the term of the contract.

Options. A call option is where the purchaser has the right to buy the securities underlying the option at the specified exercise price at any time during the term of the option. A put option gives the purchaser the right to sell the underlying securities at the specified exercise price during the term of the option.

Futures and Options on Futures. These include bond futures and interest rate futures. The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price. An option on futures is an option to acquire or dispose of a future.

Forward Currency Exchange Contracts. The Sub-Fund may buy and sell currencies on a spot and forward basis in order to hedge currency exposure. A forward currency exchange contract involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract.

Contracts for Difference. A contract for difference is a contract between two parties whereby one party will pay to the other the difference between the value of an asset at the time the contract is agreed and its value at the maturity of the contract. The reference assets underlying the contract for difference, if any, may be any security or basket of securities which are consistent with the investment policies of the Sub-Fund.

As the Sub-Fund seeks to be highly diversified it will make extensive use of FDIs, using them to gain investment exposure to instruments. The Sub-Fund intends to take full advantage of the ability to invest in FDIs providing synthetic long and/or synthetic short positions with the aim of generating returns, as well as managing the overall risk exposure of the Sub-Fund’s investment strategy. The Sub-Fund is expected to invest between 0% and 500% of its Net Assets in long positions in the securities in which it may invest, and between 0% and 500% of its Net Assets in short positions. The short position strategy of the Sub-Fund is typically intended to offset the long position strategy of the Sub-Fund in order to adjust market exposure in a timely and cost-effective manner.

These FDIs may be dealt in over-the-counter or be listed or traded on the Regulated Markets set out in Appendix I. These FDIs will be used to hedge risk or to enhance returns.

The Sub-Fund may generate leverage where FDIs are used. In implementing its investment policy the Sub-Fund is generally expected to be leveraged at around 300% of its Net Asset Value. The Sub-Fund may have higher levels of leverage on a short term basis, including in atypical or volatile market conditions and through the use of FDI disclosed above, however leverage is not expected to exceed 1000% of its Net Asset Value. For the purposes of this disclosure, leverage is investment exposure gained through the use of FDIs. It is calculated using the sum of the notional values of all of the FDIs held by the Sub-Fund, without netting.

The Investment Manager uses Absolute VaR to monitor and manage the global exposure of the Sub-Fund.

The Base Currency of the Sub-Fund will be Euro.

#### Additional Information

“Total Return” typically refers to a return from a combination of capital growth and income only.

The Sub-Fund aims to provide a total return that exceeds the Euro Overnight Index Average (EONIA) rate. The Eonia rate is the 1-day interbank interest rate for the Euro zone and is the effective overnight reference rate for the Euro. The rate is computed as a weighted average of the sum of the overnight unsecured lending transactions in the interbank market, undertaken in the European Union and European Free Trade Association countries.

Although the Sub-Fund aims to deliver a total return over the medium to long term there is no guarantee that this will be achieved over this time period, or any time period. The Sub-Fund's capital is at risk.

#### *Use of Benchmark Index*

The Sub-Fund is actively managed. The Investment Manager has discretion to select the Sub-Fund's investments and is not constrained by any benchmark in this process. The Sub-Fund is also designed to provide investors with achievement of the investment objective by typically taking a higher level of absolute risk in order to seek a commensurate active return in excess of applicable management fees over the long term (i.e. 5 years or more). The Euro Overnight Index Average (EONIA) rate should be used by investors to compare the performance of the Sub-Fund.

### **BlackRock UK Equity Income Fund**

#### Investment Objective

The investment objective of the Sub-Fund is to seek to provide a total return, in the form of both capital growth and income.

#### Investment Policy

In order to achieve this investment objective, the Sub-Fund will invest predominantly in the equity securities of companies listed or traded on Regulated Markets in the United Kingdom. The Sub-Fund will not have any specific industry, sector or market-capitalisation focus. In selecting the equity securities in which the Sub-Fund invests, the Investment Manager will make decisions based on its own fundamental research and external research, as well as its analysis of the performance of the financial markets and of company results of the issuers of equity securities.

The Sub-Fund may also invest in equity securities issued by companies worldwide (exposure to emerging markets shall not exceed 10% of the Net Asset Value of the Sub-Fund). Such equity securities will normally be listed or traded on the Regulated Markets as set out in Appendix I.

The Sub-Fund will predominantly invest in the equity securities described above, but may also invest up to 10% of its Net Asset Value in fixed income securities (which may be investment grade (or deemed by the Investment Manager to be of an equivalent rating), corporate or government issued, and fixed or floating rate) and up to 10% of its Net Asset Value in cash and deposits.

The Sub-Fund may also, subject to the conditions set out in Appendix III, invest up to 10% of its Net Asset Value in aggregate in other CIS, including exchange traded funds, and/or other Sub-Funds of the Fund. The annual report of the Fund shall indicate the maximum proportion of management fees charged both to the Sub-Fund and the CIS in which it invests for the period covered by such report.

The Sub-Fund may invest in FDIs for direct investment purposes or for efficient portfolio management purposes (please refer to the section "Investment in Financial Derivative Instruments Efficient Portfolio Management/Direct Investment").

When investing in FDIs, the Sub-Fund may engage in transactions in FDIs including index futures, options, contracts for difference and total return swaps in accordance with the limitations set down in Appendix II (subject to the conditions and within the limits laid down by the Central Bank) to assist in achieving its investment objective and gain exposure to the equity securities described above. The reference assets underlying the total return swaps, if any, shall be any security, basket of securities, or eligible indices which are consistent with the investment policies of the Sub-Fund which are expected to include, without limitation, equity indices giving access to equity securities as described above. The counterparties to all swap transactions will be institutions subject to prudential supervision and belonging to categories approved by the Central Bank and will not have discretion over the assets of the Sub-Fund. These FDIs may be dealt in over-the-counter or be listed or traded on the Regulated Markets set out in Appendix I. In implementing its investment policy the Sub-Fund is not expected to be

leveraged as it is intended that the combined holdings of FDI and the Sub-Fund's other investments shall be equivalent to holding a cash position and the FDI will not generate incremental exposure or leverage.

Futures. These include equity index futures. The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price.

Options. A call option is where the purchaser has the right to buy the securities underlying the option at the specified exercise price at any time during the term of the option. A put option gives the purchaser the right to sell the underlying securities at the specified exercise price during the term of the option.

Contracts for Difference. A contract for difference is a contract between two parties whereby one party will pay to the other the difference between the value of an asset at the time the contract is agreed and its value at the maturity of the contract.

Total return swap. A total return swap is a bilateral financial contract, which allows one party to enjoy all of the cash flow benefits of an asset without actually owning this asset.

The Investment Manager uses the commitment approach to monitor and manage the global exposure of the Sub-Fund.

The Base Currency of the Sub-Fund is Sterling. The Sub-Fund may, but is not obliged to, hedge non-Sterling currency exposure into Sterling.

#### Additional Information

"Total Return" typically refers to a return from a combination of capital growth and income only.

Although the Sub-Fund aims to deliver a total return, there is no guarantee that this will be achieved. The Sub-Fund's capital is at risk.

### **BlackRock Defensive Yield ESG Screened Fund**

#### Investment Objective

The investment objective of the Sub-Fund is to seek to provide income while preserving capital by investing predominantly in fixed income securities.

#### Investment Policy

In order to achieve this investment objective, the Sub-Fund intends to invest at least 40% of its Net Asset Value in fixed income securities which, at the time of purchase, are investment grade (or are deemed by the Investment Manager to be of an equivalent rating). The Sub-Fund may also invest up to 35% of its Net Asset Value in fixed income securities which, at the time of purchase, are sub-investment grade (or are deemed by the Investment Manager to be of an equivalent rating) or are unrated.

The Sub-Fund's total assets will be invested in accordance with the ESG Policy described below at the time of purchase.

The Sub-Fund will utilise a defensive credit-screening strategy intended to preserve capital and aimed at minimising the Sub-Fund's exposure to fixed income securities considered by the Investment Manager to be more susceptible to excessive price deterioration. Quantitative screening techniques and the Investment Manager's analysis are used to monitor credit issuers. The credit screening strategy ranks issuers based on factors such as fundamentals, valuation, and market sentiment. In selecting the Sub-Fund's investments, the Investment Manager will rely on this established management technique and will seek to provide investors with diversified exposure. Although the Sub-Fund aims to provide income while preserving capital in accordance with its investment objective, there is no guarantee that this will be achieved. The Sub-Fund's capital is at risk.

Should the credit quality of fixed income securities held by the Sub-Fund deteriorate to below investment grade causing the Sub-Fund to hold below 40% of its Net Asset Value in investment grade (or deemed equivalent), and/or greater than 35% of its Net Asset Value in sub-investment grade or unrated, fixed income securities, the Sub-Fund may continue to hold the affected fixed income securities for a period of time, at the discretion of the Investment Manager, in order to avoid a distressed sale of such downgraded securities.

The fixed income securities in which the Sub-Fund will invest will be issued by companies, governments and government-related entities globally (predominantly by issuers based in developed markets, but also in emerging markets) and may be fixed or floating rate.

BlackRock evaluates underlying investments in companies according to the good governance criteria outlined in the SFD Regulation where relevant data is available and as appropriate given the underlying investment type. These criteria relate to sound management structures, employee relations, remuneration of staff and tax compliance. BlackRock may consider additional factors relating to good governance in its assessment of the sustainability related characteristics of underlying issuers depending on the particular ESG strategy applicable to the Sub-Fund.

BlackRock will assess the good governance assessment framework of any delegated managers, including third party managers, where relevant information is available.

While it is expected that most of the Sub-Fund's investments will be denominated in Euro, the Sub-Fund will have the ability to invest in fixed income securities denominated in other currencies, including US Dollar. The fixed income securities in which the Sub-Fund may invest will normally be listed or traded on the Regulated Markets set out in Appendix I. The Sub-Fund may also, subject to the conditions set out in Appendix III, invest up to 10% of its Net Asset Value in aggregate in other CIS, including exchange traded funds, and/or other Sub-Funds of the Fund. The annual report of the Fund shall indicate the maximum proportion of management fees charged both to the Sub-Fund and the CIS in which it invests for the period covered by such report.

The Sub-Fund will predominantly invest in the fixed income securities described above, but may also to a lesser extent invest in cash and deposits.

The Sub-Fund may invest in FDIs for direct investment purposes or for efficient portfolio management purposes (please refer to the section "Investment in Financial Derivative Instruments Efficient Portfolio Management/Direct Investment").

When investing in FDIs, the Sub-Fund may engage in transactions in FDIs including credit default swaps, forward FX contracts (which may be used to manage currency risk) and interest rate futures and swaps (which may be used to manage interest rate risk) in accordance with the limitations set down in Appendix II (subject to the conditions and within the limits laid down by the Central Bank). These FDIs may be dealt in over-the-counter or be listed or traded on the Regulated Markets set out in Appendix I. In implementing its investment policy the Sub-Fund is not expected to be leveraged as it is intended that the combined holdings of FDI and the Sub-Fund's other investments shall be equivalent to holding a cash position and the FDI will not generate incremental exposure or leverage.

Swaps. These include interest rate swaps and credit default swaps. An interest rate swap involves the exchange by one party with another party of their respective commitments to pay or receive cash flows. The "buyer" in a credit default contract is obligated to pay the "seller" a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference obligation has occurred. A seller receives a fixed rate of income throughout the term of the contract.

Futures. These include interest rate futures. The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price.

Forward Currency Exchange Contracts. The Sub-Fund may buy and sell currencies on a spot and forward basis in order to hedge currency exposure. A forward currency exchange contract involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract.

The Investment Manager uses the commitment approach to monitor and manage the global exposure of the Sub-Fund.

The Base Currency of the Sub-Fund is Euro. The Sub-Fund may, but is not obliged to, hedge non-Euro currency exposure into Euro.

### *ESG Policy*

In addition to the above, the Sub-Fund will apply the BlackRock EMEA Baseline Screens (as described in Appendix X).

The Investment Manager may also review the resulting universe to remove issuers with the lowest ESG scores.

The Sub-Fund may gain limited indirect exposure (through, including but not limited to, derivatives and shares or units of CIS) to issuers with exposures that do not meet the ESG criteria described above.

To undertake this analysis, the Investment Manager may use data provided by external ESG research providers, proprietary models and local intelligence and may undertake site visits.

Should existing holdings, compliant at the time of investment with the ESG Policy, subsequently become ineligible under the ESG Policy, they will be divested by the Fund within a reasonable period of time.

### *Use of Benchmark Index*

The Sub-Fund is actively managed. The Investment Manager has discretion to select the Sub-Fund's investments and is not constrained by any benchmark in this process. The Sub-Fund is also designed to provide investors with achievement of the investment objective by typically taking a low to conservative level of absolute risk in order to seek a commensurate active return in excess of applicable management fees over the medium term (i.e. 3 years or more). The 3-Month EURIBOR rate should be used by investors to compare the performance of the Sub-Fund.

## **BlackRock Emerging Markets Alpha Tilts Fund**

### Investment Objective

The investment objective of the Sub-Fund is to seek to provide investors with capital growth over the long term.

### Investment Policy

In order to achieve its investment objective, the Sub-Fund invests primarily in the equity securities of companies domiciled in, or the main business of which is in, emerging markets and/or in the equity securities of companies domiciled in, or the main business of which is in, developed markets, but which have significant business operations in emerging markets.

The Sub-Fund uses quantitative (i.e. mathematical or statistical) models which are proprietary to the Investment Manager in order to achieve a systematic (i.e. rule based) approach to stock selection. The models select stocks from a broad universe of equities and rank them broadly according to three categories: company fundamentals, market sentiment and macro-economic themes (each of which is described below). The Investment Manager assigns a weighting to each category within the models based on an assessment of the performance, volatility, correlation and turnover within each model. Within the company fundamentals category, the Sub-Fund uses techniques to assess stock characteristics such as relative valuation, strength of earnings, quality of balance sheet and cashflow trends. Within the market sentiment category, the Sub-Fund uses techniques to assess drivers such as the views of other market participants (for example, sell-side analysts, other investors and company management teams) as well as trends exhibited by related companies. Within the macro-economic themes category, the Sub-Fund uses techniques to position the portfolio with respect to certain industries, styles (such as value, momentum and quality), countries and markets which are best placed for prevailing macro conditions. These quantitative models, combined with an automated portfolio

construction tool which is proprietary to the Investment Manager, inform which stocks will comprise the Sub-Fund's portfolio. The Investment Manager reviews the positions generated by the portfolio construction tool before they are traded to compare against the categories (as described above) inputted to the model and to consider the impact of any subsequent information in relation to the positions such as merger and acquisition announcements, significant litigation or changes in senior management personnel. The Sub-Fund's portfolio is intended to be highly diversified.

The Sub-Fund may also indirectly invest in emerging markets by investing in American Depository Receipts (ADRs), which are listed or traded on stock exchanges and regulated markets outside emerging markets. ADRs are investments issued by financial institutions which give exposure to underlying equity securities. Such underlying equity securities may be issued from within emerging markets jurisdictions.

In order to assist in achieving its investment objective, the Sub-Fund may also, subject to the conditions set out in Appendix III, invest up to 10% of its Net Asset Value in aggregate in other CIS, including exchange traded funds. The annual report of the Sub-Fund shall indicate the maximum proportion of management fees charged both to the Sub-Fund and the CIS in which it invests for the period covered by such report.

The Sub-Fund may invest in FDI for direct investment purposes or for efficient portfolio management purposes (please refer to the section "Investment in Financial Derivative Instruments – Efficient Portfolio Management/Direct Investment" for further information on investing in FDIs for direct investment and efficient portfolio management).

The Sub-Fund may engage in transactions in a range of FDI, including interest rate swaps and total return swaps, futures and options on futures, forward currency exchange contracts and contracts for difference in accordance with the limitations set down in Appendix II (subject to the conditions and within the limits laid down by the Central Bank) to assist in achieving its investment objective and gain exposure to the equity securities described above. The reference assets underlying the total return swaps, if any, shall be any security, basket of securities, or eligible indices which are consistent with the investment policy of the Sub-Fund which are expected to include, without limitation, equity indices giving access to equity securities as described above. The counterparties to all swap transactions will be institutions subject to prudential supervision and belonging to categories approved by the Central Bank and will not have discretion over the assets of the Sub-Fund. These FDI (each of which is described in further detail below) may be dealt in over-the-counter or be listed or traded on the Regulated Markets set out in Appendix I.

Swaps. These may include total return swaps and interest rate swaps. A total return swap is a bilateral financial contract, which allows one party to enjoy all of the cash flow benefits of an asset without actually owning this asset. An interest rate swap involves the exchange by one party with another party of their respective commitments to pay or receive cash flows.

Futures and options on futures. The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price. An option on futures is an option to acquire or dispose of a future.

Forward currency exchange contracts. The Sub-Fund may buy and sell currencies on a spot and forward basis in order to hedge currency exposure. A forward currency exchange contract involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract.

Contracts for Difference. A contract for difference is a contract between two parties whereby one party will pay to the other the difference between the value of an asset at the time the contract is agreed and its value at the maturity of the contract.

In implementing its investment policy, the Sub-Fund is generally not expected to be leveraged. It may generate leverage if FDIs are used; however such leverage will not exceed 30% of the Sub-Fund's Net Asset Value. For the purposes of this disclosure, leverage is investment exposure gained through the use of FDIs. It is calculated by aggregating the underlying market or notional values of derivative



instruments. The Investment Manager uses the commitment approach to monitor and manage the global exposure of the Sub-Fund.

The Base Currency of the Sub-Fund is USD.

#### *Use of Benchmark Index*

The Sub-Fund is actively managed and the Investment Manager has discretion to select the Sub-Fund's investments. In doing so, the Investment Manager will refer to the MSCI Emerging Markets Index (Net) (the "Index") when constructing the Sub-Fund's portfolio, and also for risk management purposes to ensure that the active risk (i.e. degree of deviation from the Index) taken by the Sub-Fund remains appropriate given the Sub-Fund's investment objective and policy. The Investment Manager is not bound by the components or weighting of the Index when selecting investments. The Investment Manager may also use its discretion to invest in securities not included in the Index in order to take advantage of specific investment opportunities. However, the geographical scope of the investment objective and policy may have the effect of limiting the extent to which the portfolio holdings will deviate from the Index. The Sub-Fund is also designed to provide investors with achievement of the investment objective by typically taking a moderate level of active risk relative to the Index in order to seek a commensurate active return in excess of applicable management fees over the long term (i.e. 5 years or more). The Index should be used by investors to compare the performance of the Sub-Fund.

### **BlackRock Systematic ESG Emerging Markets Equity Fund**

#### Investment Objective

The investment objective of the Sub-Fund is to seek to provide investors with capital growth over the long term in a manner consistent with the principles of environmental, social and governance "ESG"-focused investing.

#### Investment Policy

In order to achieve its investment objective, the Sub-Fund invests primarily in the equity securities of companies domiciled in, or the main business of which is in, emerging markets and/or in the equity securities of companies domiciled in, or the main business of which is in, developed markets, but which have significant business operations in emerging markets.

The Sub-Fund uses quantitative (i.e. mathematical or statistical) models which are proprietary to the Investment Manager in order to achieve a systematic (i.e. rule based) approach to stock selection. These quantitative models, combined with an automated portfolio construction tool which is proprietary to the Investment Manager, inform which stocks will comprise the Sub-Fund's portfolio, removing any that conflict with the Sub-Fund's ESG Policy outlined below and replacing them with stocks from within the same universe with a similar expected return.

The proprietary quantitative models used by the Sub-Fund select stocks from a broad universe of equities and rank them broadly according to three categories: company fundamentals, market sentiment and macro-economic themes. Within the company fundamentals category, the Sub-Fund uses techniques to assess stock characteristics such as relative valuation, strength of earnings, quality of balance sheet and cashflow trends. Within the market sentiment category, the Sub-Fund uses techniques to assess drivers such as the views of other market participants (for example, sell-side analysts, other investors and company management teams) as well as trends exhibited by related companies. Within the macro-economic themes category, the Sub-Fund uses techniques to position the portfolio with respect to certain industries, styles (such as value, momentum and quality), countries and markets which are best placed for prevailing macro conditions.

The Investment Manager's proprietary ESG methodology systematically evaluates and scores companies based on societal outcomes using quantitative models. The outcomes that are currently targeted fall into three categories: environment, citizenship and health. Within the environment category, the Sub-Fund uses techniques to assess characteristics such as the carbon intensity of businesses and their commitment to emission reduction-related innovation. Within the citizenship category, the Sub-Fund uses techniques to assess instances of lawsuits and litigation, the diversity of management teams and the sentiment of employees. Within the health category, the Sub-Fund uses

techniques which include assessing companies based on their commitment to combatting global diseases.

BlackRock evaluates underlying investments in companies according to the good governance criteria outlined in the SFD Regulation where relevant data is available and as appropriate given the underlying investment type. These criteria relate to sound management structures, employee relations, remuneration of staff and tax compliance. BlackRock may consider additional factors relating to good governance in its assessment of the sustainability related characteristics of underlying issuers depending on the particular ESG strategy applicable to the Sub-Fund.

BlackRock will assess the good governance assessment framework of any delegated managers, including third party managers, where relevant information is available.

The above categories and the ESG methodology are systematically applied, in parallel, to the broad universe of equities and combined with risk and transaction cost forecasts to determine the selection and allocation of stock. The Investment Manager assigns weights (which are reviewed regularly) to the above categories and ESG methodology within its models based on an assessment of the performance, volatility, ESG outcomes, correlation and turnover within the models. The models are also combined with an automated portfolio construction tool which is proprietary to the Investment Manager. The Investment Manager reviews the positions generated by the portfolio construction tool before they are traded to compare against the categories (as described above) inputted to the models and to consider the impact of any subsequent information in relation to the positions taken (such as merger and acquisition announcements, significant litigation or changes in senior management personnel).

The Sub-Fund's portfolio is intended to be highly diversified.

The Sub-Fund may also indirectly invest in emerging markets by investing in American Depository Receipts (ADRs), which are listed or traded on stock exchanges and regulated markets outside emerging markets. ADRs are investments issued by financial institutions which give exposure to underlying equity securities. Such underlying equity securities may be issued from within emerging markets jurisdictions.

The Sub-Fund may have exposure to equity securities traded on Russian markets. This exposure will vary depending on the composition from time to time of the universe of emerging market equities used by the Sub-Fund for asset allocation purposes, but will not exceed 50% of the Sub-Fund's Net Asset Value.

In order to assist in achieving its investment objective, the Sub-Fund may also, subject to the conditions set out in Appendix III, invest up to 10% of its Net Asset Value in aggregate in other CIS, including exchange traded funds. The annual report of the Sub-Fund shall indicate the maximum proportion of management fees charged both to the Sub-Fund and the CIS in which it invests for the period covered by such report.

The Sub-Fund may invest in FDI for direct investment purposes or for efficient portfolio management purposes (please refer to the section "Investment in Financial Derivative Instruments – Efficient Portfolio Management/Direct Investment" for further information on investing in FDIs for direct investment and efficient portfolio management).

The Sub-Fund may engage in transactions in a range of FDI, including total return swaps, futures and options on futures, forward currency exchange contracts and contracts for difference in accordance with the limitations set down in Appendix II (subject to the conditions and within the limits laid down by the Central Bank) to assist in achieving its investment objective and gain exposure to the equity securities described above. The reference assets underlying the total return swaps, if any, shall be any security, basket of securities, or eligible indices which are consistent with the investment policy of the Sub-Fund which are expected to include, without limitation, equity indices giving access to equity securities as described above. The counterparties to all swap transactions will be institutions subject to prudential supervision and belonging to categories approved by the Central Bank and will not have discretion over the assets of the Sub-Fund. These FDI (each of which is described in further detail below) may be dealt in over-the-counter or be listed or traded on the Regulated Markets set out in Appendix I.

Swaps. These may include total return swaps and interest rate swaps. A total return swap is a bilateral financial contract, which allows one party to enjoy all of the cash flow benefits of an asset without actually owning this asset. An interest rate swap involves the exchange by one party with another party of their respective commitments to pay or receive cash flows.

Futures and options on futures. The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price. An option on futures is an option to acquire or dispose of a future.

Forward currency exchange contracts. The Sub-Fund may buy and sell currencies on a spot and forward basis in order to hedge currency exposure. A forward currency exchange contract involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract.

Contracts for Difference. A contract for difference is a contract between two parties whereby one party will pay to the other the difference between the value of an asset at the time the contract is agreed and its value at the maturity of the contract.

In implementing its investment policy, the Sub-Fund is generally not expected to be leveraged. It may generate leverage if FDIs are used; however such leverage is not expected to exceed 30% of the Sub-Fund's Net Asset Value. For the purposes of this disclosure, leverage is investment exposure gained through the use of FDIs. It is calculated by aggregating the underlying market or notional values of derivative instruments. The Investment Manager uses the commitment approach to monitor and manage the global exposure of the Sub-Fund.

#### ESG Policy

In addition to the above, the Sub-Fund will apply the BlackRock EMEA Baseline Screens (as described at Appendix X).

The Investment Manager also intends to have no direct exposure to the securities of issuers involved in the extraction of fossil fuel and/or the generation of power from them. This additional ESG criterion will be applied to issuers at the time of purchase.

The Base Currency of the Sub-Fund is USD.

#### Benchmark Use

The Sub-Fund is actively managed and the Investment Manager has discretion to select the Sub-Fund's investments. In doing so, the Investment Manager will refer to the MSCI Emerging Markets ex Fossil Fuels Index (Net) (the "Index") when constructing the Fund's portfolio, and also for risk management purposes to ensure that the active risk (i.e. degree of deviation from the Index) taken by the Sub-Fund remains appropriate given the Sub-Fund's investment objective and policy. The Investment Manager is not bound by the components or weighting of the Index when selecting investments. The Investment Manager may also use its discretion to invest in securities not included in the Index in order to take advantage of specific investment opportunities. However, the geographical scope of the investment objective and policy may have the effect of limiting the extent to which the portfolio holdings will deviate from the Index. The Sub-Fund is also designed to provide investors with achievement of the investment objective by typically taking a conservative level of active risk relative to the index in order to seek a commensurate active return in excess of applicable management fees over the long term (i.e. 5 years or more). The Index should be used by investors to compare the performance of the Sub-Fund. Further information on the Index can be found at [www.msci.com](http://www.msci.com).

### **BlackRock Tactical Opportunities Fund**

#### Investment Objective

The investment objective of the Sub-Fund is to seek to provide investors with an absolute return over the targeted investment horizon with a limited correlation to market movements.

## Investment Policy

The Sub-Fund will invest principally in FDI.

In order to achieve its investment objective, the Sub-Fund will gain exposure globally to equity securities, fixed income securities, money market instruments, deposits, foreign currencies and cash. The Sub-Fund will gain such exposures both indirectly (through investments in FDIs and collective investment schemes (CIS) (including exchange traded funds)) and directly.

The Sub-Fund will not have a geographical or sector focus but in practice may have a high allocation to particular countries or sectors at any one time. The Sub-Fund will have exposure to both developed and emerging markets.

A significant proportion of the Sub-Fund's portfolio will consist of FDIs on a daily basis. The asset allocation of the Sub-Fund is intended to be flexible to allow the Sub-Fund to allocate tactically across a variety of asset classes and countries and maintain the ability to adjust its exposures as market conditions dictate.

The Sub-Fund will use a combination of systematic (i.e. rule based) models and discretionary investment techniques in order to allocate assets. The systematic models compare data across countries to rank expected return opportunities and to appropriately scale the size of positions. The discretionary investment techniques derive investment themes based on research and analysis of macro-economic data.

The Sub-Fund's investment strategy seeks to identify investment opportunities in relation to the underlying issuers in respect of the securities and instruments set out above, according to the following macroeconomic categories: 'growth', 'inflation', 'policy' and 'pricing'.

- Within the growth category, the Sub-Fund uses statistical and mathematical techniques to assess indicators such as real output, balance of payments (i.e. transactions between entities in a given country with the rest of the world) and economic relationships between different countries.
- Within the inflation category, the Sub-Fund uses statistical and mathematical techniques to assess indicators such as inflation pressures, input costs to producers, labour costs and the effects of changes in exchange rates.
- Within the policy category, the Sub-Fund uses statistical and mathematical techniques to assess indicators such as fiscal and monetary policy regimes.
- Within the pricing category, the Sub-Fund uses statistical and mathematical techniques to assess indicators such as relative value and asset price correlations.

These categories are then used in the Sub-Fund's investment process to determine which markets, securities and foreign currencies will comprise the Sub-Fund's portfolio with a higher allocation being made to those underlying issuers whose securities correspond positively with the above criteria.

The Sub-Fund may invest in a wide range of equity securities issued by companies worldwide. It may also invest in a wide range of fixed income securities, including fixed and floating rate government, corporate and municipal bonds globally (which may be investment grade, sub-investment grade or unrated, subject to the conditions and within the limits laid down by the Central Bank), and may include asset backed securities, commercial and residential mortgage backed securities, collateralized mortgage obligations, collateralized debt obligations, credit linked notes.

The Sub-Fund may hold a wide range of money market instruments, including short-term U.S. government securities, U.S. government agency securities, securities issued by U.S. government-sponsored enterprises and U.S. government instrumentalities (i.e. institutions which perform a public service and are created, controlled by, or closely affiliated with the U.S. government), bank obligations, commercial paper (including asset-backed commercial paper) corporate notes and repurchase agreements. The Sub-Fund may invest a significant amount of its Net Asset Value in money-market instruments and in this regard investors should note that holdings in the Sub-Fund are subject to the risks associated with investing in a collective investment scheme and not in the nature of a deposit account.

In order to assist in achieving its investment objective, the Sub-Fund may also, subject to the conditions set out in Appendix III, invest up to 10% of its Net Asset Value in aggregate in other CIS, including exchange traded funds. The annual report of the Sub-Fund shall indicate the maximum proportion of management fees charged both to the Sub-Fund and the CIS in which it invests for the period covered by such report.

The Sub-Fund may invest in FDIs for direct investment purposes or for efficient portfolio management purposes (please refer to the section "Investment in Financial Derivative Instruments – Efficient Portfolio Management/Direct Investment" for further information on investing in FDIs for direct investment and efficient portfolio management).

The Sub-Fund may engage in transactions in a range of FDIs, including interest rate swaps and total return swaps, swaptions, options, futures and options on futures, and forward currency exchange contracts in accordance with the limitations set down in Appendix II (subject to the conditions and within the limits laid down by the Central Bank) to assist in achieving its investment objective and to gain exposure to the markets and securities described above. The reference assets underlying the total return swaps, if any, shall be any security, basket of securities, or eligible indices which are consistent with the investment policy of the Sub-Fund which are expected to include, without limitation, equity and fixed income indices giving access to equity securities as described above.

The counterparties to all swap transactions will be institutions subject to prudential supervision and belonging to categories approved by the Central Bank and will not have discretion over the assets of the Sub-Fund. These FDIs (each of which is described in further detail below) may be dealt in over-the-counter or be listed or traded on the Regulated Markets set out in Appendix I.

Options. A call option is where the purchaser has the right to buy the securities underlying the option at the specified exercise price at any time during the term of the option. A put option gives the purchaser the right to sell the underlying securities at the specified exercise price during the term of the option.

Swaps. These may include total return swaps and interest rate swaps. A total return swap is a bilateral financial contract, which allows one party to enjoy all of the cash flow benefits of an asset without actually owning this asset. An interest rate swap involves the exchange by one party with another party of their respective commitments to pay or receive cash flows. The "buyer" in a credit default contract is obligated to pay the "seller" a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference obligation has occurred. A seller receives a fixed rate of income throughout the term of the contract.

Swaption. A swaption is an option to enter into a swap, whereby in exchange for paying a premium, the buyer gains the right but not the obligation to enter into a specified swap agreement with the issuer on a specified future date.

Futures and options on futures. The sale of a futures contract creates an obligation by the seller to deliver the type of financial instrument called for in the contract in a specified delivery month for a stated price. The purchase of a futures contract creates an obligation by the purchaser to pay for and take delivery of the type of financial instrument called for in the contract in a specified delivery month, at a stated price. An option on futures is an option to acquire or dispose of a future.

Forward currency exchange contracts. The Sub-Fund may buy and sell currencies on a spot and forward basis in order to gain currency exposure (i.e. seeking to generate returns from changes in currency exchange rates) or to hedge currency exposure. (i.e. seeking to protect the value of the Sub-Fund from changes in currency exchange rates). A forward currency exchange contract involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract.

As the Sub-Fund seeks to be highly diversified it will make extensive use of FDIs, using them to gain investment exposure to instruments. The Sub-Fund intends to take full advantage of the ability to invest in FDIs providing synthetic long and/or synthetic short positions with the aim of generating returns, managing the overall risk exposure of the Sub-Fund's investment strategy or dealing with atypical or volatile market conditions. It is expected that the Sub-Fund will invest up to 500% of its Net Assets in long positions in the securities in which it may invest, and up to 500% of its Net Assets in short positions. The short position strategy of the Sub-Fund is typically intended to offset the long position strategy of

the Sub-Fund in order to adjust market exposure in a timely and cost-effective manner.

In implementing its investment policy, the Sub-Fund is generally expected to be leveraged through the use of FDIs at around 700% of its Net Asset Value. The Sub-Fund is not expected to be leveraged in excess of 1000% of its Net Asset Value but may, on a short-term basis, have higher levels of leverage, including in atypical or volatile market conditions. For the purposes of this disclosure, leverage is investment exposure gained through the use of FDIs. It is calculated by aggregating the underlying market or notional values of derivative instruments. The Investment Manager uses Absolute VaR to monitor and manage the global exposure of the Sub-Fund.

The Base Currency of the Sub-Fund is USD.

#### Additional Information

The Sub-Fund aims to provide an absolute return that exceeds the 3-month LIBOR rate.

The Sub-Fund will be managed with the aim of delivering absolute (more than zero) returns over the targeted investment horizon in any market conditions. Absolute return strategies typically aim to achieve positive returns regardless of market indexes or market benchmarks. This means, in the context of this Sub-Fund, the Sub-Fund seeks to provide a return for investors in any market conditions over a three year period. However, an absolute return is not guaranteed over a three year period or any period and the Sub-Fund may experience periods of negative return. The Sub-Fund's capital is at risk.

### **BlackRock Cangrande Global Index Equity Fund**

#### Investment Objective

The investment objective of the Sub-Fund is to seek to provide a total return (in the form of capital growth and income) which reflects the return of the MSCI All Country World NET TR Index (EUR) (the "Benchmark Index").

#### Investment Policy

In order to achieve its investment objective, the Sub-Fund will invest in a portfolio of underlying CIS which together provide exposure to the constituents of the Benchmark Index.

The Sub-Fund may be fully invested in such underlying CIS, which may include both exchange traded funds and index mutual funds (subject to the conditions set out in Appendix III). The underlying CIS will be UCITS domiciled in an EU jurisdiction and are expected to be UCITS that are managed by the Investment Manager or an Affiliate.

The Sub-Fund is passively managed and may only invest up to 20% of its Net Asset Value in any one underlying CIS. The Sub-Fund's allocation to different underlying CIS will vary over time, in order for the Sub-Fund to maintain an investment exposure which reflects the Benchmark Index as closely as possible over time. The allocation to underlying investments will be monitored on a daily basis. The Sub-Fund may use optimisation techniques in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Sub-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. However, from time to time the Sub-Fund may hold all constituents of the Benchmark Index.

Once the Sub-Fund exceeds an appropriate NAV amount, it may also be deemed appropriate by the Investment Manager for the Sub-Fund to invest directly in the constituents of the Benchmark Index (as described below) via equity securities.

The Sub-Fund may also employ FDIs including, but not limited to, forwards (which may be used to manage currency risk) and futures (which may be used to gain exposure to fixed income / equity indices) for efficient portfolio management purposes in accordance with the limitations set down in Appendix II (subject to the conditions and within the limits laid down by the Central Bank). These FDIs may be dealt in over-the-counter or be listed or traded on the Regulated Markets set out in Appendix I. These FDIs will be used to hedge risk or to enhance returns. The use of FDIs is expected to be limited.

The Sub-Fund is generally not expected to be leveraged. It may generate leverage if FDIs are used; however such leverage is not expected to exceed 30% of the Sub-Fund's Net Asset Value. For the purposes of this disclosure, leverage is investment exposure gained through the use of FDIs. It is calculated by aggregating the underlying market or notional values of derivative instruments. The Investment Manager uses the commitment approach to monitor and manage the global exposure of the Sub-Fund.

When deemed appropriate the Sub-Fund may also invest in cash and near-cash instruments, which may comprise fixed term deposits and fixed and floating rate instruments (certificates of deposit, banker acceptances, freely transferable promissory notes, commercial paper, floating rate notes, debentures, asset backed commercial paper and money market funds which may be acquired for ancillary liquid asset purposes). Circumstances in which the Sub-Fund may deem it appropriate to so invest include when it is anticipated that readily realisable assets may be required in order to meet redemption requests or other short-term obligations of the Sub-Fund.

The Investment Manager does not guarantee that the Sub-Fund's investment objective will be met.

The Base Currency of the Sub-Fund is Euro.

#### Additional Information: Use of Benchmark Index

The Benchmark Index measures the performance of large and mid-capitalisation stocks across developed and emerging markets countries which comply with the index provider's (MSCI) size, liquidity, and free-float criteria. The Benchmark Index rebalances on a semi-annual basis. Further details regarding the Benchmark Index (including its constituents) are available on the index provider's website at <https://www.msci.com/constituents>.

The Sub-Fund is passively managed and aims to provide a similar return to the return of the Benchmark Index. The Sub-Fund may generate a tracking difference. The return of the Sub-Fund's allocations to underlying CIS and equity investments will be compared to the return of the Benchmark Index (denominated in Euro). The Benchmark Index should be used by investors to compare the performance of the Sub-Fund.

### **Anticipated Tracking Error**

This section is applicable only to the Index Sub-Funds.

Tracking error is defined as the standard deviation of the difference in returns between an Index Sub-Fund and its Benchmark Index.

Anticipated tracking error is based on the expected volatility of differences between the returns of the relevant Index Sub-Fund and the returns of its Benchmark Index. One of the primary drivers of tracking error is the difference between Index Sub-Fund holdings and Benchmark Index constituents.

Cash management and trading costs from rebalancing can also have an impact on tracking error as well as the return differential between the Index Sub-Fund and the Benchmark Index. The impact can be either positive or negative depending on the underlying circumstances.

In addition an Index Sub-Fund may also have a tracking error due to ETF premium/discount and tax suffered by the Index Sub-Fund on any income received from its investments. The level and quantum of tracking error arising due to taxes depends on various factors such as any reclaims filed by the Index Sub-Fund with various tax authorities, any benefits obtained by the Index Sub-Fund under a tax treaty or any securities lending activities carried out by the Index Sub-Fund.

ETF premium/discount is the difference between the price of an exchange traded fund trading on exchange at the time of the Index Sub-Fund valuation and the net asset value of the exchange traded fund at the same time. The difference between the price on exchange and the net asset value can arise due to the difference in market opening hours whereby the exchange traded fund continues to be traded on exchange while the underlying market is closed, for example a Japanese equity exchange traded fund traded in the UK. ETF premium/discount typically reverts the following business day.

The anticipated tracking error of each Index Sub-Fund is not a guide to future performance.

At the date of this Prospectus the anticipated tracking error for the Index Sub-Funds in normal market conditions is as follows:

BlackRock Euro Sovereign Bond Index Fund 1: up to 0.20%

BlackRock Customised Euro Corporate Bond Index Fund 1: up to 0.30%

BlackRock Cangrande Global Index Equity Fund: up to 0.60%

### **Profile of a Typical Investor**

The Sub-Funds are suitable for both retail and professional investors seeking to achieve investment objectives which align with those of the relevant Sub-Fund in the context of the investor's overall portfolio.

Investors are expected to be able to make an investment decision based on the information set out in this prospectus and the relevant Sub-Fund's KIID or, alternatively, to obtain professional advice. Investors should also be able to bear capital and income risk and view investment in a Sub-Fund as a medium to long term investment.

### **Investment in Financial Derivative Instruments - Efficient Portfolio Management/Direct Investment**

The Manager may, on behalf of each Sub-Fund and subject to the conditions and within the limits laid down by the Central Bank, employ techniques and instruments relating to transferable securities, including investments in FDIs provided that such techniques and instruments are used for efficient portfolio management purposes or to provide protection against exchange risk or for direct investment purposes, where applicable. Such techniques and instruments are set out in Appendix II and may include futures (which may be used to manage cash flows on a short term basis by holding the future to gain exposure to an asset class pending direct investment) and swaps, (which may be used to manage interest rate and currency risk). Efficient portfolio management means investment techniques involving transactions that are entered into for one or more of the following specific aims: the reduction of risk, the reduction of cost, or the generation of additional capital or income for a Sub-Fund. New techniques and instruments may be developed which may be suitable for use by the Sub-Funds and the Manager may, (subject to the conditions and limits laid down by the Central Bank) employ such techniques and instruments subject to the investment objectives and policies being updated and Unitholders being notified in advance. Where a Sub-Fund intends to use these instruments for direct investment purposes, full details will be disclosed in the Sub-Fund's investment policy. Where a Sub-Fund intends to engage in transactions in relation to FDIs under any circumstances, the Manager shall employ a risk management process ("RMP") in accordance with the requirements of the Central Bank to enable it to monitor, measure and manage, on a continuous basis, the risk to all open derivative positions and their contribution to the overall risk profile of the Sub-Fund. The Fund will, on request, provide supplemental information to Unitholders relating to the risk management methods employed including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investment. Potential investors should consider the risk factors associated with investment in FDIs as set out in the "Risk Factors" before investing in a Sub-Fund.

Investors should refer to Appendix IX for details of each Sub-Fund's usage of securities lending, total return swaps, contracts for difference, repurchase and reverse repurchase agreements.

### **Risk Management and Leverage**

The Manager employs a risk management process in respect of the Sub-Funds in accordance with the requirements of the Central Bank to enable it to accurately monitor, measure and manage, the global exposure from FDIs ("global exposure") which each Sub-Fund gains. The Manager uses either the "Value at Risk" ("VaR") methodology or the commitment approach methodology in order to measure the global exposure of the Sub-Funds and manage the potential loss to them due to market risk. The



methodology used by each Sub-Fund will be disclosed in the investment policy disclosure relating to that Sub-Fund. The Trust will, on request, provide supplemental information to Unitholders relating to the risk management method employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investment. Further details of the VaR methodology and the commitment approach methodology are set out in Appendix II and Appendix III. The Manager shall submit a revised risk management process to the Central Bank in accordance with Central Bank guidance "UCITS Financial Derivative Instruments and Efficient Portfolio Management" prior to engaging in FDIs which are not referred to in the Trust's current risk management process.

#### *VaR methodology*

A Sub-Fund's level of investment exposure can exceed its Net Asset Value due to the use of FDIs or borrowing (borrowing is only permitted in limited circumstances and not for investment purposes). The UCITS Regulations require that the Prospectus (or Supplement where applicable) include information relating to the expected levels of leverage in a Sub-Fund where VaR is being used to measure global exposure. Where a Sub-Fund's investment exposure exceeds its Net Asset Value this is known as leverage. For the purposes of this disclosure, leverage is investment exposure gained through the use of FDIs. It is calculated using the sum of the notional values of all of the FDIs held by a Sub-Fund, without netting. The expected level of leverage may vary over time. It should be noted that this approach to measuring leverage could lead to leverage levels that are very different from risk-exposures.

#### *Commitment approach*

A Sub-Fund's level of investment exposure can exceed its Net Asset Value due to the use of FDIs. Where a Sub-Fund's investment exposure exceeds its Net Asset Value this is known as leverage. For the purposes of this disclosure, leverage is investment exposure gained through the use of FDIs. The expected level of leverage may vary over time. The commitment approach is a methodology that aggregates the underlying market or notional values of derivative instruments to determine the degree of global exposure of a Sub-Fund to derivative instruments.

### **Investment and Borrowing Restrictions**

Investment of the assets of each Sub-Fund must comply with the UCITS Regulations. The UCITS Regulations allow the Sub-Funds to invest in the units/shares of other CIS. A more detailed statement of the general investment and borrowing restrictions applicable to all Sub-Funds is set out in Appendix III. The Manager may impose further restrictions in respect of any new Sub-Fund. Details will be set out in this Prospectus or the relevant Supplement.

The Manager may also from time to time impose such further investment restrictions as may be necessary or desirable in order to comply with the laws and regulations of the countries where Unitholders of the Sub-Fund are located or the Units are marketed.

It is intended that the Manager should, subject to the prior approval of the Central Bank, have power to avail of any change in the investment restrictions laid down in the UCITS Regulations which would permit investment by a Sub-Fund in securities, derivative instruments or in any other forms of investment which, as at the date of this Prospectus, is restricted or prohibited under the UCITS Regulations. To the extent that such a change represents an alteration to the investment objectives and policies, the procedures set out under the heading "Investment Objectives and Policies" will apply. In any other circumstance, the Manager will provide Unitholders with at least four weeks' prior written notice of its intention to avail of any such change.

### **Change in Benchmark Indices**

This section is applicable only to the Index Sub-Funds.

The return of each Index Sub-Fund is compared against a specific index, the "Benchmark Index".

The constituents of a Sub-Fund's Benchmark Index may change over time. Potential investors in a Fund may obtain a breakdown of the constituents of the relevant Benchmark Index from the website of the index provider (as referred to in the relevant Benchmark Index description).

There is no assurance that a Sub-Fund's Benchmark Index will continue to be calculated and published on the basis described in this Prospectus or that it will not be amended significantly. The past performance of each Benchmark Index is not a guide to future performance.

The Manager reserves the right, if it considers it in the interest of the Fund or any Sub-Fund to do so and with the consent of the Trustee, to substitute another index for the Benchmark Index if:

- (i) the weightings of constituent securities of the Benchmark Index would cause the Fund and/or Sub-Fund to be in breach of the UCITS Regulations and/or any tax law or tax regulations that the Manager may consider to have a material impact on the Fund and/or any Sub-Fund;
- (ii) the Benchmark Index or index series ceases to exist;
- (iii) a new index becomes available which supersedes the Benchmark Index;
- (iv) a new index becomes available which is regarded as the market standard for investors in the particular market and/or would be regarded as greater benefit to the Unitholders than the Benchmark Index;
- (v) it becomes difficult to invest in stocks comprised within the Benchmark Index;
- (vi) the Benchmark Index provider increases its charges to a level which the Manager considers too high;
- (vii) the quality (including accuracy and availability of data) of the Benchmark Index has, in the opinion of the Manager, deteriorated;
- (viii) a liquid futures market relating to the transferable securities included in the Benchmark Index ceases to be available; or
- (ix) where an index becomes available which more accurately represents the likely tax treatment of the investing Sub-Fund in relation to the component securities in that index.

The Manager may change the name of a Sub-Fund, particularly if its Benchmark Index is changed, or the name of its Benchmark Index.

Any change of a Benchmark Index will be in accordance with the Central Bank Requirements, reflected in revised Prospectus documentation and will be noted in the annual and semi-annual reports of the Fund issued after any such change takes place.

### **Distribution Policy**

The Directors are empowered to declare and pay distributions on any Class of Units in the Fund. The distribution policy in respect of each Unit Class is set out below.

#### **Accumulating Classes**

Distributions will not be made to the Unitholders of the Accumulating Classes. The income and other profits will be accumulated and reinvested on behalf of these Unitholders.

#### **Distributing Classes**

The Manager intends to declare distributions on the Units of the Distributing Classes (with the exception of the BlackRock Diversifying Fixed Income Fund and the BlackRock Cangrande Global Index Equity Fund) in respect of each financial year, out of the net revenue of the Sub-Fund (i.e. all interest, dividends and other income less the Sub-Fund's accrued expenses) for that financial year.

The Manager intends to declare distributions on the Units of the Distributing Classes of the BlackRock Diversifying Fixed Income Fund and the BlackRock Cangrande Global Index Equity Fund in respect of

each financial year out of the net revenue of the Sub-Fund (i.e. all interest, dividends and other income less the Sub-Fund's accrued expenses) for that financial year and any prior year.

In addition:

- the Manager may declare distributions on the Units of the EUR-Institutional Distributing Unit Class of the BlackRock Diversified Distribution Fund out of capital in order to ensure an income distribution is paid to Unitholders;
- the Manager may declare distributions on the Units of the Institutional Distributing Unit Class, Institutional 1 Distributing Unit Class, Institutional 2 Distributing Unit Class, Institutional 3 Distributing Unit Class, Institutional 4 Distributing Unit Class, Institutional 5 Distributing Unit Class, Class X1 Distributing Unit Class, Class X2 Distributing Unit Class and Class X3 Distributing Unit Class of the BlackRock Diversifying Fixed Income Fund out of capital in order to ensure an income distribution is paid to Unitholders; and
- the Manager may declare distributions on the Units of the Institutional Distributing Unit Class of the BlackRock Cangrande Global Index Equity Fund out of capital in order to ensure an income distribution is paid to Unitholders.

An equalisation payment equal to that part of the Net Asset Value of the Unit, which reflects income (if any) accrued but undistributed up to the date of issue of the unit, will be repaid to Unitholders with the first distribution to which Unitholders are entitled in the period of issue.

Except for the Class D Distributing Unit Class in BlackRock Defensive Yield ESG Screened Fund and all Classes of Units in the BlackRock Diversifying Fixed Income Fund and BlackRock Cangrande Global Index Equity Fund, dividends will normally be declared quarterly in March, June, September and December and/or such other times as the Manager deems appropriate with a view to the same being paid in April, July, October and January to the Unitholder's account by way of electronic transfer.

In respect of the Class D Distributing Unit Class in BlackRock Defensive Yield ESG Screened Fund, dividends will normally be declared annually in March and/or such other times as the Manager deems appropriate with a view to the same being paid in April to the Unitholder's account by way of electronic transfer.

In respect of all Distributing Classes of Unit of the BlackRock Diversifying Fixed Income Fund, dividends will normally be declared semi-annually in May and November to the Unitholder's account by way of electronic transfer. Ahead of each dividend declaration date, the Manager shall determine a distribution amount in respect of each Distributing Class of Units of the BlackRock Diversifying Fixed Income Fund (the "**Eligible Distribution**"), which may be adjusted by the Manager at its discretion in respect of each Distributing Class of Units (the "**Adjusted Distribution Amount**" or "**ADA**") and then notified to Unitholders. Holders of the Institutional Distributing Unit Class shall receive the Eligible Distribution in full at each distribution date. For holders of:

- the Institutional 1 Distributing Unit Class;
- the Institutional 2 Distributing Unit Class;
- the Institutional 3 Distributing Unit Class;
- the Institutional 4 Distributing Unit Class;
- the Institutional 5 Distributing Unit Class;
- the Class X1 Distributing Unit Class;
- the Class X2 Distributing Unit Class; and
- the Class X3 Distributing Unit Class,

the ADA shall be received in full at each distribution date unless Unitholders elect to receive a distribution between 0% and 100% of the then calculated Eligible Distribution.

In respect of the Institutional Distributing Unit Class of the BlackRock Cangrande Global Index Equity Fund, dividends will normally be declared annually at the start of December with a view to these being paid fifteen (15) Business Days after such declaration to the Unitholder's account by way of electronic transfer. Ahead of the dividend declaration date, the Manager shall determine a distribution amount in

respect of the Institutional Distributing Unit Class (the “**Distribution Amount**”). The Unitholders will be notified of the Distribution Amount and this may be adjusted by the Manager at its discretion if required. The Distribution Amount shall be received in full at each distribution date.

The Manager may deduct Duties and Charges arising in connection with any sale of Investments required in connection with any distribution paid to a Distributing Class Unitholder of the BlackRock Diversifying Fixed Income Fund and the BlackRock Cangrande Global Index Equity Fund.

Any dividend which is unclaimed for six years or more from the date of its declaration shall, at the discretion of the Manager, be forfeited and shall become the property of the Sub-Fund.

### **Income Equalisation**

For tax and accounting purposes income equalisation arrangements will be effected by the Manager with a view to ensuring that the level of distributions payable on the Units of the Distributing Classes is not affected by the issue, conversion or redemption of Units of the Distributing Classes, during the relevant accounting period.

### **UK Reporting Fund Status**

The “reporting funds” regime contained in Statutory Instrument 2009 / 3001 (The Offshore Funds (Tax) Regulations 2009) applies to the Fund from 1 April 2010. A list of the Unit Classes which currently have 'reporting fund' status is available at:  
<https://www.gov.uk/government/publications/offshore-funds-list-of-reporting-funds>.

Prospective investors should consult their own professional advisers as to the implications of this.

### **Genuine Diversity of Ownership Condition**

Units in each of the Sub-Funds shall be widely available. The intended categories of investors for the Sub-Funds are retail and institutional investors. Units in the Sub-Funds shall be marketed and made available sufficiently widely to reach the intended categories of investors, and in a manner appropriate to attract those categories of investors.

### DISTRIBUTION TABLE

<b>Fund</b>	<b>Unit Class</b>	<b>Base Currency</b>	<b>Distribution Policy</b>
BlackRock UK Credit Screened Fund	Flexible Accumulating Unit Class	Sterling	Accumulating
	Flexible Distributing Unit Class	Sterling	Distributing
	Institutional Accumulating Unit Class	Sterling	Accumulating
	Institutional Distributing Unit Class	Sterling	Distributing
BlackRock Developed Markets Sovereign Screened Bond Fund	EUR-Flexible Accumulating Unit Class	Euro	Accumulating
	EUR-Flexible Distributing Unit Class	Euro	Distributing
	EUR-Institutional Accumulating Unit Class	Euro	Accumulating
	EUR-Institutional Distributing Unit Class	Euro	Distributing
	GBP -Flexible Accumulating Unit Class	Euro	Accumulating
	GBP -Flexible Distributing Unit Class	Euro	Distributing
	GBP -Institutional Accumulating Unit Class	Euro	Accumulating
	GBP -Institutional Distributing Unit Class	Euro	Distributing
	CHF -Flexible Accumulating Unit Class	Euro	Accumulating
	CHF -Flexible Distributing Unit Class	Euro	Distributing
	CHF -Institutional Accumulating Unit Class	Euro	Accumulating
	CHF -Institutional Distributing Unit Class	Euro	Distributing
	USD -Flexible Accumulating Unit Class	Euro	Accumulating
	USD -Flexible Distributing Unit Class	Euro	Distributing
USD -Institutional Accumulating Unit Class	Euro	Accumulating	
USD -Institutional Distributing Unit Class	Euro	Distributing	
BlackRock Emerging Markets Sovereign Screened Bond Fund	EUR-Flexible Accumulating Unit Class	Euro	Accumulating
	EUR-Flexible Distributing Unit Class	Euro	Distributing
	EUR-Institutional Accumulating Unit Class	Euro	Accumulating
	EUR-Institutional Distributing Unit Class	Euro	Distributing
	GBP -Flexible Accumulating Unit Class	Euro	Accumulating
	GBP -Flexible Distributing Unit Class	Euro	Distributing
	GBP -Institutional Accumulating Unit Class	Euro	Accumulating
	GBP -Institutional Distributing Unit Class	Euro	Distributing
	CHF -Flexible Accumulating Unit Class	Euro	Accumulating
	CHF -Flexible Distributing Unit Class	Euro	Distributing
	CHF -Institutional Accumulating Unit Class	Euro	Accumulating
	CHF -Institutional Distributing Unit Class	Euro	Distributing
	USD -Flexible Accumulating Unit Class	Euro	Accumulating
	USD -Flexible Distributing Unit Class	Euro	Distributing
USD -Institutional Accumulating Unit Class	Euro	Accumulating	

	USD -Institutional Distributing Unit Class	Euro	Distributing
BlackRock Mix Fonds 1	Class R Accumulating	Euro	Accumulating
BlackRock Mix Fonds 2	Class R Accumulating	Euro	Accumulating
BlackRock Mix Fonds 3	Class R Accumulating	Euro	Accumulating
BlackRock Mix Fonds 4	Class R Accumulating	Euro	Accumulating
BlackRock Mix Fonds 5	Class R Accumulating	Euro	Accumulating
BlackRock Diversified Distribution Fund	EUR-Institutional Distributing Unit Class	Euro	Distributing
BlackRock Euro Sovereign Bond Index Fund 1	EUR-Institutional Accumulating Unit Class	Euro	Accumulating
BlackRock Customised Euro Corporate Bond Index Fund 1	EUR-Institutional Accumulating Unit Class	Euro	Accumulating
BlackRock Multi Style Strategy Fund	Class U Accumulating	Euro	Accumulating
BlackRock Global Equity Selection Fund	Class A Accumulating, Class D Accumulating, Class E Accumulating	Euro	Accumulating
BlackRock Fixed Income Selection Fund	Class A Accumulating, Class D Accumulating, Class E Accumulating	Euro	Accumulating
BlackRock Diversified Strategies Selection Fund	Class D Accumulating, Class E Accumulating	Euro	Accumulating
BlackRock Multi Asset Balanced Selection Fund	Class D Accumulating, Class E Accumulating	Euro	Accumulating
BlackRock Multi Asset Conservative Selection Fund	Class A Accumulating, Class D Accumulating, Class E Accumulating, Flexible Accumulating Unit Class	Euro	Accumulating
BlackRock Euro Cash Fund	Class D Accumulating, Class E Accumulating	Euro	Accumulating
BlackRock Dynamic Allocation Fund	Class D Accumulating	Euro	Accumulating
	Class D Distributing	Euro	Distributing
	Flexible Accumulating Unit Class	Euro	Accumulating
	Flexible Distributing Unit Class	Euro	Distributing
	Institutional Accumulating Unit Class	Euro	Accumulating
	Institutional Distributing Unit Class	Euro	Distributing
BlackRock UK Equity Income Fund	Class A Accumulating	Sterling	Accumulating
	Class A Distributing	Sterling	Distributing
	Class D Accumulating	Sterling	Accumulating
	Class D Distributing	Sterling	Distributing
	Class S Accumulating	Sterling	Accumulating
	Class S Distributing	Sterling	Distributing

	Class X Accumulating	Sterling	Accumulating
	Class X Distributing	Sterling	Distributing
	Class Z Accumulating	Sterling	Accumulating
	Class Z Distributing	Sterling	Distributing
BlackRock Defensive Yield ESG Screened Fund	Class A Accumulating	Euro	Accumulating
	Class A Distributing	Euro	Distributing
	Class D Accumulating	Euro	Accumulating
	Class D Distributing	Euro	Distributing
	Class D CHF Hedged Accumulating	Euro	Accumulating
	Class D CHF Hedged Distributing	Euro	Distributing
	Class D GBP Hedged Accumulating	Euro	Accumulating
	Class D GBP Hedged Distributing	Euro	Distributing
	Class Z Accumulating	Euro	Accumulating
	Class Z Distributing	Euro	Distributing
	Class Z CHF Hedged Accumulating	Euro	Accumulating
	Class Z CHF Hedged Distributing	Euro	Distributing
	Flexible Accumulating Unit Class	Euro	Accumulating
	Flexible Distributing Unit Class	Euro	Distributing
BlackRock Emerging Markets Alpha Tilts Fund	Class D Accumulating	USD	Accumulating
	Class Z Accumulating	USD	Accumulating
	Institutional Accumulating Unit Class	USD	Accumulating
	Flexible Accumulating Unit Class	USD	Accumulating
BlackRock Systematic ESG Emerging Markets Equity Fund	Class A Accumulating	USD	Accumulating
	Flexible Accumulating Unit Class	USD	Accumulating
	Class A EUR Accumulating	USD	Accumulating
	Flexible EUR Accumulating Unit Class	USD	Accumulating
	Class A EUR Hedged Accumulating	USD	Accumulating
Flexible EUR Hedged Accumulating Unit Class	USD	Accumulating	
BlackRock Tactical Opportunities Fund	Flexible Accumulating Unit Class	USD	Accumulating
	Flexible Distributing Unit Class	USD	Distributing
	Institutional Accumulating Unit Class	USD	Accumulating
	Institutional Distributing Unit Class	USD	Distributing
	Flexible EUR Hedged Accumulating Unit Class	USD	Accumulating
	Flexible EUR Hedged Distributing Unit Class	USD	Distributing
	Institutional EUR Hedged Accumulating Unit Class	USD	Accumulating
	Institutional EUR Hedged Distributing Unit Class	USD	Distributing
	Flexible JPY Hedged Accumulating Unit Class	USD	Accumulating
	Flexible JPY Hedged Distributing Unit Class	USD	Distributing
	Institutional JPY Hedged Accumulating Unit Class	USD	Accumulating
	Institutional JPY Hedged Distributing Unit Class	USD	Distributing
	Flexible AUD Hedged Accumulating Unit Class	USD	Accumulating
	Flexible AUD Hedged Distributing Unit Class	USD	Distributing
	Institutional AUD Hedged Accumulating Unit Class	USD	Accumulating
Institutional AUD Hedged Distributing Unit Class	USD	Distributing	

BlackRock Diversifying Fixed Income Fund	Institutional Distributing Unit Class	EUR	Distributing
	Institutional Accumulating Unit Class	EUR	Accumulating
	Institutional 1 Distributing Unit Class	EUR	Distributing
	Institutional 2 Distributing Unit Class	EUR	Distributing
	Institutional 3 Distributing Unit Class	EUR	Distributing
	Institutional 4 Distributing Unit Class	EUR	Distributing
	Institutional 5 Distributing Unit Class	EUR	Distributing
	Class X1 Distributing Unit Class	EUR	Distributing
	Class X2 Distributing Unit Class	EUR	Distributing
Class X3 Distributing Unit Class	EUR	Distributing	
BlackRock Cangrande Global Index Equity Fund	Institutional Distributing Unit Class	EUR	Distributing

### Disclaimers Concerning Benchmark Indices

Disclaimers with regard to the use of certain indices used by the Index Sub-Funds are set out in Appendix VI.

### Risk Factors

Potential investors should consider the following risk factors before investing in a Sub-Fund.

#### **General**

1. There is no assurance that any appreciation in the value of Investments will occur, or that the investment objectives of any Sub-Fund will be achieved. **The value of Investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in a Sub-Fund. Although it is not currently intended to charge any subscription or redemption fees, if subscription or redemption fees are charged, the difference at any one time between subscription and redemption prices for Units means that any investment should be viewed as medium to long term. An investment should only be made by those persons who are able to sustain a loss on their investment.**
2. Although a Sub-Fund may invest in high quality credit instruments, there can be no assurance that the issuers of securities in which a Sub-Fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or other instruments. The relevant Sub-Fund will also be exposed to a credit risk on parties with whom it trades and may also bear the risk of settlement default. In the event of a bankruptcy or other default of a seller of a repurchase or reverse repurchase agreement, the relevant Sub-Fund could experience both delays in liquidating the underlying securities and losses including a possible decline in value of the underlying securities during the period when the relevant Sub-Fund seeks to enforce its rights thereto, reducing levels of income and lack of access to income during this period and the expense of enforcing its rights.
3. Depending on an investor's currency of reference, currency fluctuations may adversely affect the value of an investment in one or more of the Sub-Funds.
4. Investors are reminded that in certain circumstances their right to redeem Units may be suspended (see under the heading "Temporary Suspensions", etc).
5. Each Sub-Fund may use FDIs including, but not limited to futures, forwards, options, swaps, swaptions and warrants, subject to the limits and conditions set out in Appendix II. These derivative positions may be executed either on exchange or over the counter. Such FDIs tend to have a greater volatility than the securities to which they relate and they bear a corresponding greater degree of risk. The primary risks associated with the use of such derivatives are (i) failure



to predict accurately the direction of the market movements, (except in respect of the Credit Screened Funds) (ii) market risks, for example, lack of liquidity or lack of correlation between the change in the value of the underlying asset and that of the value of a Sub-Fund's derivatives and (iii) operational risk, for example, the risk of direct or indirect loss resulting from inadequate or failed processes, people and systems or from external events. These techniques may not always be possible or effective in enhancing returns or mitigating risk. A Sub-Fund's investment in OTC Derivatives is subject to the risk of counterparty default. In addition, a Sub-Fund may have to transact with counterparties on standard terms which it may not be able to negotiate and may bear the risk of loss because a counterparty does not have the legal capacity to enter into a transaction, or if the transaction becomes unenforceable due to relevant legislation and regulation. To the extent that a Sub-Fund invests in FDIs, a Sub-Fund may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default, lack of liquidity of the FDI, imperfect tracking between the change in value of the FDI and the change in value of the underlying asset that the Sub-Fund is seeking to track and greater transaction costs than investing in the underlying assets directly. Counterparties to FDIs may require a Sub-Fund to deposit margin with respect to such transactions. Should assets, pledged to counterparties to secure a Sub-Fund's margin accounts decline in value, a Sub-Fund could be subject to a "margin call", pursuant to which a Sub-Fund must deposit additional funds or assets with the counterparties. Unless disclosed in this Prospectus, the Sub-Funds will not use FDIs for leveraging purposes. Any use of FDIs will be in accordance with the requirements of the Central Bank.

6. Laws and regulations introduced by Member States of the EU to implement MiFID II and the EU's Markets in Financial Instruments Regulation ("MiFIR"), which came into force on 3 January 2018 impose new regulatory obligations and costs on the Manager and the Investment Manager. The impact of MiFID II on the EU financial markets and on EU investment firms which offer financial services to clients is expected to be significant. The exact impact of MiFID II on the Sub-Funds, the Manager and Investment Manager remains unclear and will take time to quantify.

In particular, MiFID II and MiFIR will require certain standardised OTC Derivatives to be executed on regulated trading venues. It is unclear how the OTC Derivatives markets will adapt to these new regulatory regimes and how this will impact on the Sub-Funds.

MiFID II and MiFIR will introduce for the first time within the EU position limit and position reporting requirements in relation to certain commodity derivatives. The precise implication and scope of these requirements is not yet known, as the implementation measures are not yet finalised. However, it is possible that these measures will impose restrictions on the positions that the Fund, and the Investment Manager on behalf of all accounts owned or managed by it, may hold in certain commodity derivatives and will require the Investment Manager to more actively monitor such positions. If the Fund and or the Investment Manager's positions reach the position limit thresholds, they will be required to reduce those positions in order to comply with such limits.

In addition, MiFID II introduces wider transparency regimes in respect of trading on EU trading venues and with EU counterparties. Under MiFID II, pre- and post-trade transparency regimes are extended from equities traded on a regulated market to also cover equity-like instruments (such as depositary receipts, exchange-traded funds and certificates that are traded on regulated trading venues) and non-equities such as bonds, structured finance products, emission allowances and derivatives. The increased transparency regime under MiFID II, together with the restrictions on the use of "dark pools" and other trading venues, may mean greater disclosure of information relating to price discovery becoming available and may have an adverse impact on trading costs.

7. The Fund will be exposed to the credit risk of the parties with which it transacts and may also bear the risk of settlement default. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. This would include the counterparties to any FDI that it enters into. Trading in FDIs which have not been collateralised gives rise to direct counterparty exposure. The Fund mitigates much of its credit risk to its FDI counterparties by receiving collateral with a value at least equal to the exposure to each counterparty but, to the extent that any FDI is not fully collateralised, a default by the counterparty may result in a reduction in the value of the Fund. A formal review of each new counterparty is completed and all approved counterparties are monitored and reviewed on

an on-going basis. The Fund maintains an active oversight of counterparty exposure and the collateral management process. The bankruptcy or default of any counterparty could result in losses to the Fund. The Fund will be placing money on deposit with banks and investing in other debt obligations and accordingly will be exposed to a credit risk in respect of such counterparties.

8. The Fund will be exposed to the credit risk of the Trustee, any depository used by the Trustee or any third party custodian where cash or other assets are held by the Trustee, other depositaries or a third party custodian. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund may enter into additional arrangements in order to mitigate such credit exposure and may be exposed to other risks as a result. In the event of the insolvency of the Trustee, other depositaries or third party custodian, the Fund will be treated as a general creditor in relation to cash holdings of the Fund. To mitigate the Fund's exposure to the Trustee, the Investment Manager employs specific procedures to ensure that the Trustee is a reputable institution and that the credit risk is acceptable to the Fund. If there is a change in Trustee then the new trustee will be a regulated entity subject to prudential supervision or with high credit ratings assigned by international credit rating agencies.
9. As the Fund may invest in markets where custodial and/or settlement systems are not fully developed, the assets of the Fund which are traded in such markets and which have been entrusted to sub-custodians, in the circumstances where the use of such sub-custodians is necessary, may be exposed to risk.
10. Each Sub-Fund is required to comply with investment and borrowing restrictions as set out under the heading "Investment and Borrowing Restrictions".
11. Sub-Funds that invest in fixed income transferable securities may purchase TBAs. This refers to the common trading practice in the mortgage-backed securities market in which a security is to be bought from a mortgage pool (including but not limited to Ginnie Mae, Fannie Mae or Freddie Mac) for a fixed price at a future date. At the time of purchase of TBAs the exact security is not known, but the main characteristics of it are specified. Although the price has been established at the time of purchase, the principal value has not been finalised. Purchasing a TBA involves a risk of loss if the value of the security to be purchased declines prior to the settlement date. Risks may also arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts. Although the Sub-Funds may generally enter into TBA purchase commitments with the intention of acquiring securities, the Funds may also dispose of a commitment prior to settlement if it is deemed appropriate to do so. Proceeds of TBA sales are not received until the contractual settlement date. During the time a TBA sale commitment is outstanding, equivalent deliverable securities, or an offsetting TBA purchase commitment (deliverable on or before the sale commitment date), are held as cover for the transaction. If the TBA sale commitment is closed through the acquisition of an offsetting purchase commitment, the Sub-Fund realises a gain or loss on the commitment without regard to any unrealised gain or loss on the underlying security. If the Sub-Fund delivers securities under the commitment, the Sub-Fund realises a gain or loss from the sale of the securities upon the unit price established at the date the commitment was entered into.
12. Cash collateral re-use or reinvestment could lead to a reduction of the value of the eligible collateral capital. This, in turn may causes losses to the Fund and the relevant Sub-Fund because it is obliged to return collateral to the counterparty.

### ***Global Financial Market Crisis and Governmental Intervention***

13. Since 2007, global financial markets have undergone pervasive and fundamental disruptions and significant instability which has led to governmental intervention. Regulators in certain jurisdictions have implemented or proposed a number of emergency regulatory measures. Government and Regulatory interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty which in itself has been detrimental to the efficient functioning of financial markets. It is impossible to predict what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the Investment Manager's ability to implement a Sub-Fund's investment objective.

Whether current undertakings by governing bodies of various jurisdictions or any future undertakings will help stabilise the financial markets is unknown. The Investment Manager cannot predict with certainty how long the financial markets will continue to be affected by these events and cannot predict the effects of these – or similar events in the future – on a Sub-Fund, the European or global economy and the global securities markets.

## **Taxation**

14. The attention of potential investors is drawn to the taxation risks associated with investing in any Sub-Fund. Please see the heading "Taxation".

Changes in taxation legislation may adversely affect the Sub-Funds.

The tax information provided in the "Taxation" section of the Prospectus is based, to the best knowledge of the Manager upon tax law and practice as at the date of the Prospectus. Tax legislation, the tax status of the Fund and the Sub-Funds, the taxation of investors and any tax reliefs, and the consequences of such tax status and tax reliefs, may change from time to time. Any change in the taxation legislation in Ireland or in any jurisdiction where the Sub-Fund is registered, cross-listed, marketed or invested could affect the tax status of the Sub-Fund, the value of the Sub-Fund's investments in the affected jurisdiction, the Sub-Fund's ability to achieve its investment objective, and/or alter the post tax returns to Unitholders. Where a Sub-Fund invests in FDIs, the preceding sentence may also extend to the jurisdiction of the governing law of the FDI contract and/or the FDI counterparty and/or to the market(s) comprising the underlying exposure(s) of the FDI.

The availability and value of any tax reliefs available to investors depends on the individual circumstances of investors. The information in the "Taxation" section is not exhaustive and does not constitute legal or tax advice. Prospective investors are urged to consult their tax advisors with respect to their particular tax situations and the tax effects of an investment in a Sub-Fund.

Where a Sub-Fund invests in a jurisdiction where the tax regime is not fully developed or is not sufficiently certain, for example jurisdictions in the Middle East, the relevant Sub-Fund, the Manager, the Investment Manager, the Administrator and the Trustee shall not be liable to account to any Unitholder for any payment made or suffered by the Sub-Fund in good faith to a fiscal authority for taxes or other charges of the Fund or the relevant Sub-Fund notwithstanding that it is later found that such payments need not or ought not have been made or suffered. Conversely, where through fundamental uncertainty as to the tax liability, adherence to best or common market practice (to the extent that there is no established best practice) that is subsequently challenged or the lack of a developed mechanism for practical and timely payment of taxes, the relevant Sub-Fund pays taxes relating to previous years, any related interest or late filing penalties will likewise be chargeable to the Sub-Fund. Such late paid taxes will normally be debited to the Sub-Fund at the point the decision to accrue the liability in the Sub-Fund accounts is made.

A Sub-Fund may be subject to withholding or other taxes on income and/or gains arising from its investment portfolio. This may include jurisdictional capital gains tax that is attributable to a Sub-Fund and it is intended that such withholding and other taxes, including jurisdictional capital gains tax, will be accrued in the valuation of the Sub-Fund. Where a Sub-Fund invests in securities that are not subject to withholding or other taxes at the time of acquisition, there can be no assurance that tax may not be imposed in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. A Sub-Fund may not be able to recover such tax and so any such change could have an adverse effect on the Net Asset Value of the Sub-Fund.

The Manager (or its representative) may file claims on behalf of the Sub-Funds to recover withholding tax on dividend and interest income (if any) received from issuers in certain countries where such withholding tax reclaim is possible. Whether or when a Sub-Fund will receive a withholding tax refund in the future is within the control of the tax authorities in such countries. Where the Manager expects to recover withholding tax for a Sub-Fund based on a continuous assessment of probability of recovery, the net asset value of that Sub-Fund generally includes accruals for such tax refunds. The Manager continues to evaluate tax developments for potential

impact to the probability of recovery for such Sub-Funds. If the likelihood of receiving refunds materially decreases, for example due to a change in tax regulation or approach, accruals in the relevant Sub-Fund's net asset value for such refunds may need to be written down partially or in full, which will adversely affect that Sub-Fund's net asset value. Investors in that Sub-Fund at the time an accrual is written down will bear the impact of any resulting reduction in NAV regardless of whether they were investors during the accrual period. Conversely, if the Sub-Fund receives a tax refund that has not been previously accrued, investors in the Sub-Fund at the time the claim is successful will benefit from any resulting increase in the Sub-Fund's net asset value. Investors who sold their units prior to such time will not benefit from such net asset value increase.

### ***Investments in Brazil***

15. On 14 September 2016, the Brazilian tax authorities issued Normative Instruction 1658/16 amending the list of countries considered to be 'low tax jurisdictions' to include Curacao, Saint Martin and Ireland and exclude the Netherlands Antilles and Saint Kitts and Nevis. The changes were effective from 1 October 2016 onwards. As a consequence, Brazilian capital gains tax and increased income withholding tax rates on interest on capital distributions apply to Brazilian securities. It is intended that such withholding and other taxes, including jurisdictional capital gains tax, will be accrued in the valuation of a Sub-Fund.

### ***Emerging Markets***

16. Each Sub-Fund may invest in emerging markets and some of these investments may be made through investments in other CIS. Investing in emerging markets involves certain risk and special considerations not typically associated with investing in other more established economies or securities markets apply. Such risks may include (a) the risk of nationalisation or expropriation of assets or confiscatory taxation; (b) social, economic and political uncertainty; which may impact on the value of the securities the Sub-Fund invests in; (c) greater price fluctuations which may lead to losses, (d) less liquidity and markets may be less efficient, which may make it difficult for the Sub-Fund to purchase or sell securities from these markets, (e) smaller capitalisation of securities markets; (f) currency exchange rate fluctuations impacting the value of the relevant investment; (g) high rates of inflation leading to devaluation of the Investments in the Sub-Fund; (h) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers and might overstate the profitability of individual securities in which the Sub-Fund invests, resulting in long term loss to the Sub-Fund; (i) less extensive regulation of the securities markets; which may result in more volatile stock prices and potential loss of investment; (j) longer settlement periods for securities transactions; (k) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; (l) restrictions on the expatriation of funds or other assets might be imposed which limit the Sub-Fund's ability to liquidate or acquire assets to the detriment of investors; (m) environmental problems which may be exacerbated by climate change and (n) the investment in markets where trustee and/or settlement systems are not fully developed, as a result transaction and custody costs in emerging markets can be high and delays and risks of loss attendant in settlement procedures can occur. In addition assets of the Sub-Fund which are traded in markets and which have been entrusted to sub-custodians, in circumstances where the use of sub-trustees is necessary, may be exposed to risk. As a result of some of these characteristics there could be additional impacts on the value of these Sub-Funds as a result of sustainability risks, in particular those caused by environmental changes related to climate change, social issues (including but not limited to relating to labour rights) and governance risk (including but not limited to risks around board independence, ownership & control, or audit & tax management). Additionally, disclosures or third-party data coverage associated with sustainability risks is generally less available or transparent in these markets.

### ***Bond Downgrade / Sub-Investment Grade Bond Risk***

17. Certain Sub-Funds will invest in investment grade bonds. However, where a bond is subsequently downgraded it may continue to be held in order to avoid a distressed sale. To the extent that a Sub-Fund holds sub-investment grade bonds, there will be an increased risk of default on repayment, which in turn translates into a risk that the capital value of the Sub-Fund will be affected. Investors should be aware that the yield or the capital value of the Sub-Fund (or both) could fluctuate.

## **Government Bonds**

18. Certain Sub –Funds invest in government bonds which pay a fixed rate of interest (also known as the 'coupon') and behave similarly to a loan. These bonds are therefore exposed to changes in interest rates which will affect their value. In addition, periods of low inflation will mean the positive growth of a government bond fund may be limited. Investments in government bonds may be subject to liquidity constraints and periods of significantly lower liquidity in difficult market conditions. Therefore, it may be more difficult to achieve a fair value on purchase and sale transactions which may cause the Manager not to proceed with such transactions. As a result, changes in the value of the Sub-Fund's investments may be unpredictable.

## **Sovereign Debt**

19. The governmental entity that controls the repayment of sovereign debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. A governmental entity's ability to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the state of its country's economy, the relative size of the debt service burden to the economy as a whole, restrictions on its ability to raise more cash, the governmental entity's policy towards the International Monetary Fund and the political constraints to which a governmental entity may be subject. Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest arrearage on their debt. The commitment on the part of these governments, agencies and others to make such disbursements may be conditioned on a governmental entity's implementation of economic reforms and/or economic performance and the timely service of such debtor's obligations. Failure to implement such reforms, achieve such levels of economic performance or repay principal or interest when due may result in the cancellation of such third parties' commitments to lend funds to the governmental entity, which may further impair such debtor's ability to service its debt on a timely basis. Consequently, governmental entities may default on their sovereign debt. Holders of sovereign debt, including a Sub-Fund, may be requested to participate in the rescheduling of such debt and to extend further loans to governmental entities.

## **Liquidity Risk**

20. Sub-Funds may hold trading positions in markets that are volatile and of limited liquidity. Timely divestiture or sale of trading positions can be impaired by decreased trading volume, increased price volatility, concentrated trading positions, limitations on the ability to transfer positions in highly specialised or structured transactions to which it may be a party, changes in industry and government regulations, and overall position size. It may be impossible or costly for the Sub-Fund to liquidate positions rapidly particularly if there are other market participants seeking to dispose of similar assets at the same time or the relevant market is otherwise moving against a position or in the event of trading halts or daily price movement limits on the market or otherwise. Due to the minimum lot size requirements applicable to certain assets or tranches of assets of the Sub-Fund, the Sub-Fund may experience difficulties in disposing of assets to satisfy certain redemption requests.

Certain Sub-Funds may be substantially invested in emerging markets globally and so may have greater exposure to liquidity risk than other Sub-Funds of the Fund. For the BlackRock Emerging Markets Sovereign Screened Bond Fund, BlackRock Dynamic Allocation Fund, BlackRock Defensive Yield ESG Screened Fund, BlackRock Diversified Distribution Fund and BlackRock Diversifying Fixed Income Fund, this risk is further increased as these Sub-Funds may invest in excess of 30% of their respective net assets in fixed income securities which are below investment grade. As the BlackRock Systematic ESG Emerging Markets Equity Fund, BlackRock Dynamic Allocation Fund, BlackRock Defensive Yield ESG Screened Fund, BlackRock Diversified Distribution Fund and BlackRock Diversifying Fixed Income Fund may be substantially invested in emerging markets globally, these Sub-Funds may also have greater exposure to liquidity risk than other Sub-Funds of the Trust.

### **ESG Policy risk**

21. Where a Sub-Fund has an ESG policy, the Sub-Fund will, in addition to other investment criteria set out in its investment policy, take into account, in accordance with that policy, environmental, social and governance (“ESG”) characteristics when selecting the Sub-Fund’s investments. Investors should refer to each relevant Sub-Fund’s ESG Policy set out in the sections entitled “Investment Objective and Policies” (where applicable) for more information.

A Sub-Fund’s ESG Policy is expected to include the application of ESG-based exclusionary criteria which may result in such Sub-Fund foregoing opportunities to purchase, or otherwise reducing exposure to or underweighting, certain securities when it might otherwise be advantageous to carry out such purchase or maintain its holding of such securities, and/or selling securities due to their ESG characteristics, when to do so might otherwise be disadvantageous. As such, the use of such criteria may affect a Sub-Fund’s investment performance and a Sub-Fund may perform differently compared to similar funds that do not apply such criteria. If the Investment Manager’s assessment of ESG characteristics of a security changes, guiding the Investment Manager to sell a security already held or to buy a security not held, none of the Sub-Fund, the Fund, the Manager, the Investment Manager nor their affiliates accept liability in relation to that assessment. Furthermore, investors should note that relevant exclusions might not correspond directly with investors’ own subjective ethical views.

In assessing a security, issuer or index based on ESG characteristics, the Investment Manager may be dependent upon information and data from third party ESG research providers, which may be incomplete, inaccurate or unavailable. It may also seek to rely on its own proprietary models which may similarly rely on information which is incomplete, inaccurate or unavailable. As a result, there is a risk that the Investment Manager may incorrectly assess a security, issuer or index. There is also a risk that the Investment Manager, or third party ESG research providers on which the Investment Manager may depend, may not interpret or apply the relevant ESG characteristics correctly. None of any relevant Sub-Fund, the Fund, the Manager, the Investment Manager or any of their affiliates makes any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of any such ESG assessment.

### **Investment in Underlying CIS**

22. The Fund and any Sub-Fund may, subject to the conditions set out in Appendix III, invest in other CIS, which may be operated and/or managed by an Interested Party (as defined under the heading “Conflicts of Interest”) including, but not limited to, funds of Institutional Cash Series plc. As an investor in such other CIS, in addition to the fees, costs and expenses payable by a Unitholder in the Sub-Funds, each Unitholder may also indirectly bear a portion of the fees, costs and expenses of the underlying CIS, including management, investment management and, administration and other expenses.

### **Insufficiency of Duties and Charges**

23. Where no “Duties and Charges” are applied in the context of a subscription or redemption, a Sub-Fund may suffer Dilution in the value of its underlying assets as a result of the difference between the price at which assets were valued for the purpose of calculating the Net Asset Value and the price at which such assets were bought as a result of a subscription or sold as a result of a redemption. As Dilution is directly related to the inflows and outflows in respect of the relevant Sub-Fund, it is not possible to predict accurately the effect of Dilution.

In certain market conditions, the difference between the price at which assets are valued for the purpose of calculating the Net Asset Value and the market price at which such assets were bought, as a result of a subscription, or sold, as a result of a redemption, may be significant. This may result in a significant adjustment to the Subscription/Redemption Price for “Duties and Charges”, in order to protect the interests of the other Unitholders in the Fund by mitigating the effects of Dilution. This adjustment is calculated by reference to the costs of dealing in the underlying investments of the Sub-Funds, including any dealing spreads, which can vary with market conditions and thus vary over time. Please see the description of “single swinging pricing” in the section of this Prospectus headed “Subscriptions”; “Pricing”. Where “Duties and Charges”

are applied in the context of a subscription or redemption, they will have an impact on the value of an investment.

### ***Limited Operating History***

24. Newly formed Sub-Funds have little or no operating history upon which investors can evaluate the anticipated performance. Past investment performance should not be construed as an indication of the future results of an investment in a Sub-Fund. The Sub-Fund's investment programme should be evaluated on the basis that there can be no assurance that the Investment Manager's assessments of the short-term or long-term prospects of investments, will prove accurate or that the Sub-Fund will achieve its investment objective.

### ***Russia***

25. The laws relating to securities investment and regulation have been created on an ad-hoc basis and do not tend to keep pace with market developments leading to ambiguities in interpretation and inconsistent and arbitrary application. Monitoring and enforcement of applicable regulations is rudimentary. Securities in Russia are dematerialised and the only legal evidence of ownership is entry of the holder's name on the register of the issuer. The concept of fiduciary duty is not well established and so shareholders in Russian companies may suffer dilution or loss of investment due to the actions of management without satisfactory legal remedy. Rules regulating corporate governance either do not exist or are undeveloped and offer little protection to minority shareholders.

The United States and the European Union, along with the regulatory bodies of a number of countries including Japan, Australia and Canada (collectively, "Sanctioning Bodies"), have imposed economic sanctions on certain Russian individuals, privately/publicly owned companies and Government owned institutions. The Sanctioning Bodies could also institute broader sanctions on Russia. These sanctions, or even the threat of further sanctions, may result in the decline of the value and liquidity of Russian securities, a weakening of the ruble or other adverse consequences to the Russian economy. These sanctions could also result in the immediate freeze of Russian securities, impairing the ability of the Sub-Fund to buy, sell, receive or deliver those securities.

The Countering America's Adversaries Through Sanctions Act ("CAATSA") was introduced into US law on July 24 2017. Under Section 241 of CAATSA Congress required Treasury to provide a report listing senior political figures and oligarchs in the Russian Federation and Russian parastatal entities. The report was published in January 2018. Whilst this report is not a sanctions list, the most recent sanctions announced on 6 April 2018 were drawn from this report. Additional sanctions may be derived from this list in future which could also result in the immediate freeze of Russian securities, impairing the ability of the Sub-Fund to buy, sell, receive or deliver those securities.

The sanctions against certain Russian issuers include prohibitions on transacting in or dealing in new debt of longer than 14 or 60 days' maturity or new equity of such issuers. Securities held by a Sub-Fund issued prior to the date of the sanctions being imposed are not currently subject to any restrictions under the sanctions. However, compliance with each of these sanctions may impair the ability of a Sub-Fund to buy, sell, hold, receive or deliver the affected securities or other securities of such issuers. If it becomes impracticable or unlawful for a Sub-Fund to hold securities subject to, or otherwise affected by, sanctions (collectively, "affected securities"), or if deemed appropriate by a Sub-Fund's Investment Manager, a Sub-Fund may prohibit in-kind deposits of the affected securities in connection with creation transactions and instead require a cash deposit, which may also increase a Sub-Fund's transaction costs.

Future sanctions may result in Russia taking action under the retaliatory law passed on 4 June 2018, which may further impair the value and liquidity of Russian securities. The new law provides a general framework under which the Russian president could decide to impose sanctions and may include the immediate freeze of Russian assets held by a Sub-Fund. In the event of such a freeze of any fund assets, including depository receipts, a Sub-Fund may need to liquidate non-

restricted assets in order to satisfy any fund redemption orders. The liquidation of fund assets during this time may also result in a Sub-Fund receiving substantially lower prices for its securities.

Investment will only be made in Russia in securities that are traded on the Moscow Exchange.

### ***Credit Risk***

26. Corporate fixed income securities are subject to the risk of an issuer's inability to meet principal and interest payments on the obligation (credit/default risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk). Lower rated or unrated securities are more likely to react to developments affecting market and credit risk than are more highly rated securities, which react primarily to movements in the general level of interest rates. The Investment Manager will consider both credit risk and market risk in making investment decisions for the Sub-Funds.

The timing of purchase and sale transactions in debt obligations may result in capital appreciation or depreciation because the value of debt obligations generally varies inversely with prevailing interest rates.

Although a Sub-Fund may invest in high quality credit instruments, there can be no assurance that the issuers of securities in which a Sub-Fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or other instruments. The relevant Sub-Fund will also be exposed to the credit risk of parties with whom it trades and may also bear the risk of settlement default.

### ***Effects and Risks of Interest Rate Fluctuations***

27. The Net Asset Values of the Duration Funds (to the extent that the Investment Manager is unable to hedge the interest rate exposure of the Duration Funds' investments or the hedging strategy employed by the Investment Manager does not fully hedge the interest rate exposure of the Duration Funds' investments) will change in response to fluctuations in interest rates. Except to the extent that values are independently affected by currency exchange rate fluctuations, when interest rates decline, the value of fixed income securities generally can be expected to rise. Conversely, when interest rates rise, the value of fixed income securities generally can be expected to decline.

### ***Equity Risks***

28. The values of equities fluctuate daily and a Sub-Fund investing in equities or Sub-Funds with exposure to equities (such as the underlying equity funds in respect of the Mix Funds) could incur significant losses. The price of equities can be influenced by many factors at the individual company level, as well as by broader economic and political developments, including trends in economic growth, inflation and interest rates, corporate earnings reports, demographic trends and catastrophic events.

### ***Index Related Risks***

29. In order to meet their investment objectives, the Index Sub-Funds and other index tracking funds in which the Index Sub-Funds may invest, will seek to achieve a return which reflects the return of its benchmark index as published by the relevant index provider.

While index providers do provide descriptions of what each benchmark index is designed to achieve, index providers do not generally provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of their benchmark indices, nor any guarantee that the published indices will be in line with their described benchmark index methodologies. The Investment Manager does not provide any warranty or guarantee for index provider errors. Errors in respect of the quality, accuracy and completeness of the data may occur from time to time. In addition, apart from scheduled rebalances, index providers may carry out additional ad hoc rebalances to their benchmark indices in order to; for example, correct an error in the selection of index constituents. Where the benchmark index of an index tracking fund is



rebalanced and the fund in turn rebalances its portfolio to bring it in line with its benchmark index, any transaction costs arising from such portfolio rebalancing will be borne by the fund and, by extension, its shareholders, which will include the Mix Funds if they are shareholders in such funds.

Unscheduled rebalances to the benchmark index may also expose an index tracking fund to tracking error risk, which is the risk that its returns may not track exactly those of its benchmark index. Therefore, errors and additional ad hoc rebalances carried out by an index provider to a fund's benchmark index may increase the costs of the fund and by extension its shareholders which will include the Mix Funds if they are shareholders in such funds.

### ***Index Tracking Risks***

30. While the Index Sub-Funds seek to track the performance of their respective benchmark indices, whether through a replication or optimisation strategy, there is no guarantee that they will achieve perfect tracking and the Index Sub-Funds may potentially be subject to tracking error risk, which is the risk that their returns may not track exactly those of their respective benchmark indices, from time to time. This tracking error may result from an inability to hold the exact constituents of the benchmark index, for example where there are local market trading restrictions, small illiquid components and/or where the UCITS Regulations limit exposure to the constituents of the benchmark index.

### ***Securities Lending Risk***

31. The Sub-Funds may engage in securities lending through the Investment Manager. The relevant Sub-Fund may have a credit risk exposure to the counterparties to any securities lending contract. Investments can be lent to counterparties over a period of time. A default by the counterparty and/or a fall in the value of the collateral below that of the value of the securities lent may result in a reduction in the value of the relevant Sub-Fund. The Investment Manager intends to ensure that all securities lending is fully collateralised but, to the extent that any securities lending is not fully collateralised (for example due to timing issues arising from payment lags), the Sub-Fund will have a credit risk exposure to the counterparties to the securities lending contracts.

### ***Repurchase and Reverse Repurchase Agreements***

32. Under a repurchase agreement a Sub-Fund sells a security to a counterparty and simultaneously agrees to repurchase the security back from the counterparty at an agreed price and date. The difference between the sale price and the repurchase price establishes the cost of the transaction. The resale price generally exceeds the purchase price by an amount which reflects an agreed-upon market interest rate for the term of the agreement. In a reverse repurchase agreement the Sub-Fund purchases an investment from a counterparty which undertakes to repurchase the security at an agreed resale price on an agreed future date. The Sub-Fund therefore bears the risk that if the seller defaults, the Sub-Fund might suffer a loss to the extent that proceeds from the sale of the underlying securities together with any other collateral held by the Sub-Fund in connection with the relevant agreement may be less than the repurchase price because of market movements. A Sub-Fund cannot sell the securities which are the subject of a reverse repurchase agreement until the term of the agreement has expired or the counterparty has exercised its right to repurchase the securities.

### ***Currency Risk – Base Currency***

33. The Sub-Funds may invest in assets denominated in a currency other than the Base Currency of the Sub-Funds. Changes in exchange rates between the Base Currency and the currency in which the assets are denominated will cause the value of the asset expressed in the Base Currency to fall or rise. The Sub-Funds may utilise techniques and instruments including FDIs for hedging purposes to control currency risk. However it may not be possible or practical to completely mitigate currency risk in respect of a Fund's portfolio or specific assets within the portfolio. Furthermore, unless otherwise stated in the investment policies of the relevant Sub-Fund, the Investment Manager is not obliged to seek to reduce currency risk within the Sub-Funds.

### ***Currency Risk – Unit Valuation Currency***

34. Certain Unit Classes of certain Sub-Funds may be denominated in a currency other than the Base Currency of the relevant Sub-Fund. In addition, the Sub-Funds may invest in assets denominated in currencies other than the Base Currency. Therefore changes in exchange rates may affect the value of an investment in the Sub-Funds.

### ***Currency Risk – Currency Hedged Classes***

35. Currency Hedged Classes use forward FX contracts and spot FX contracts to reduce or minimise the risk of currency fluctuations between the Valuation Currency of a Currency Hedged Class and the Base Currency of a Sub-Fund. In circumstances where the Valuation Currency of a Currency Hedged Class is generally strengthening against the currency exposures being hedged (i.e. the Base Currency of a Sub-Fund), currency hedging may protect investors in the relevant Unit Class against such currency movements. However, where the Valuation Currency of a Currency Hedged Class is generally weakening against the currency exposures being hedged, currency hedging may preclude investors from benefiting from such currency movements.

Investors should only invest in a Currency Hedged Class if they are willing to forego potential gains from appreciations in the Base Currency. While currency hedging is likely to reduce currency risk in the Currency Hedged Classes, it is unlikely to completely eliminate currency risk. Currency Hedged Classes in non-major currencies may be affected by the fact that capacity of the relevant currency market may be limited, which could reduce the ability of the Currency Hedged Class to reduce its currency risk and the volatility of such Currency Hedged Class.

To the extent that a Sub-Fund does not employ strategies aimed at hedging certain Classes, such Classes will be subject to exchange rate risk in relation to the base currency of the relevant Sub-Fund.

### ***Subscription and Redemption Collection Accounts***

36. Subscriptions monies received in respect of a Sub-Fund in advance of the issue of Units will be held in the Umbrella Cash Collection Account or Sub-Fund Cash Collection Accounts, as applicable, in the name of the relevant Sub-Fund, as applicable. Investors will be unsecured creditors of such Sub-Fund with respect to the amount subscribed until such Units are issued, and will not benefit from any appreciation in the Net Asset Value of the Sub-Fund or any other unitholder rights (including dividend entitlement) until such time as Units are issued. In the event of an insolvency of the Sub-Fund or the Fund, there is no guarantee that the Sub-Fund or Fund will have sufficient funds to pay unsecured creditors in full.

Payment by the Sub-Fund of redemption proceeds and dividends is subject to receipt by the Administrator of original subscription documents and compliance with all anti-money laundering procedures. Notwithstanding this, redeeming Unitholders will cease to be Unitholders, with regard to the redeemed Units, from the relevant redemption date. Redeeming Unitholders and Unitholders entitled to distributions will, from the redemption or distribution date, as appropriate, be unsecured creditors of the Sub-Fund, and will not benefit from any appreciation in the Net Asset Value of the Sub-Fund or any other Unitholder rights (including further dividend entitlement), with respect to the redemption or distribution amount. In the event of an insolvency of the Sub-Fund or the Fund during this period, there is no guarantee that the Sub-Fund or Fund will have sufficient funds to pay unsecured creditors in full. Redeeming Unitholders and Unitholders entitled to distributions should therefore ensure that any outstanding documentation and information is provided to the Administrator promptly. Failure to do so is at such Unitholder's own risk.

In respect of the Umbrella Cash Collection Account, in the event of the insolvency of another Sub-Fund of the Fund, recovery of any amounts to which a Sub-Fund is entitled, but which may have transferred to such other Sub-Fund as a result of the operation of the Umbrella Cash Collection Account, will be subject to the principles of Irish trust law and the terms of the operational procedures for the Umbrella Cash Collection Account. There may be delays in effecting and / or disputes as to the recovery of such amounts, and the insolvent Sub-Fund may have insufficient

funds to repay amounts due to the relevant Sub-Fund. Accordingly, there is no guarantee that such Sub-Fund or the Fund will recover such amounts. Furthermore, there is no guarantee that in such circumstances such Sub-Fund or the Fund would have sufficient funds to repay any unsecured creditors.

### ***Euro and Eurozone Risk***

37. The deterioration of the sovereign debt of several countries, together with the risk of contagion to other, more stable, countries, has exacerbated the global economic crisis. Concerns persist regarding the risk that other Eurozone countries could be subject to an increase in borrowing costs and could face an economic crisis similar to that of Cyprus, Greece, Italy, Ireland, Spain and Portugal. This situation as well as the United Kingdom's referendum have raised a number of uncertainties regarding the stability and overall standing of the European Economic and Monetary Union and may result in changes to the composition of the Eurozone. The departure or risk of departure from the Euro by one or more Eurozone countries could lead to the reintroduction of national currencies in one or more Eurozone countries or, in more extreme circumstances, the possible dissolution of the Euro entirely. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of a Sub-Fund's investments. It is difficult to predict the final outcome of the Eurozone crisis. Unitholders should carefully consider how changes to the Eurozone and European Union may affect their investment in a Sub-Fund.

### ***Potential implications of Brexit***

38. On 31 Jan 2020 the UK formally withdrew and ceased being a member of the EU. Following this, the UK entered into a transition period which lasted for the remainder 2020, during which period the UK was subject to applicable EU laws and regulations. The transition period expired on 31 December 2020, and EU law no longer applies in the UK.

On 30 December 2020, the UK and the EU signed an EU-UK Trade and Cooperation Agreement ("UK/EU Trade Agreement"), which applies from 1 January 2021 and sets out the foundation of the economic and legal framework for trade between the UK and the EU. As the UK/EU Trade Agreement is a new legal framework, the implementation of the UK/EU Trade Agreement may result in uncertainty in its application and periods of volatility in both the UK and wider European markets throughout 2021 and beyond. The UK's exit from the EU is expected to result in additional trade costs and disruptions in this trading relationship. While the UK/EU Trade Agreement provides for the free trade of goods, it provides only general commitments on market access in services together with and a "most favoured nation" provision which is subject to many exceptions. Furthermore, there is the possibility that either party may impose tariffs on trade in the future in the event that regulatory standards between the EU and the UK diverge. The terms of the future relationship may cause continued uncertainty in the global financial markets, and adversely affect the performance of the Sub-Funds.

Volatility resulting from this uncertainty may mean that the returns of the Sub-Funds' investments are affected by market movements, the potential decline in the value of Sterling or Euro, and the potential downgrading of UK sovereign credit rating.

### ***Smaller Capitalisation Companies***

39. Securities of smaller capitalisation companies may, from time to time, and especially in falling markets, become illiquid and experience short-term price volatility and wide spreads between bid and offer prices. Investment in smaller capitalization companies may involve higher risk than investment in larger companies.

The securities of smaller companies may be subject to more abrupt or erratic market movements than larger, more established companies or the market average in general. These companies may have limited product lines, markets or financial resources, or they may be dependent on a limited management group. Full development of those companies takes time. In addition, many small company stocks trade less frequently and in smaller volume, and may be subject to more abrupt or erratic price movements than stocks of large companies. The securities of small

companies may also be more sensitive to market changes than the securities of large companies. These factors may result in above-average fluctuations in the price of a Sub-Fund's units.

### ***Charges from Capital***

40. Most of the Sub-Funds in this range deduct their charges from the income generated from their investments. However, where there is insufficient income to do this, some Sub-Funds may deduct some or all of their charges from capital. Whilst this might allow more income to be distributed, it may also have the effect of reducing the potential for long term capital growth.

### ***Risk to Capital Growth***

41. Certain Sub-Funds may pursue derivative strategies in order to generate income. Whilst this might allow more income to be distributed, it may affect the potential for long term capital growth.

### ***Risks related to investment in the People's Republic of China ("PRC") via the Stock Connect***

42. The following is applicable to the following Sub-Funds (the "Stock Connect Sub-Funds"): BlackRock Emerging Markets Equity Alpha Tilts Fund and BlackRock Systematic ESG Emerging Markets Equity Fund.

Sub-Funds investing in the PRC may invest in China A Shares trading on the Shanghai Stock Exchange or Shenzhen Stock Exchange via Stock Connect. The Stock Connect is a programme that links the Shanghai Stock Exchange and the Shenzhen Stock Exchange with the Stock Exchange of Hong Kong ("SEHK"). Under the programme, investors can access the Shanghai Stock Exchange or the Shenzhen Stock Exchange via the Hong Kong Central Clearing and Settlement System ("CCASS") maintained by the Hong Kong Securities Clearing Company ("HKSCC") as central securities depository in Hong Kong. Investing in China A Shares via Stock Connect bypasses the requirement to obtain RQFII status which is required for direct access to the Shanghai Stock Exchange or the Shenzhen Stock Exchange.

#### Quota Limitations

Investing in the PRC via Stock Connect is subject to quota limitations which apply to the Investment Manager. In particular, once the remaining balance of the relevant quota drops to zero or the daily quota is exceeded, buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the relevant Stock Connect Sub-Fund's ability to invest in China A Shares through the Stock Connect on a timely basis, and therefore may impact on the ability of the relevant Stock Connect Sub-Fund to track closely the performance of the Benchmark Index.

#### Legal / Beneficial Ownership

The China A Shares invested in via the Stock Connect will be held by the Depository/sub-custodian in accounts in the CCASS maintained by the HKSCC as central securities depository in Hong Kong. HKSCC in turn holds the China A Shares, as the nominee holder, through an omnibus securities account in its name registered with the China Securities Depository and Clearing Corporation ("CSDCC"). The precise nature and rights of the Stock Connect Sub-Funds as the beneficial owners of the China A Shares through HKSCC as nominee is not well defined under PRC law.

There is lack of a clear definition of, and distinction between, "legal ownership" and "beneficial ownership" under PRC law and there have been few cases involving a nominee account structure in the PRC courts. Therefore the exact nature and methods of enforcement of the rights and interests of the Stock Connect Sub-Funds under PRC law is uncertain. Because of this uncertainty, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong it is not clear if the China A Shares will be regarded as held for the beneficial ownership of the Stock Connect Sub-Funds or as part of the general assets of HKSCC available for general distribution to its creditors.

#### Clearing and Settlement Risk

HKSCC and CSDCC will establish the clearing links and each will become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades

initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house. As the national central counterparty of the PRC's securities market, CSDCC operates a comprehensive network of clearing, settlement and stock holding infrastructure. CSDCC has established a risk management framework and measures that are approved and supervised by the China Securities Regulatory Commission. The chances of CSDCC default are considered to be remote. In the remote event of a CSDCC default, HKSCC's liabilities in respect of China A Shares invested in via the Stock Connect will be limited under its market contracts with clearing participants to assisting clearing participants in pursuing their claims against CSDCC. HKSCC should in good faith, seek recovery of the outstanding stocks and monies from CSDCC through available legal channels or through CSDCC's liquidation. In that event, the relevant Stock Connect Sub-Fund may suffer delay in the recovery process or may not fully recover its losses from CSDCC.

Notwithstanding the fact that HKSCC does not claim proprietary interests in the securities held in its omnibus stock account in the CSDCC, the CSDCC as the share registrar for companies listed on the Shanghai Stock Exchange or Shenzhen Stock Exchange will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such securities. HKSCC monitors the corporate actions affecting such securities and keeps participants of CCASS informed of all such corporate actions that require CCASS participants to take steps in order to participate in them. The Sub-Fund will therefore depend on HKSCC for both settlement and notification and implementation of corporate actions.

#### Suspension Risk

While A-shares must be designated as eligible to be traded under Stock Connect, those A-shares may also lose such designation, and if this occurs, such A-shares may be sold but could no longer be purchased through Stock Connect. In addition, it is contemplated that both the SEHK and the Shanghai Stock Exchange would reserve the right to suspend trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator will be sought before a suspension is triggered. Where a suspension is effected, the relevant Stock Connect Sub-Fund's ability to access the PRC market will be adversely affected.

#### Differences in Trading Day

The Stock Connect will only operate on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC market but the Stock Connect Sub-Funds cannot carry out any China A Shares trading via the Stock Connect. The Stock Connect Sub-Funds may be subject to a risk of price fluctuations in China A Shares during the time when the Stock Connect is not trading as a result.

#### Restrictions on Selling Imposed by Front-end Monitoring

PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise the Shanghai Stock Exchange or the Shenzhen Stock Exchange will reject the sell order concerned. SEHK will carry out pre-trade checking on China A Share sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

If a Stock Connect Sub-Fund intends to sell certain China A Shares it holds, it must transfer those China A Shares to the respective accounts of its broker(s) before the market opens on the day of selling ("trading day"). If it fails to meet this deadline, it will not be able to sell those shares on the trading day. A Stock Connect Sub-Fund may request its custodian to open a Special Segregated Account ("SPSA") in CCASS to maintain its holdings in the Shanghai Stock Exchange or the Shenzhen Stock Exchange securities, in which case it will only need to transfer Shanghai Stock Exchange or the Shenzhen Stock Exchange securities from its SPSA to its designated broker's account after execution and not before placing the sell order.

To the extent a Stock Connect Sub-Fund is unable to utilize the SPSA model, it would have to deliver Shanghai Stock Exchange or the Shenzhen Stock Exchange securities to its brokers before the market opens on the trading day. Accordingly, if there are insufficient A-shares in the Stock Connect Sub-Fund's account before the market opens on the trading day, the sell order will be rejected, which may adversely impact its performance.

### Operational Risk

The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are permitted to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

The securities regimes and legal systems of the SEHK, the Shenzhen Stock Exchange and the Shanghai Stock Exchange differ significantly and market participants may need to address issues arising from the differences on an on-going basis. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the program could be disrupted. The relevant Stock Connect Sub-Fund's ability to access the China A Share market (and hence to pursue its investment strategy) may be adversely affected.

### Regulatory Risk

The Stock Connect is a novel concept. The current regulations are untested and there is no certainty as to how they will be applied. In addition, the current regulations are subject to change and there can be no assurance that the Stock Connect will not be abolished. New regulations may be issued from time to time by the regulators / stock exchanges in the PRC and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Stock Connect. Stock Connect Sub-Funds may be adversely affected as a result of such changes.

### Recalling of Eligible Stocks

When a stock is recalled from the scope of eligible stocks for trading via the Stock Connect, the stock can only be sold but restricted from being bought. This may restrict the ability of the relevant Stock Connect Sub-Fund to acquire the shares of one or more constituents of its benchmark index and therefore may impact on the ability of the relevant Stock Connect Sub-Fund to track closely the performance of the benchmark index.

### No Protection by Investor Compensation Fund

Investment in China A Shares via the Stock Connect is conducted through brokers, and is subject to the risk of default by such brokers in their obligations. Investments of Stock Connect Sub-Funds are not covered by the Hong Kong's investor compensation fund, which has been established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Since default matters in respect of China A Shares invested in via the Stock Connect do not involve products listed or traded on the SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the investor compensation fund. Therefore the Stock Connect Sub-Funds are exposed to the risks of default of the broker(s) it engages in its trading in China A Shares through the Stock Connect.

### Taxation Risks

The PRC tax authorities have also made announcements that gains derived from China A-Shares investments via the Stock Connects would be temporarily exempted from PRC taxation effective from 17 November 2014. This temporary exemption applies to China A-Shares generally, including shares in PRC 'land-rich' companies. The duration of the period of temporary exemption has not been stated and may be subject to termination by the PRC tax authorities with or without notice and, in the worst case, retrospectively. If the temporary exemption is withdrawn the relevant Stock Connect Sub-Funds would be subject to PRC taxation in respect of gains on China-A Shares and the resultant tax liability would eventually be borne by investors. However, this liability may be mitigated under the terms of an applicable tax treaty, and if so, such benefits will also be passed to investors.

## ***Risks of investing in the China Interbank Bond Market***

43. The Sub-Funds may invest in the China Interbank Bond Market via the Foreign Access Regime and/or Bond Connect.

*Investment in China Interbank Bond Market via Foreign Access Regime*

Pursuant to the “Announcement (2016) No 3” issued by the People’s Bank of China (“**PBOC**”) on 24 February 2016, foreign institutional investors can invest in the China Interbank Bond Market (“**Foreign Access Regime**”) subject to other rules and regulations as promulgated by the PRC authorities.

Under the prevailing regulations in the PRC, foreign institutional investors who wish to invest directly in the China Interbank Bond Market may do so via an onshore settlement agent, who will be responsible for making the relevant filings and account opening with the relevant authorities. There is no quota limitation.

#### *Investment in the China Interbank Bond Market via Northbound Trading Link under Bond Connect*

Bond Connect is a new initiative launched in July 2017 for mutual bond market access between Hong Kong and the PRC established by the China Foreign Exchange Trade System (“**CFETS**”), China Central Depository & Clearing Co., Ltd, Shanghai Clearing House, Hong Kong Exchanges and Clearing Limited (“**HKEX**”) and Central Moneymarkets Unit.

Under the prevailing regulations in the PRC, eligible foreign investors will be allowed to invest in the bonds circulated in the China Interbank Bond Market through the northbound trading of Bond Connect (“**Northbound Trading Link**”). There will be no investment quota for Northbound Trading Link.

Under the Northbound Trading Link, eligible foreign investors are required to appoint the CFETS or other institutions recognised by the PBOC as registration agents to apply for registration with the PBOC.

The Northbound Trading Link refers to the trading platform that is located outside of the PRC and is connected to CFETS for eligible foreign investors to submit their trade requests for bonds circulated in the China Interbank Bond Market through Bond Connect. HKEX and CFETS will work together with offshore electronic bond trading platforms to provide electronic trading services and platforms to allow direct trading between eligible foreign investors and approved onshore dealer(s) in the PRC through CFETS.

Eligible foreign investors may submit trade requests for bonds circulated in the China Interbank Bond Market through the Northbound Trading Link provided by offshore electronic bond trading platforms (such as Tradeweb and Bloomberg), which will in turn transmit their requests for quotation to CFETS. CFETS will send the requests for quotation to a number of approved onshore dealer(s) (including market makers and others engaged in the market making business) in the PRC. The approved onshore dealer(s) will respond to the requests for quotation via CFETS and CFETS will send their responses to those eligible foreign investors through the same offshore electronic bond trading platforms. Once the eligible foreign investor accepts the quotation, the trade is concluded on CFETS.

On the other hand, the settlement and custody of bond securities traded in the China Interbank Bond Market under Bond Connect will be done through the settlement and custody link between the Central Moneymarkets Unit, as an offshore custody agent, and the China Central Depository & Clearing Co., Ltd and Shanghai Clearing House, as onshore custodian and clearing institutions in the PRC. Under the settlement link, China Central Depository & Clearing Co., Ltd or Shanghai Clearing House will effect gross settlement of confirmed trades onshore and the Central Moneymarkets Unit will process bond settlement instructions from Central Moneymarkets Unit members on behalf of eligible foreign investors in accordance with its relevant rules. Since the introduction in August 2018 of delivery versus payment (DVP) settlement in respect of Bond Connect, the movement of cash and securities is carried out simultaneously on a real time basis.

Pursuant to the prevailing regulations in the PRC, the Central Moneymarkets Unit, being the offshore custody agent recognised by the Hong Kong Monetary Authority opens omnibus nominee accounts with the onshore custody agent recognised by the PBOC (i.e., the China Central Depository & Clearing Co., Ltd and Shanghai Clearing House). All bonds traded by eligible foreign investors will be registered in the name of Central Moneymarkets Unit, which will hold such bonds as a nominee owner. Therefore, a Sub-Fund will be exposed to custody risks with respect to Central Moneymarkets Unit. In addition, as the relevant filings, registration with

the PBOC, and account opening have to be carried out by third parties, including Central Moneymarkets Unit, China Central Depository & Clearing Co., Ltd, Shanghai Clearing House, and CFETS, a Sub-Fund is subject to the risks of default or errors on the part of such third parties.

The precise nature and rights of a Sub-Fund as the beneficial owner of the bonds traded in the China Interbank Bond Market through Central Moneymarkets Unit as nominee is not well-defined under PRC law. There is a lack of a clear definition of, and distinction between, legal ownership and beneficial ownership under PRC law and there have been few cases involving a nominee account structure in the PRC courts. The exact nature and methods of enforcement of the rights and interests of a Sub-Fund under PRC law are also uncertain.

### ***Volatility and Liquidity Risk***

Market volatility and potential lack of liquidity due to low trading volume of certain bonds in the China Interbank Bond Market may result in prices of certain bonds traded on such market fluctuating significantly. A Sub-Fund investing in such market is therefore subject to liquidity and volatility risks. The bid-ask spreads of the prices of such securities may be large, and a Sub-Fund may therefore incur significant costs and may suffer losses when selling such investments. The bonds traded in the China Interbank Bond Market may be difficult or impossible to sell, which may impact a Sub-Fund's ability to acquire or dispose of such securities at their expected prices.

### ***Regulatory Risks***

Investing in the China Interbank Bond Market through Bond Connect is also subject to regulatory risks. The relevant rules and regulations are subject to change, which may have potential retrospective effect, and there can be no assurance that Bond Connect will not be discontinued or abolished. Furthermore, the securities regimes and legal systems of China and Hong Kong differ significantly and issues may arise based on these differences. In the event that the relevant authorities suspend account opening or trading on the China Interbank Bond Market, a Sub-Fund's ability to invest in the China Interbank Bond Market will be adversely affected and limited.

In such event, a Sub-Fund's ability to achieve its investment objective will be negatively affected and, after exhausting other trading alternatives, the Sub-Fund may suffer substantial losses as a result. Further, if Bond Connect is not operating, a Sub-Fund may not be able to acquire or dispose of bonds through Bond Connect in a timely manner, which could adversely affect the Sub-Fund's performance.

### ***System Failure Risks for Bond Connect***

Trading through Bond Connect is performed through newly developed trading platforms and operational systems.

There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fails to function properly, trading through Bond Connect may be disrupted. A Sub-Fund's ability to trade through Bond Connect (and hence to pursue its investment strategy) may therefore be adversely affected. In addition, where a Sub-Fund invests in the China Interbank Bond Market through Bond Connect, it may be subject to risks of delays inherent in the order placing and/or settlement systems.

### ***Renminbi Currency Risks***

Bond Connect trades are settled in Chinese currency, the renminbi ("**RMB**"), which is currently restricted and not freely convertible. As a result, a Sub-Fund will be exposed to currency risk, and it cannot be guaranteed that investors will have timely access to a reliable supply of RMB.

### ***Tax Risk***



Under prevailing tax regulations, a 10% withholding tax is imposed on PRC-sourced dividends and interest from non-government bonds paid to the relevant Sub-Fund unless the rate is reduced under an applicable tax treaty.

From 1 May 2016, value added tax (VAT) is levied on certain income derived by the relevant Sub-Fund, including interest income from non-government bonds and trading gains, unless specifically exempted by the PRC tax authorities. VAT exemptions currently apply to debt securities traded in the China Interbank Bond Market.

On 22 November 2018, the PRC's Ministry of Finance and State Administration of Taxation jointly issued Circular 108 providing foreign institutional investors with a temporary exemption from withholding income tax and VAT with respect to interest income derived from non-government bonds in the domestic bond market for the period from 7 November 2018 to 6 November 2021. Circular 108 is silent on the PRC tax treatment with respect to non-government bond interest derived prior to 7 November 2018.

There is a risk the PRC tax authorities may withdraw the temporary tax exemptions in the future and seek to collect withholding income tax and VAT on interest income from non-government bonds to the relevant Sub-Fund without prior notice. If the tax exemptions are withdrawn, any taxes arising from or to the relevant Sub-Fund may be directly borne by or indirectly passed on to the Sub-Fund and may result in a substantial impact to its Net Asset Value. As with any Net Asset Value adjustment, investors may be advantaged or disadvantaged depending on when the investors purchased or sold Units of the Sub-Fund.

Any changes in PRC tax law, future clarifications thereof, and/or subsequent retroactive enforcement by the PRC tax authorities may result in a loss which could be material to the relevant Sub-Fund. The Investment Manager will keep the provisioning policy for tax liability under review and may, in its discretion from time to time, make a provision for potential tax liabilities if in its opinion such provision is warranted or as further publicly clarified by the PRC.

### ***Sustainability Risks***

Sustainability risk is an inclusive term to designate investment risk (probability or uncertainty of occurrence of material losses relative to the expected return of an investment) that relates to environmental, social or governance issues.

Sustainability risk around environmental issues includes, but is not limited to, climate risk, both physical and transition risk. Physical risk arises from the physical effects of climate change, acute or chronic. For example, frequent and severe climate-related events can impact products and services and supply chains. Transition risk whether policy, technology, market or reputation risk arises from the adjustment to a low-carbon economy in order to mitigate climate change. Risks related to social issues can include but are not limited to labour rights and community relations. Governance related risks can include but are not limited to risks around board independence, ownership & control, or audit & tax management. These risks can impact an issuer's operational effectiveness and resilience as well as its public perception, and reputation affecting its profitability and in turn, its capital growth, and ultimately impacting the value of holdings in a Sub-Fund.

These are only examples of sustainability risk factors and sustainability risk factors do not solely determine the risk profile of the investment. The relevance, severity, materiality and time horizon of sustainability risk factors and other risks can differ significantly by Sub-Funds.

Sustainability risk can manifest itself through different existing risk types (including, but not limited to, market, liquidity, concentration, credit, asset-liability mismatches etc.). By way of example, a Sub-Fund may invest in the equity or debt of an issuer that could face potentially reduced

revenues or increased expenditures from physical climate risk (e.g. decreased production capacity due to supply chain perturbations, lower sales due to demand shocks or higher operating or capital costs) or transition risk (e.g. decreased demand for carbon-intensive products and services or increased production costs due to changing input prices). As a result, sustainability risk factors may have a material impact on an investment, may increase the volatility, affect liquidity and may result in a loss to the value of Units in a Sub-Fund.

The impact of those risks may be higher for Sub-Funds with particular sectoral or geographic concentrations e.g., Sub-Funds with geographical concentration in locations susceptible to adverse weather conditions where the value of the investments in the Sub-Funds may be more susceptible to adverse physical climate events or Sub-Funds with specific sectoral concentrations such as investing in industries or issuers with high carbon intensity or high switching costs associated with the transition to low carbon alternatives, may be more impacted by climate transition risks.

All or a combination of these factors may have an unpredictable impact on the relevant Sub-Fund's investments. Under normal market conditions such events could have a material impact on the value of Units of the Sub-Fund.

Assessments of sustainability risk are specific to the asset class and to the Sub-Fund's objective. Different asset classes require different data and tools to apply heightened scrutiny, assess materiality, and make meaningful differentiation among issuers and assets. Risks are considered and risk managed concurrently, by prioritizing based on materiality and on the Sub-Fund's objective.

The impacts of sustainability risk are likely to develop over time and new sustainability risks may be identified as further data and information regarding sustainability factors and impacts becomes available and the regulatory environment regarding sustainable finance evolves. These emerging risks may have further impacts on the value of Units in the Sub-Funds.

*The following additional disclosure applies to BlackRock Customised Euro Corporate Bond Index Fund 1, BlackRock Euro Sovereign Bond Index Fund 1 and BlackRock Cangiande Global Index Equity Fund:*

While index providers do provide descriptions of what each Benchmark Index is designed to achieve, index providers do not generally provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of their benchmark indices, nor any guarantee that the published indices will be in line with their described Benchmark Index methodologies. Errors in respect of the quality, accuracy and completeness of the data may occur from time to time and may not be identified and corrected for a period of time, in particular where the indices are less commonly used.

## **MANAGEMENT AND ADMINISTRATION**

### **The Manager**

The Manager is a private company limited by shares and was incorporated in Ireland on 19 January 1995. It is ultimately a subsidiary of BlackRock, Inc., a company incorporated in Delaware, USA. The Manager has an authorised share capital of Stg£1 million and an issued and fully paid up share capital of Stg£125,000. The Manager's main business is the provision of fund management and administration services to CIS such as the Fund. The Manager is also the Manager of a number of other funds including: iShares plc, iShares II plc, iShares III plc, iShares IV plc, iShares V plc, iShares VI plc, iShares VII plc, Institutional Cash Series plc, BlackRock Institutional Pooled Funds plc, BlackRock Index Selection Funds, BlackRock Selection Fund, BlackRock Active Selection Fund, BlackRock Specialist

Strategies Funds, BlackRock Liability Solutions Funds (Dublin), BlackRock Liability Solutions Funds II (Dublin), BlackRock Liability Solutions Funds III (Dublin), BlackRock Liability Matching Funds (Dublin), BlackRock Alternative Strategies II, BlackRock Fixed Income Dublin Funds plc, BlackRock Fixed Income Global Alpha Funds (Dublin), BlackRock Infrastructure Funds plc, BlackRock Liability Matching Funds (Dublin), Specialist Dublin Funds I Trust, Global Institutional Liquidity Funds plc, EFIV Irish Property ICAV and BlackRock Alternatives Funds ICAV.

The Manager has adopted a Remuneration Policy which is consistent with and promotes sound and effective risk management. It includes a description as to how remuneration and benefits are calculated, a description of the remuneration committee, should one be formed, and identifies those individuals responsible for awarding remuneration and benefits. It does not encourage risk-taking which is inconsistent with the risk profiles, rules or Trust Deed of the Trust and does not impair compliance with the Manager's duty to act in the best interest of Unitholders. The Remuneration Policy includes fixed and variable components of salaries and discretionary pension benefits. The Remuneration Policy applies to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profile of the Trust. The Remuneration Policy is available on the individual pages at [www.blackrock.com](http://www.blackrock.com) (select the relevant Sub-Fund in the "Product" section and then select "All Documents") or a paper copy is available free of charge upon request from the registered office of the Manager.

The secretary of the Manager is Castlewood Corporate Services Limited trading as Sanne.

Under the Trust Deed (details of which are set out under the heading "Statutory and General"), the Manager is responsible for:

- (a) managing the investment and re-investment of the investments of each of the Sub-Funds with a view to achieving the investment objectives and policies of such Sub-Funds from time to time laid down by the Directors and to carry out the duties of a manager of a Unit Trust in accordance with the Act and the regulations of the Central Bank from time to time; and
- (b) carrying on the general administration of the Fund.

The Manager has delegated the performance of the investment management functions in respect of the Fund to the Investment Manager and the administrative functions to the Administrator. The Manager may delegate its function as distributor of the Units in any Sub-Fund or Class thereof to distributors appointed by it.

The current directors of the Manager are as follows:-

- (i) William Roberts, (Chairman);
- (ii) Patrick Boylan;
- (iii) Paul Freeman;
- (iv) Justin Mealy
- (v) Barry O'Dwyer;
- (vi) Adele Spillane;
- (vii) Catherine Woods; and
- (viii) Enda McMahon.

Their background and experience is as follows:

**William Roberts (Chairman), (British nationality, Irish resident).** Mr Roberts was admitted as a lawyer in Scotland, Hong Kong, Bermuda and the Cayman Islands. From 1990 to 1999, he was Senior Assistant (1990-1994) and then Partner (1994-1999) with W.S. Walker & Company where he

concentrated on collective investment vehicle formation and provided ongoing vehicle advice with particular focus on hedge and private equity funds. From 1996 to 1999 he served as a director of the Cayman Islands Stock Exchange. Between 1998 and 2000, he was Secretary to the International Bar Associations' sub-committee on specialised investment funds. Currently Mr Roberts serves as a director to a number of investment companies and investment management companies domiciled in Ireland and the Cayman Islands.

**Patrick Boylan (Irish).** Mr Boylan serves as the Global Head of Investment Risk for Infrastructure Debt, Renewable Power and Infrastructure Solutions at BlackRock. Mr Boylan's service with the firm dates back to 2011. He was most recently Chief Risk Officer for the manager and prior to that a member of BlackRock's Financial Markets Advisory Group (FMA) where he was responsible for EMEA Valuation and Risk Assessment. Prior to joining BlackRock, Mr Boylan served in senior risk leadership positions at LBBW Asset Management and GE Capital. Mr Boylan earned a BS degree in Finance and MSc. Investment & Treasury from DCU and is a FRM Charter holder.

**Paul Freeman (British).** Mr Freeman currently serves as a director on the boards of a number of BlackRock Group companies and investment funds. He was until December 2015 a Managing Director of BlackRock, which he had joined in August 2005 (which then was Merrill Lynch Investment Managers). Up until July 2011 Mr Freeman was the Head of Product Development and Range Management for the EMEA region with responsibility for the development and ongoing product management of all funds domiciled in EMEA and distributed on a cross-border basis by BlackRock. Between July 2011 and December 2015 Mr Freeman worked closely with BlackRock's Government affairs team and served on various internal governance committees and on the boards of a number of group subsidiaries and managed funds. Mr Freeman has worked in the financial services industry for over 35 years and, prior to BlackRock, has held senior management positions at Schroders, Rothschild Asset Management, Henderson Investors and GT Management (now part of Invesco). Mr Freeman is a Chartered Accountant.

**Justin Mealy (Irish).** Mr Mealy is Head of Investment Oversight EMEA at BlackRock, the group responsible for the oversight, supervision and due diligence of investment management (Product, Performance and Platform) on behalf of AIFMD, UCITS and MIFID Management Company boards within the EU and UK. He serves as Investment Director of the Manager and is its Designated Person for Investment Management. He is a voting member of the Product Development Committee of BlackRock Investment Management UK Limited and sits on the Accounts Review Committee of the Manager. Previously he has served as Investment Director Dirigeant Effectif for BlackRock France SAS, the group's AIFMD Manager in Paris focused on private equity, private credit, real estate and other alternatives. Before joining BlackRock, Mr Mealy was Managing Director at Geneva Trading for 8 years where he served as Head of its European and Asian businesses and Global Head of Risk responsible for the implementation, control and performance management of its global trading and derivatives market-making activities. Prior to this position he was engaged in CP origination and fixed income dealing with Landesbank Hessen Thuringen (Helaba), followed by positions in proprietary trading and markets technology, including several years in Singapore as COO Asia Pacific with International Financial Systems and later working in Tokyo within the Fixed Income, Rates and Currencies division of UBS Securities Japan. Mr Mealy is a graduate of Business & Law at University College Dublin, 1997 and is a certified FRM.

**Barry O'Dwyer (Irish).** Mr O'Dwyer is a Managing Director at BlackRock. He is the Head of Fund Governance for BlackRock's European open-ended fund ranges and is the Chief Operating Officer for BlackRock's Irish business. He serves as a director on the boards of a number of BlackRock corporate, fund, and management companies domiciled in Ireland, Luxembourg, Switzerland and Germany and on the board of BlackRock's UK Life company. He was the chairman of the Irish Funds Industry Association 2014-2015, is a board director of Financial Services Ireland and is a member of An Taoiseach's Financial Services Industry Advisory Committee. He joined BlackRock Advisors (UK) Limited in 1999 as head of risk management and moved to his present role in 2006. Prior to joining BlackRock Advisors (UK) Limited, Mr O'Dwyer worked as risk manager at Gartmore Investment Management and at HypoVereinsbank and National Westminster Bank. Mr O'Dwyer graduated from Trinity College Dublin with a degree in Business Studies and Economics in 1991. He holds a Chartered Association of Certified Accountants qualification and an MBA from London City University Business School.

**Adele Spillane (Irish).** Ms Spillane is a Managing Director at BlackRock. She is a member of

BlackRock's Institutional Client Business and is Head of BlackRock's Irish Institutional business. Ms. Spillane's service with the firm dates back to 1995, including her years with Barclays Global Investors (BGI), which merged with BlackRock in 2009. Prior to her current role she worked as a senior client director in the Strategic Accounts team for the UK Institutional Business, where she had overall responsibility for 20 large institutional UK Pension Schemes with total scheme assets ranging from £500 million to £5 billion. Before that, she was in the Large Institutional Client team, also as a client director, which she joined in 2004. Prior to her client director role, Ms Spillane was the head of the pooled funds group in the UK. Ms Spillane worked within the Client Relationship Group in BGI's San Francisco office. In 1999 she formed and headed up the BGI US ClientConnect Team. Ms. Spillane earned a degree, with honours, in commerce from University College Dublin in 1993. She is a CFA charterholder and holds the Investment Management Certificate.

**Catherine Woods (Irish).** Ms Woods has over 30 years' experience in financial services, as well as significant governance experience. Her executive career was with JP Morgan in the City of London, specialising in European Financial Institutions. She is a former Vice President and Head of the JP Morgan European Banks Equity Research Team, where her mandates included the recapitalisation of Lloyds' of London and the re-privatisation of Scandinavian banks. She holds a number of non-executive directorships including Lloyds Banking Group, Chairman of Beazley Insurance DAC and a Director of Beazley plc. She was previously appointed by the Irish Government to the Electronic Communications Appeals Panel and the Adjudication Panel to oversee the rollout of the National Broadband scheme. Ms Woods is the former Deputy Chairman of AIB Group plc, former Chairman of EBS DAC and former Director of AIB Mortgage Bank and An Post. She holds a First Class Honours Economics Degree from Trinity College Dublin and a Chartered Director Diploma with distinction.

**Enda McMahon (Irish).** Mr McMahon is a Managing Director at BlackRock. He is EMEA Head of Governance and Oversight for BlackRock. He is also the Head of the Ireland Office, where he is based and CEO and Board Director of BlackRock Asset Management Ireland Limited. Mr McMahon is responsible, in partnership with Fund Board Governance and other stakeholders, for establishing and expanding best practices in governance across the region, with specific focus on BlackRock's management and fund companies. The EMEA Investment Oversight group also reports to Mr McMahon. He was previously responsible for managing the EMEA Compliance Department, which is comprised of almost one hundred Compliance professionals across the region, and responsible for the design and delivery of all aspects of the Compliance Strategy and Compliance Programme, facilitating the continuation of BlackRock's strong regulatory record and reputation and protecting the best interests of clients. Mr McMahon joined BlackRock in December 2013 from State Street Global Advisors (SSgA), where he was EMEA Head of Compliance, prior to which he was Global Chief Compliance Officer for Bank of Ireland Asset Management and Regulatory Inspection Leader with the Central Bank of Ireland. A regulatory compliance professional since 1998, Mr McMahon has over 30 years of relevant experience overall having also worked professionally as an Auditor with the Office of the Comptroller and Auditor General and as an Accountant with Eagle Star. Mr McMahon is a member of the Chartered Institute of Management Accountants and the U.K. Chartered Institute for Securities and Investment. Mr McMahon also holds the CGMA designation. His studies also include the exams of the Master of Science in Investment and Treasury and Law.

The BlackRock Group employees serving as Directors of the Manager are not entitled to receive Directors' fees.

### **The Promoter and Investment Manager**

The Manager has delegated responsibility for the investment and re-investment of the assets of each of the Sub-Funds to BlackRock Advisors (UK) Limited pursuant to the Investment Management Agreement. The Investment Manager will be responsible to the Manager with regard to the management of the investment of the assets of each Sub-Fund in accordance with the investment objectives and policies subject always to the supervision and direction of the Manager.

The Investment Manager is ultimately a subsidiary of BlackRock, Inc. The Investment Manager is authorised by the Financial Conduct Authority ("FCA") to carry on regulated activities in the UK and is subject to the rules of FCA. The Investment Manager was incorporated under the laws of England and Wales on 18 March 1964.

The Investment Manager may, in accordance with the requirements of the Central Bank, appoint one or more sub-investment managers to whom it may delegate all or part of the day to day conduct of its investment management responsibilities in respect of any Sub-Fund. Details of any sub-investment managers will be provided to Unitholders on request and disclosed in the Fund's periodic reports. The Investment Manager will arrange for the fees and expenses of any sub-investment manager to be paid out of the Manager's fees or the Investment Manager's fees.

If more than one sub-investment manager is appointed to a Sub-Fund, the Investment Manager shall allocate the assets of the Sub-Fund between the sub-investment managers in such proportions as it shall, at its discretion, determine.

### **The Administrator, Registrar and Transfer Agent**

The Manager has delegated its responsibilities as administrator, registrar and transfer agent of the Fund to J.P. Morgan Administration Services (Ireland) Limited pursuant to the Administration Agreement. The Administrator will have the responsibility for the administration of the Fund's affairs including the calculation of the Net Asset Value of each of the Sub-Funds and the preparation of the financial statements, subject to the overall supervision of the Manager.

The Administrator, a limited liability company incorporated under the laws of Ireland on 28 May 1990 has agreed to act as administrator pursuant to the Administration Agreement. The Administrator is a wholly owned subsidiary company of J.P. Morgan Bank (Ireland) plc, which is a supplier of processing and administration services to financial institutions.

The Manager may also delegate all or some of its administration functions with respect to any particular Sub-Fund to another administration company in accordance with the requirements of the Central Bank and details will be set out in this Prospectus.

### **The Trustee**

The Fund has appointed J.P. Morgan Bank (Ireland) plc, as trustee of its assets for the purposes of the Directive to provide depositary, custodial, settlement and certain other associated services pursuant to the Trust Deed.

The Trustee is J.P. Morgan Bank (Ireland) plc which is a public company incorporated with limited liability in Ireland and is authorised as a credit institution by the Central Bank. Its business activities include the provision of custody and banking services, corporate finance and agency treasury management services. The ultimate parent company of the Trustee is JPMorgan Chase & Co. incorporated in Delaware, U.S.A.

### **The Duties of the Trustee**

The Trustee acts as the Trustee of the Sub-Funds and, in doing so, shall comply with the provisions of the Directive. In this capacity, the Trustee's duties include, amongst others, the following:

- (i) ensuring that each Sub-Fund's cash flows are properly monitored and that all payments made by or on behalf of investors have been received;
- (ii) safekeeping the assets of the Sub-Funds, which includes (a) holding in custody all financial instruments that can be registered in a financial instrument account opened in the Trustee's books and all financial instruments that can be physically delivered to the Trustee; and (b) for other assets, verifying the ownership by the Trust of such assets and the maintenance of a record accordingly (the "Safekeeping Function");
- (iii) ensuring that the sale, issue, re-purchase, redemption and cancellation of Units of each Sub-Fund are carried out in accordance with the applicable national law, the Directive, the UCITS Regulations and the Trust Deed;
- (iv) ensuring that the value of the Units of each Sub-Fund is calculated in accordance with the applicable national law, the Directive, the UCITS Regulations and the Trust Deed;
- (v) carrying out the instructions of the Manager unless such instructions conflict with the applicable national law, the Directive, the UCITS Regulations and the Trust Deed;
- (vi) ensuring that in transactions involving each Sub-Fund's assets any consideration is remitted to

- (vii) the relevant Sub-Fund within the usual time limits; and ensuring that the Sub-Funds' income is applied in accordance with the applicable national law, the Directive, the UCITS Regulations and the Trust Deed.

Apart from cash (which shall be held and maintained in accordance with the terms of the Trust Deed), all other financial assets of the Sub-Funds which are held in custody shall be segregated from the assets of the Trustee, its sub-custodians and from financial assets held as a fiduciary, custodian or otherwise by the Trustee or sub-custodians or both for other customers which are not UCITS customers. The Trustee shall maintain its records which relate to the assets attributable to each Sub-Fund so as to ensure that it is readily apparent that the assets are held solely on behalf of and belong to the Fund and do not belong to the Trustee or any of its affiliates, sub-custodians or delegates or any of their affiliates.

The Trustee may delegate the Safekeeping Function to one or more third parties as may be determined by the Trustee from time to time, subject to the requirements of the Directive. The liability of the Trustee will not be affected by any delegation of the Safekeeping Function to a third party. The list of sub delegates appointed by the Trustee is set out in Appendix VIII hereto.

The Trustee must ensure that the sub-custodians:

- (i) have adequate structures and expertise;
- (ii) in circumstances where custody of financial instruments is delegated to them, are subject to effective prudential regulation, including minimum capital requirements and supervision in the jurisdiction concerned, as well as an external periodic audit to ensure that the financial instruments are in their possession;
- (iii) segregate the assets of the Trustee's clients from their own assets and from the assets of the Trustee for its own account in such a way that they can, at any time, be clearly identified as belonging to clients of a particular depository;
- (iv) ensure that in the event of their insolvency, assets of the Trustee held by the sub-custodians are unavailable for distribution among, or realisation for the benefit of, creditors of the sub-custodians;
- (v) are appointed by way of a written contract and comply with the general obligations and prohibitions in the Directive and applicable national law, including with respect to the Safekeeping Function, reuse of assets and conflicts of interest.

Where the law of a third country requires that certain financial instruments be held in custody by a local entity and no local entities are subject to effective prudential regulation, including minimum capital requirements and supervision in the jurisdiction concerned, the Trustee may delegate its functions to such a local entity only to the extent required by the law of the third country and only for as long as there are no local entities that satisfy the aforementioned regulation, minimum capital and supervisions requirements. In the event that custody is delegated to such local entities, prior Unitholder notice will be provided advising of the risks involved in such delegation.

Please refer to the section of this Prospectus entitled "Conflicts of Interest - General" for details of potential conflicts that may arise involving the Trustee.

The Trustee will ensure that the assets of the Fund held in custody by the Trustee shall not be reused by the Trustee or by any third party to whom the depository function has been delegated for their own account. Reuse comprises any transaction of assets of the Fund held in custody including, but not limited to, transferring, pledging, selling and lending. Reuse of the assets of the Fund held in custody is only allowed where:

- (i) the reuse of the assets is executed for the account of the Fund
- (ii) the Trustee is carrying out the instructions of the Manager on behalf of the Fund;
- (iii) the reuse is for the benefit of the Fund; and
- (iv) the transaction is covered by high quality and liquid collateral received by the Fund under a title transfer arrangement with a market value at least equivalent to the market value of the reused assets plus a premium.

The Trustee shall act honestly, fairly, professionally, independently and solely in the interest of the Fund and Unitholders and exercise due care and diligence in the discharge of its duties and will be liable to the Fund or the Unitholders for any loss suffered by them arising from the Trustee's negligent or

intentional failure to properly fulfil its obligations pursuant to the Trust Deed, the Directive, the UCITS Regulations, Commission Delegated Regulation (EU) 2016/48 or the Central Bank UCITS Regulations.

The Trustee is liable to the Fund and to Unitholders for the loss of financial instruments of the Fund which are held in custody as part of the Trustee's Safekeeping Function (irrespective of whether or not the Trustee has delegated its Safekeeping Function in respect of such financial instruments to a third party), unless it can prove that the loss of such financial instruments held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. This standard of liability applies only to financial instruments capable of being registered in a financial instruments account opened in the Trustee's books or which can be physically delivered to the Trustee.

The Trustee shall be indemnified out of the assets of the Fund and each relevant Sub-Fund and held harmless from and against all or any losses, liabilities, demands, damages, costs, claims or expenses whatsoever and howsoever arising (including, without limitation, acting on proper instructions) other than by reason of its negligent or intentional failure to properly fulfil its obligations pursuant to the Trust Deed or the UCITS Regulations, Commission Delegated Regulation (EU) 2016/48 or the Central Bank UCITS Regulations, or loss of Financial Instruments for which it is liable pursuant to the Trust Deed, the Directive, the UCITS Regulations, Commission Delegated Regulation (EU) 2016/48 or the Central Bank UCITS Regulations.

Up-to-date information regarding the Trustee including the duties of the Trustee, the delegation arrangements and any conflicts of interest that may arise shall be made available to investors upon request to the Manager.

### **Securities Lending Agent**

The Investment Manager may be appointed as the lending agent of the Fund under the terms of a securities lending management agreement. Under the terms of such an agreement, the lending agent is appointed to manage the Fund's securities lending activities and is entitled to receive a fee which is in addition to its fee as investment manager. The income earned from securities lending will be allocated between the Fund and the Investment Manager and paid on a percentage basis to the Investment Manager at normal commercial rates. Full financial details of the amounts earned and expenses incurred with respect to securities lending for the Fund, including fees paid or payable, will be included in the annual and semi-annual financial statements. The Manager will, at least annually, review the securities lending arrangements and associated costs.

There are potential conflicts of interests in managing a securities lending program, including but not limited to: (i) BlackRock as lending agent may have an incentive to increase or decrease the amount of securities on loan or to lend particular securities in order to generate additional risk-adjusted revenue for BlackRock and its affiliates; and (ii) BlackRock as lending agent may have an incentive to allocate loans to clients that would provide more revenue to Blackrock. As described further below, BlackRock seeks to mitigate this conflict by providing its securities lending clients with equal lending opportunities over time in order to approximate pro-rata allocation.

As part of its securities lending program, BlackRock indemnifies certain clients and/or funds against a shortfall in collateral in the event of borrower default. BlackRock's Risk and Quantitative Analytics Group ("RQA") calculates, on a regular basis, BlackRock's potential dollar exposure to the risk of collateral shortfall upon counterparty default ("shortfall risk") under the securities lending program for both indemnified and non-indemnified clients. On a periodic basis, RQA also determines the maximum amount of potential indemnified shortfall risk arising from securities lending activities ("indemnification exposure limit") and the maximum amount of counterparty-specific credit exposure ("credit limits") BlackRock is willing to assume as well as the program's operational complexity. RQA oversees the risk model that calculates projected shortfall values using loan-level factors such as loan and collateral type and market value as well as specific borrower counterparty credit characteristics. When necessary, RQA may further adjust other securities lending program attributes by restricting eligible collateral or reducing counterparty credit limits. As a result, the management of the indemnification exposure limit may affect the amount of securities lending activity BlackRock may conduct at any given point in time and impact indemnified and non-indemnified clients by reducing the volume of lending opportunities for certain loans (including by asset type, collateral type and/or revenue profile).



BlackRock uses a predetermined systematic and fair process in order to approximate pro-rata allocation. In order to allocate a loan to a portfolio: (i) BlackRock as a whole must have sufficient lending capacity pursuant to the various program limits (i.e. indemnification exposure limit and counterparty credit limits); (ii) the lending portfolio must hold the asset at the time a loan opportunity arrives; and (iii) the lending portfolio must also have enough inventory, either on its own or when aggregated with other portfolios into one single market delivery, to satisfy the loan request. In doing so, BlackRock seeks to provide equal lending opportunities for all portfolios, independent of whether BlackRock indemnifies the portfolio. Equal opportunities for lending portfolios does not guarantee equal outcomes. Specifically, short and long-term outcomes for individual clients may vary due to asset mix, asset/liability spreads on different securities, and the overall limits imposed by the firm.

### **Conflicts of Interest - General**

Due to the widespread operations undertaken by the Manager, the Investment Manager, the Administrator and the Trustee and (where applicable) their respective holding companies, subsidiaries and affiliates (each an "Interested Party") conflicts of interest may arise.

Subject to the provisions below the Interested Parties may effect transactions where those conflicts arise and shall not (subject as below) be liable to account for any profit, commission or other remuneration arising. All such transactions must be in the best interests of Unitholders.

In the event that a conflict of interest does arise, the Manager will endeavour, so far as it is reasonably able, to ensure that it is resolved fairly and that investment opportunities are allocated on a fair and equitable basis.

Without prejudice to the generality of the foregoing the following conflicts of interest may arise:-

- (i) an Interested Party may acquire or dispose of any Investment notwithstanding that the same or similar Investments may be owned by or for the account of or otherwise connected with the Fund;
- (ii) an Interested Party may acquire, hold or dispose of Investments notwithstanding that such Investments had been acquired or disposed of by or on behalf of the Fund by virtue of a transaction effected by the Fund in which the Interested Party was concerned provided that the acquisition by an Interested Party of such Investments is effected on normal commercial terms negotiated on an arm's length basis and such Investments held by the Fund are acquired on the best terms having regard to the interests of the Fund;
- (iii) an Interested Party may deal with the Fund as principal or as agent, provided that:
  - A. there is obtained a certified valuation of the transaction by a person approved by the Trustee (or the Manager in the case of a transaction with the Trustee) as independent and competent; or
  - B. the transaction is executed on best terms on an organised investment exchange in accordance with the rules of such exchange; or
  - C. where A and B are not practical, execution is on terms which the Trustee (or the Manager in the case of a transaction with the Trustee) is satisfied conforms with the principle that the transaction is in the best interest of the Unitholders and is carried out as if effected on normal commercial terms negotiated at arm's length;
- (iv) certain of the Directors of the Manager are or may in the future be connected with the BlackRock Group and its affiliates. For the avoidance of doubt, the Directors shall not be liable to account to the Fund in respect of such conflict for example as a result of receiving remuneration as directors or employees of the Manager or Investment Manager;

- (v) the Investment Manager's fee is based on a percentage of the Net Asset Value of each Sub-Fund. The Investment Manager may provide valuation services to the Administrator (to assist in calculating the Net Asset Value of a Sub-Fund) in relation to the Fund's Investments. This may result in a potential conflict of interest as the Investment Manager's fee will increase as the Net Asset Value of a Sub-Fund increases;
- (vi) the Administrator's fee is based on a percentage of the Net Asset Value of each Sub-Fund. The Administrator may provide valuation services to the Fund in relation to Investments. This may result in a potential conflict of interest as the Administrator's fee will increase as the Net Asset Value of a Fund increases;
- (vii) the Fund may, subject to the conditions set out in Appendix III, invest in other CIS, which may be operated and/or managed by an Interested Party including, but not limited to, funds of Institutional Cash Series plc. Where commission is received by the Manager by virtue of an Investment by the Fund in the units/shares of any collective investment scheme, such commission will be paid into the property of the relevant Sub-Fund. As an investor in such other CIS, in addition to the fees, costs and expenses payable by a Unitholder in the Sub-Funds, each Unitholder may also indirectly bear a portion of the fees, costs and expenses of the underlying CIS, including management, investment management and administration and other expenses;
- (viii) the Fund may purchase or hold an Investment the issuer of which is an Interested Party or where an Interested Party is its adviser or banker;
- (ix) the Investment Manager may enter into arrangements with its Affiliates whereby the Investment Manager may agree to pay out of its own resources an incentive or an inducement fee for new subscriptions made by clients of the Affiliates or funds managed by or held by the Affiliate, including client accounts for which an Affiliate has discretionary investment authority. This fee may be in excess of the investment management fee payable to the Investment Manager and will be passed through to the Affiliate's clients;
- (x) Affiliates of the Manager and the Investment Manager may make investments in a Sub-Fund that could constitute a substantial percentage of a Sub-Fund's net assets. Such affiliate investors may, in their sole discretion and without notice to Unitholders, subscribe for Units in a Sub-Fund or redeem all or a substantial amount of their Units in a Sub-Fund. In the event of substantial redemptions by affiliated investors and/or other Unitholders, the Investment Manager may not be able to liquidate sufficient investments in a single Dealing Day and some or all of a redemption request by affiliated investors or other Unitholders may be deferred until a subsequent Dealing Day;
- (xi) As part of the normal course of global custody business, the Trustee may from time to time have entered into arrangements with other clients, funds or other third parties for the provision of safekeeping and related services. Within a multi-service banking group such as JP Morgan, from time to time conflicts may arise between the depositary and its safekeeping delegates, for example, where an appointed delegate is an affiliated group company and is providing a product or service to a fund and has a financial or business interest in such product or service or where an appointed delegate is an affiliated group company which receives remuneration for other related custodial products or services it provides to the funds e.g. foreign exchange, securities lending, pricing or valuation services. In the event of any potential conflict of interest which may arise during the normal course of business, the Trustee will at all times have regard to its obligations under applicable laws including its obligation under the Directive not to carry out activities with regard to the Trust or with regard to the Manager acting on behalf of the Trust that may create conflicts of interest between itself and the Trust, its investors and/or the Manager unless the Trustee has separated the performance of its depositary tasks from its

other potentially conflicting tasks and the potential conflicts are identified, managed, monitored and disclosed to investors.

## **Conflicts of Interest – relationships within the BlackRock Group**

The Manager and other BlackRock Group companies undertake business for other clients. BlackRock Group companies, their employees and their other clients face conflicts with the interests of the Manager and its clients. BlackRock maintains a Conflicts of Interest Policy. It is not always possible for the risk of detriment to a client's interests to be entirely mitigated such that, on every transaction when acting for clients, a risk of detriment to their interests does not remain.

The types of conflict scenario giving rise to risks which BlackRock considers it cannot with reasonable confidence mitigate are disclosed below. This document, and the disclosable conflict scenarios, may be updated from time to time.

### **1. Conflicts of Interest within the BlackRock Group**

#### **PA Dealing**

BlackRock Group employees may be exposed to clients' investment information while also being able to trade through personal accounts. There is a risk that, if an employee could place a trade of sufficient size, this would affect the value of a client's transaction. BlackRock Group has implemented a Personal Trading Policy designed to ensure that employee trading is pre-approved.

#### **Employee Relationships**

BlackRock Group employees may have relationships with the employees of BlackRock's clients or with other individuals whose interests conflict with those of a client. Such an employee's relationship could influence the employee's decision-making at the expense of clients' interests. BlackRock Group has a Conflicts of Interest Policy under which employees must declare all potential conflicts.

### **2. Conflicts of interest of the Manager**

#### **Provider Aladdin**

BlackRock Group uses Aladdin software as a single technology platform across its investment management business. Custodial and fund administration service providers may use Provider Aladdin, a form of Aladdin software, to access data used by the Investment Manager and Manager. Each service provider remunerates BlackRock Group for the use of Provider Aladdin. A potential conflict arises whereby an agreement by a service provider to use Provider Aladdin incentivises the Manager to appoint or renew appointment of such service provider. To mitigate the risk, such contracts are entered on an 'arm's length' basis.

#### **Distribution Relationships**

The Principal Distributer may pay third parties for distribution and related services. Such payments could incentivise third parties to promote the Fund to investors against that client's best interests. BlackRock Group companies comply with all legal and regulatory requirements in the jurisdictions in which such payments are made.

#### **Dealing Costs**

Dealing costs are created when investors deal into and out of the Fund. There is a risk that other clients of the Fund bear the costs of those joining and leaving. BlackRock Group has policies and procedures in place to protect investors from the actions of others including anti-dilution controls.

### **3. Conflicts of interest of the Investment Manager**

#### **Commissions & Research**

Where permitted by applicable regulation (excluding, for the avoidance of doubt, any Sub-Funds which are in scope for MiFID II), certain BlackRock Group companies acting as investment manager to the Sub-Funds may use commissions generated when trading equities with certain brokers in certain jurisdictions to pay for external research. Such arrangements may benefit one Sub-Fund over another because research can be used for a broader range of clients than just those whose trading funded it.

BlackRock Group has a Use of Commissions Policy designed to ensure compliance with applicable regulation and market practice in each region.

#### Timing of Competing Orders

When handling multiple orders for the same security in the same direction raised at or about the same time, the Investment Manager seeks to achieve the best overall result for each order equitably on a consistent basis taking into account the characteristics of the orders, regulatory constraints or prevailing market conditions. Typically, this is achieved through the aggregation of competing orders. Conflicts of interest may appear if a trader does not aggregate competing orders that meet eligibility requirements, or does aggregate orders that do not meet eligibility requirements; it may appear as if one order received preferential execution over another. For a specific trade instruction of the Fund, there may be a risk that better execution terms will be achieved for a different client. For example, if the order was not included in an aggregation. BlackRock Group has Order Handling Procedures and an Investment Allocation Policy which govern sequencing and the aggregation of orders.

#### Concurrent Long and Short Positions

The Investment Manager may establish, hold or unwind opposite positions (i.e. long and short) in the same security at the same time for different clients. This may prejudice the interests of the Investment Manager's clients on one side or the other. Additionally, investment management teams across the BlackRock Group may have long only mandates and long-short mandates; they may short a security in some portfolios that are held long in other portfolios. Investment decisions to take short positions in one account may also impact the price, liquidity or valuation of long positions in another client account, or vice versa. BlackRock Group operates a Long Short (side by side) Policy with a view to treating accounts fairly.

#### Cross Trading - Pricing Conflict

When handling multiple orders for the same security, BlackRock may execute a client's order to buy the security by matching it with another client's order to sell the same security, a practice known as 'crossing'. When crossing orders, there is a risk that the execution may not be performed in the best interests of each client; for example, in the event that the price at which a trade was executed did not constitute a fair and reasonable price. BlackRock manages this risk by implementing a Global Crossing Policy, which sets out – among other things – the methodology for pricing 'cross' trades.

#### MNPI

BlackRock Group companies receive Material Non-Public Information (MNPI) in relation to listed securities in which BlackRock Group companies invest on behalf of clients. To prevent wrongful trading, BlackRock Group erects Information Barriers and restricts trading by one or more investment team(s) concerned in the security concerned. Such restrictions may negatively impact the investment performance of client accounts. BlackRock has implemented a Material Non-Public Information Barrier Policy.

#### BlackRock's Investment Constraints or Limitations and its Related Parties

The Fund may be restricted in its investment activities due to ownership threshold limits and reporting obligations in certain jurisdictions applying in aggregate to the accounts of clients of the BlackRock Group. Such restrictions may adversely impact clients through missed investment opportunities. BlackRock Group manages the conflict by following an Investment and Trading Allocation Policy, designed to allocate limited investment opportunities among affected accounts fairly and equitably over time.

#### Investment in Related Party Products

While providing investment management services for a client, the Investment Manager may invest in products serviced by BlackRock Group companies on behalf of other clients. BlackRock may also recommend services provided by BlackRock or its affiliates. Such activities could increase BlackRock's revenue. In managing this conflict, BlackRock seeks to follow investment guidelines and has a Code of Business Conduct and Ethics.

#### Investment Allocation and Order Priority

When executing a transaction in a security on behalf of a client, it can be aggregated and the aggregated transaction fulfilled with multiple trades. Trades executed with other client orders result in the need to allocate those trades. The ease with which the Investment Manager can allocate trades to a certain client's account can be limited by the sizes and prices of those trades relative to the sizes of the clients'

instructed transactions. A process of allocation can result in a client not receiving the whole benefit of the best priced trade. The Investment Manager manages this conflict by following an Investment and Trading Allocation Policy, which is designed to ensure the fair treatment of all clients' accounts over time.

#### Fund Look Through

BlackRock Group companies may have an informational advantage when investing in proprietary BlackRock funds on behalf of client portfolios. Such an informational advantage may lead a BlackRock Group company to invest on behalf of its client earlier than the Investment Manager invests for the Fund. The risk of detriment is mitigated through BlackRock Group's pricing of units and anti-dilution mechanisms.

#### Side-by-Side Management: Performance fee

The Investment Manager manages multiple client accounts with differing fee structures. There is a risk that such differences lead to inconsistent performances levels across client accounts with similar mandates by incentivising employees to favour accounts delivering performance fees over flat or non-fee accounts. BlackRock Group companies manage this risk through a commitment to a Code of Business Conduct and Ethics Policy.

### **Reporting**

The Fund's accounting period ends on 31 March in each year and semi-annual accounts will be prepared to 30 September in each year.

The Manager shall cause to be prepared an annual report and audited annual accounts within four months of the end of the financial period to which they relate i.e. by 31 July in each year. Copies of the unaudited half yearly reports (made up to 30 September of each year) will be prepared within two months of the end of the half year period to which they relate i.e. by 30 November in each year. Such reports and financial statements will contain a statement of the value of the net assets of each Sub-Fund and a summary of the Investments comprised therein as at the year-end or the end of such semi-annual period.

Copies of this Prospectus, Supplements, any KIID issued in accordance with the UCITS Regulations, annual and semi-annual accounts of each Sub-Fund and copies of the Trust Deed may be obtained from the Manager at the address given under "Directory".

## **VALUATION, SUBSCRIPTIONS AND REDEMPTIONS**

### **Calculation of Net Asset Value**

The Net Asset Value of each Sub-Fund is expressed in its Base Currency. The calculation of the Net Asset Value of each Sub-Fund and the Net Asset Value attributable to Units in each Class thereof will be calculated by the Administrator in respect of the Valuation Point on the relevant Dealing Day (and in all cases after the deadline for receipt of subscriptions and redemptions) in accordance with the requirements of the Trust Deed, and details are set out under the heading “Statutory and General Information”.

Except when the determination of the Net Asset Value of any Sub-Fund has been suspended or postponed in the circumstances set out under the heading “Temporary Suspensions”, the calculation of the Net Asset Value of each Sub-Fund, the Net Asset Value of each Class and the Net Asset Value per Unit will be prepared as at each Valuation Point and will be available to Unitholders on request from the Administrator on the Business Day after the relevant Valuation Point.

The Net Asset Value of each Sub-Fund and the Net Asset Value per Unit in a Sub-Fund shall be made public at the offices of the Administrator during normal business hours. The Net Asset Value per Unit in a Sub-Fund will be published daily on Bloomberg (Telekurs in respect of the Mix Funds) and such other publications/facilities as the Manager may decide. These publications shall be kept up to date.

The costs and liabilities/benefits arising from instruments entered into for the purposes of hedging the currency exposure for the benefit of any particular Currency Hedged Class of a Sub-Fund shall be attributable exclusively to that Class. Accordingly, any appreciation or depreciation of the NAV of a Sub-Fund resulting from expenses, income, gains and losses that are attributable to any foreign exchange hedging in respect of a Currency Hedged Class or group of Currency Hedged Classes shall be attributable solely to the Currency Hedged Class or Classes to which it relates. The Net Asset Value of each Unit of each Class will be determined by dividing the Net Asset Value of the class by the number of Units of that Class. The NAV per Currency Hedged Class Unit in the Sub-Fund shall be calculated by the Administrator in the relevant Valuation Currency, based upon an exchange rate which the Manager deems appropriate. The NAV per Currency Hedged Class Unit in the Sub-Fund shall be calculated by the Administrator as of the Valuation Point in accordance with the valuation provisions set out under the heading “Statutory and General Information”.

### **INITIAL OFFER PERIOD AND PRICE**

The initial offer period for any Classes of the Sub-Funds in which no Units have been issued yet (the “Unlaunched Classes”) will run from 9.00 am (Irish time) on 15 December 2021 until 5.00 pm (Irish time) on 14 June 2022 or such earlier or later date as the Directors may determine and notify to the Central Bank. Unlaunched Classes are available at an initial offer price of €10 per Unit (or Class currency equivalent). Thereafter, Units in those Classes will be issued at the relevant Net Asset Value per Unit. Details of which Units are available for subscription as Unlaunched Classes are available from the Manager.

Applications for Units during the initial offer period must be received during the initial offer period. All applicants applying for Units during the initial offer period must complete (or arrange to have completed under conditions approved by the Manager) the Account Opening Form and Dealing Form prescribed by the Manager in relation to the relevant Class.

### **Subscriptions**

#### General

The Manager may issue Units of any Class of any Sub-Fund and on such terms as it may from time to time determine. The terms and conditions applicable to the issue of Units of any Class together with subscription and settlement details and procedures are set out below. All Units will be registered in inscribed form, evidenced by entry on the register of Unitholders and confirmations of ownership in writing (which may take the form of regular statements of holdings) will be issued to Unitholders. Certificates will not be issued. Investors will receive a contract note confirming receipt by the Manager

of a subscription request but this should not be construed by investors as confirmation of settlement of subscription monies.

An investor must have a current Client Agreement with either the Investment Manager, or an Affiliate, in order to be entitled to invest for Units in the Flexible Classes.

Under the Trust Deed, the Manager is given authority to effect the issue of Units and has absolute discretion to accept or reject in whole or in part any application for Units without assigning any reason therefor. The Manager has power to impose such restrictions as it thinks necessary to ensure that no Units are acquired by any person which might result in the legal and beneficial ownership of Units by persons who are not Qualified Holders or expose the Fund to adverse tax or regulatory consequences.

If an application is rejected, any monies received will be returned to the applicant (minus any handling charge incurred in any such return) as soon as possible by electronic transfer (but without interest, costs or compensation).

No Units of any Sub-Fund will be issued or allotted during a period when the determination of Net Asset Value of that Sub-Fund is suspended.

#### Account Opening Forms

All applicants applying for the first time for Units must complete (or arrange to have completed under conditions approved by the Manager) the Account Opening Form and Dealing Form prescribed by the Manager in relation to the relevant Class of the Sub-Fund. Unitholders applying for further Units must complete the Dealing Form. Unitholders can also apply for further Units by telephone. Account Opening Forms and Dealing Forms may be obtained from the Manager. Account Opening and Dealing Forms shall (save as determined by the Manager) be irrevocable and may be sent by facsimile at the risk of the applicant. The Account Opening Form (in the form prescribed by the Manager) and all relevant supporting documentation in relation to Anti-Money Laundering ('AML') and Countering the Financing of Terrorism ('CFT') requirements should be sent to arrive promptly and within three Business Days after the time for receipt of such application. Any amendments to the registration details on an Account Opening Form must be effected by an original written instruction.

The Administrator reserves the right to request such information as is necessary to verify the identity, address and the source of wealth and/or source of funds of an applicant and any beneficial owner(s), where applicable. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator may refuse to accept the application and subscription monies and return all subscription monies or such Unitholder's Units may be compulsorily repurchased, at the discretion of the Manager. Payment of repurchase proceeds may be delayed or withheld (no repurchase proceeds will be paid nor will any interest accrue thereto if the Unitholder fails to produce the relevant information) and none of the Manager, the Directors, the Investment Manager or the Administrator shall be liable to the subscriber or Unitholder where an application for Units is not processed or Units are compulsorily repurchased in such circumstances. The Administrator shall not pay repurchase proceeds or dividend payments where the requisite documentation and/or information for verification purposes has not been produced by the entitled Unitholder. Any such blocked payments may be held in a Umbrella Cash Collection Account or Fund Cash Collection Accounts, as applicable, pending receipt, to the satisfaction of the Administrator, of the requisite documentation and/or information. Unitholders should refer to the risk statement "Subscription and Redemption Collection Accounts" in the Section of this Prospectus entitled "Risk Factors" for an understanding of their position vis-a-vis monies held in a Umbrella Cash Collection Account or Fund Cash Collection Accounts.

The Manager, and the Administrator may take such other steps as each considers appropriate or necessary to discontinue the relationship with an investor where required to do so under applicable law and regulation.

Subscriptions may also be effected by such other means as the Manager, with the consent of the Administrator, may prescribe from time to time when such means are in accordance with the requirements of the Central Bank.

Applications for subscriptions after the Initial Offer Period must be received by the Manager by the "Cut Off Time" set out in the Dealing Timetable at Appendix V (or such earlier or later time as the Manager

may, in its discretion determine from time to time and notify to Unitholders in advance). Any applications received after the relevant time for receipt will normally be held over until the next Dealing Day but may be accepted for dealing on the Dealing Day, at the discretion of the Manager (provided they are received prior to the Valuation Point).

If an application is rejected, any monies received will be returned to the applicant (minus any handling charge incurred in any such return) as soon as possible by electronic transfer (but without interest, costs or compensation).

No Units of any Sub-Fund will be issued or allotted during a period when the determination of Net Asset Value of that Sub-Fund is suspended.

#### Subscription Fee

It is not the Manager's current intention to charge a subscription fee in respect of any Sub-Fund save for: (i) the Mix Funds, BlackRock Diversified Distribution Fund, BlackRock Euro Sovereign Bond Index Fund 1, BlackRock Customised Euro Corporate Bond Index Fund 1 and BlackRock Multi Style Strategy Fund, where a fee of 5% of the Net Asset Value per Unit will apply to subscriptions for Units; and (ii) BlackRock Global Equity Selection Fund, BlackRock Fixed Income Selection Fund and BlackRock Multi Asset Conservative Selection Fund, where a fee of 5% of the Net Asset Value per Unit will apply to subscriptions for Units in Class A Accumulating Units of each Sub-Fund only.

In each case, the Manager has discretion to waive this fee.

Pricing – Mix Funds, BlackRock Diversified Distribution Fund, BlackRock Diversifying Fixed Income Fund, BlackRock Global Equity Selection Fund, BlackRock Fixed Income Selection Fund, BlackRock Diversified Strategies Selection Fund, BlackRock Multi Asset Balanced Selection Fund, BlackRock Multi Asset Conservative Selection Fund, BlackRock Euro Cash Fund, BlackRock Dynamic Allocation Fund, BlackRock UK Equity Income Fund, BlackRock Cangrande Global Index Equity Fund and BlackRock Defensive Yield ESG Screened Fund.

In respect of the Mix Funds, BlackRock Diversified Distribution Fund, BlackRock Diversifying Fixed Income Fund, BlackRock Global Equity Selection Fund, BlackRock Fixed Income Selection Fund, BlackRock Diversified Strategies Selection Fund, BlackRock Multi Asset Balanced Selection Fund, BlackRock Multi Asset Conservative Selection Fund, BlackRock Euro Cash Fund, BlackRock Dynamic Allocation Fund, BlackRock UK Equity Income Fund, BlackRock Cangrande Global Index Equity Fund and BlackRock Defensive Yield ESG Screened Fund, Units may be acquired or redeemed at the Dealing Price attributable to the relevant Unit Class.

Single swinging pricing: If on a Dealing Day the aggregate value of transactions in Units of all Classes of a Sub-Fund listed above result in a net inflow or net outflow from the relevant Sub-Fund, the Manager may adjust the Net Asset Value to reflect an amount it may consider represents an appropriate figure for Duties and Charges relating to the purchase or sale of underlying investments which may be incurred by a Sub-Fund. The adjustment, where applied, will be an addition to the Net Asset Value per Unit when the net movement results in a net inflow and a deduction from the Net Asset Value per Unit when it results in a net outflow. As certain markets and jurisdictions may have different charging structures on the buy and sell sides, the resulting adjustment may be different for net inflows and for net outflows. The process of adjusting the Net Asset Value per Unit to take account of the cost of the purchase or sale of underlying investments to arrive at a Dealing Price is also known as single swinging pricing.

The latest Dealing Price for Units of the above-named Sub-Funds will be available during normal business hours at the office of the Administrator and will be published daily on Bloomberg for the BlackRock Diversified Distribution Fund, BlackRock Diversifying Fixed Income Fund, BlackRock Global Equity Selection Fund, BlackRock Fixed Income Selection Fund, BlackRock Diversified Strategies Selection Fund, BlackRock Multi Asset Balanced Selection Fund, BlackRock Multi Asset Conservative Selection Fund, BlackRock Euro Cash Fund, BlackRock Dynamic Allocation Fund, BlackRock UK Equity Income Fund, BlackRock Cangrande Global Index Equity Fund and BlackRock Defensive Yield ESG Screened Fund and published daily on Telekurs for the Mix Funds. These publications shall be kept up to date.



Pricing – All Sub-Funds excluding the Mix Funds, BlackRock Diversified Distribution Fund, BlackRock Diversifying Fixed Income Fund, BlackRock Global Equity Selection Fund, BlackRock Fixed Income Selection Fund, BlackRock Diversified Strategies Selection Fund, BlackRock Multi Asset Balanced Selection Fund, BlackRock Multi Asset Conservative Selection Fund, BlackRock Euro Cash Fund, BlackRock Dynamic Allocation Fund, BlackRock UK Equity Income Fund, BlackRock Cangrande Global Index Equity Fund and BlackRock Defensive Yield ESG Screened Fund.

- (a) Save as provided in (b), the Subscription Price per Unit of any Class of the relevant Sub-Fund shall be ascertained by:
- (i) determining the Net Asset Value of the relevant Class calculated in respect of the Valuation Point on the Dealing Day on which the subscription is to be made and adding thereto such sum as the Manager may consider represents an appropriate figure for Duties and Charges and any other amounts necessary to account for actual expenditure on the purchase of the underlying investments;
  - (ii) dividing the amount calculated under (i) above by the number of Units of such Class of the relevant Sub-Fund in issue at the relevant Valuation Point; and
  - (iii) adding thereto or deducting therefrom such amount as may be necessary to round the resulting amount to such number of decimal places as the Manager deems appropriate.
- (b) When, on any Dealing Day, subscription flows are matched with redemption flows, the Manager may issue Units at a price which is less than the usual Subscription Price as Duties and Charges may not need to be applied.

The latest Subscription Price for Units will be available during normal business hours at the office of the Administrator and will be published daily on [www.blackrock.com](http://www.blackrock.com) and shall be kept up to date.

#### Fractions

Subscription monies representing less than the Dealing Price for a Unit (in the case of the Mix Funds, BlackRock Diversified Distribution Fund, BlackRock Diversifying Fixed Income Fund, BlackRock Multi Style Strategy Fund, BlackRock Global Equity Selection Fund, BlackRock Fixed Income Selection Fund, BlackRock Diversified Strategies Selection Fund, BlackRock Multi Asset Balanced Selection Fund, BlackRock Multi Asset Conservative Selection Fund, BlackRock Euro Cash Fund, BlackRock Dynamic Allocation Fund, BlackRock UK Equity Income Fund, BlackRock Cangrande Global Index Equity Fund and BlackRock Defensive Yield ESG Screened Fund) and the Subscription Price for a Unit (in the case of all other Sub-Funds) will not be returned to the applicant. Fractions of Units will be issued where any part of the subscription monies for Units represents less than the subscription price for one Unit, provided however that fractions shall not be less than such number of decimal points of a Unit as the Manager may determine from time to time. Subscription monies, representing less than the relevant fraction of a Unit will not be returned to the applicant but will be retained by the Sub-Fund in order to defray administration costs.

#### **Payment of Subscription Monies**

##### Method of Payment

Subscription payments net of all bank charges should be paid by CHAPS, SWIFT or telegraphic transfer to the bank account specified at the time of dealing (except where local banking practices do not allow electronic bank transfers). Other methods of payment are subject to the prior approval of the Manager. No interest will be paid in respect of payments received in circumstances where the application is held until a subsequent Dealing Day.

##### Currency of Payment

Subscription monies are payable in the Base Currency of the relevant Sub-Fund. Subscriptions may be accepted in a currency other than the Base Currency of the relevant Sub-Fund (see section headed "Currency of Payment and Foreign Exchange Transactions").

### Timing of Payment

Non-issue, or a delay in issuing, of a contract note does not affect an applicant's liability to pay subscription monies by the relevant time. If payment in cleared funds in respect of a subscription has not been received by the time set out in the Dealing Timetable at Appendix V, the Manager may (and in the event of non-clearance of funds, shall) cancel the allotment and/or charge the applicant interest at the 7 day SONIA, plus 2%, which fee is payable to the Manager. Non-issue, or a delay in issuing, of confirmation of ownership does not affect an applicant's liability to pay subscription monies by the time specified in the Dealing Timetable at Appendix V. The Manager may waive either such charge in whole or in part. In addition, the Manager will have the right to sell all or part of the applicant's holding of Units in any Sub-Fund in order to meet those charges.

## **Redemptions**

### General

Every Unitholder will have the right to require the Manager to redeem his Units on any Dealing Day (save during any period when the calculation of the Net Asset Value is suspended in the circumstances set out in the Prospectus) on furnishing to the Manager a redemption request.

All redemption requests are dealt with on a forward pricing basis, i.e. by reference to the Redemption Price (in the case of all Sub-Funds other than the Mix Funds, BlackRock Diversified Distribution Fund, BlackRock Diversifying Fixed Income Fund, BlackRock Global Equity Selection Fund, BlackRock Fixed Income Selection Fund, BlackRock Diversified Strategies Selection Fund, BlackRock Multi Asset Balanced Selection Fund, BlackRock Multi Asset Conservative Selection Fund, BlackRock Euro Cash Fund, BlackRock Dynamic Allocation Fund, BlackRock UK Equity Income Fund and BlackRock Defensive Yield ESG Screened Fund) or the Dealing Price (in the case of the Mix Funds, BlackRock Diversified Distribution Fund, BlackRock Diversifying Fixed Income Fund, BlackRock Global Equity Selection Fund, BlackRock Fixed Income Selection Fund, BlackRock Diversified Strategies Selection Fund, BlackRock Multi Asset Balanced Selection Fund, BlackRock Multi Asset Conservative Selection Fund, BlackRock Euro Cash Fund, BlackRock Dynamic Allocation Fund, BlackRock UK Equity Income Fund, BlackRock Cangrande Global Index Equity Fund and BlackRock Defensive Yield ESG Screened Fund) calculated at the Valuation Point on the relevant Dealing Day. Investors will receive a contract note confirming receipt by the Manager of a redemption request but this should not be construed by investors as confirmation of settlement of redemption monies.

### Dealing Form

All applicants seeking to redeem Units must complete (or arrange to have completed under conditions approved by the Manager) a Dealing Form which may be obtained from the Manager. Redemption requests may also be made by telephone.

Dealing Forms must be received by the Manager by the "Cut Off Time" set out in the Dealing Timetable at Appendix V (or such earlier or later time as the Manager may, in its discretion, determine from time to time and notify in advance to Unitholders). If the Dealing Form is received after the relevant time for receipt thereof, it shall (unless otherwise determined by the Manager) be treated as a request for redemption on the Dealing Day following such receipt and Units will be redeemed at the Redemption Price or at the Dealing Price (where relevant) for that day. Units will be redeemed at the Redemption Price or at the Dealing Price (where relevant) calculated at the Valuation Point on the relevant Dealing Day.

Redemption requests will only be accepted where cleared funds and completed documents are in place from original subscriptions including the original Account Opening Form and CFT and AML procedures have been completed.

Dealing Forms shall (save as determined by the Manager) be irrevocable and may be sent by facsimile at the risk of the relevant Unitholder.

Redemptions may also be effected by such other means as the Manager, with the consent of the Administrator, may prescribe from time to time where such means are in accordance with the requirements of the Central Bank.

#### Fractions

Apart from circumstances in which a Unitholder is redeeming his entire holding of Units in the Sub-Fund:

- (a) fractions of Units will be issued where any part of the redemption monies for Units represents less than the Dealing Price for one Unit (in the case of the Mix Funds, BlackRock Diversified Distribution Fund, BlackRock Diversifying Fixed Income Fund, BlackRock Global Equity Selection Fund, BlackRock Fixed Income Selection Fund, BlackRock Diversified Strategies Selection Fund, BlackRock Multi Asset Balanced Selection Fund, BlackRock Multi Asset Conservative Selection Fund, BlackRock Euro Cash Fund, BlackRock Dynamic Allocation Fund, BlackRock UK Equity Income Fund, BlackRock Cangrande Global Index Equity Fund and BlackRock Defensive Yield ESG Screened Fund or the Redemption Price for one Unit (in the case of all other Sub-Funds), provided however that fractions shall not be less than such number of decimal points of a Unit as the Manager may determine from time to time; and
- (b) redemption monies, representing less than the relevant fraction of a Unit will not be returned to a Unitholder but will be retained by the Manager in order to defray administration costs.

Redemptions – Mix Funds, BlackRock Diversified Distribution Fund, BlackRock Diversifying Fixed Income Fund, BlackRock Global Equity Selection Fund, BlackRock Fixed Income Selection Fund, BlackRock Diversified Strategies Selection Fund, BlackRock Multi Asset Balanced Selection Fund, BlackRock Multi Asset Conservative Selection Fund, BlackRock Euro Cash Fund, BlackRock Dynamic Allocation Fund, BlackRock UK Equity Income Fund, BlackRock Cangrande Global Index Equity Fund and BlackRock Defensive Yield ESG Screened Fund

Units in the Mix Funds, BlackRock Diversified Distribution Fund, BlackRock Diversifying Fixed Income Fund, BlackRock Global Equity Selection Fund, BlackRock Fixed Income Selection Fund, BlackRock Diversified Strategies Selection Fund, BlackRock Multi Asset Balanced Selection Fund, BlackRock Multi Asset Conservative Selection Fund, BlackRock Euro Cash Fund, BlackRock Dynamic Allocation Fund, BlackRock UK Equity Income Fund, BlackRock Cangrande Global Index Equity Fund and BlackRock Defensive Yield ESG Screened Fund may be redeemed at the Dealing Price attributable to the relevant Unit Class as set out under the heading “Pricing – Mix Funds, BlackRock Diversified Distribution Fund, BlackRock Diversifying Fixed Income Fund, BlackRock Global Equity Selection Fund, BlackRock Fixed Income Selection Fund, BlackRock Diversified Strategies Selection Fund, BlackRock Multi Asset Balanced Selection Fund, BlackRock Multi Asset Conservative Selection Fund, BlackRock Euro Cash Fund, BlackRock Dynamic Allocation Fund, BlackRock UK Equity Income Fund and BlackRock Defensive Yield ESG Screened Fund”.

The latest Dealing Price for Units of the above-named Sub-Funds will be available during normal business hours at the office of the Administrator and will be published daily on Bloomberg in respect of the BlackRock Diversified Distribution Fund, BlackRock Diversifying Fixed Income Fund, BlackRock Global Equity Selection Fund, BlackRock Fixed Income Selection Fund, BlackRock Diversified Strategies Selection Fund, BlackRock Multi Asset Balanced Selection Fund, BlackRock Multi Asset Conservative Selection Fund, BlackRock Euro Cash Fund, BlackRock Dynamic Allocation Fund, BlackRock UK Equity Income Fund, BlackRock Cangrande Global Index Equity Fund and BlackRock Defensive Yield ESG Screened Fund and Telekurs in respect of the Mix Funds. These publications shall be kept up to date.

Redemptions – All Sub-Funds excluding the Mix Funds, BlackRock Diversified Distribution Fund, BlackRock Diversifying Fixed Income Fund, BlackRock Global Equity Selection Fund, BlackRock Fixed Income Selection Fund, BlackRock Diversified Strategies Selection Fund, BlackRock Multi Asset Balanced Selection Fund, BlackRock Multi Asset Conservative Selection Fund, BlackRock Euro Cash

Fund, BlackRock Dynamic Allocation Fund, BlackRock UK Equity Income Fund, BlackRock Cangrande Global Index Equity Fund and BlackRock Defensive Yield ESG Screened Fund

- (a) Save as provided in (b) under the heading “Fractions” above and in (b) below, the Redemption Price per Unit of any Class of the relevant Sub-Fund shall be ascertained by:
- (i) determining the Net Asset Value of the Units of the relevant Class calculated in respect of the Valuation Point on the Dealing Day on which the redemption is to be made and deducting therefrom such sums as the Manager may consider represents an appropriate provision for Duties and Charges and any other amounts necessary to account for the actual sale price of underlying investments;
  - (ii) dividing the amount calculated under (a) above by the number of Units of the relevant Class then in issue at the relevant Valuation Point; and
  - (iii) adding thereto or deducting therefrom such amount as may be necessary to round the resulting sum to such number of decimal places as the Manager deems appropriate.
- (b) When, on any Dealing Day, redemption flows are matched with subscription flows, the Manager may issue Units at a price which is more than the usual Redemption Price as Duties and Charges may not need to be applied.

The latest Redemption Price for Units will be available during normal business hours at the office of the Administrator and will be published daily on [www.blackrock.com](http://www.blackrock.com) and shall be kept up to date.

Compulsory Redemption

The Manager shall have the right to redeem compulsorily any Unit at the Redemption Price (or the Dealing Price, where applicable) or to require the transfer of any Unit to a Qualified Holder if:

- (a) such Unit is held directly or beneficially by any person who is not a Qualified Holder; or
- (b) such Unit is held directly or beneficially by any person or persons in circumstances, (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons connected or not, or any other circumstances appearing to the Manager to be relevant) which, in the opinion of the Manager might result in the Fund incurring any liability to taxation or suffering pecuniary disadvantages which the Fund might not otherwise have incurred or suffered or the Fund being required to register under the 1940 Act, or similar statute successor thereto or to register any class of its securities under the 1933 Act or similar statute successor thereto; or
- (c) the Manager shall in its absolute discretion consider that the Unit is held by a Unitholder whose Client Agreement has terminated for any reason whatsoever.

Method of Payment

Redemption payments will be made to the bank account detailed on the Account Opening Form or as subsequently notified to the Manager in writing.

Currency of Payment

Unitholders will normally be repaid in the Base Currency of the Sub-Fund. Redemptions may be paid, at the request of a Unitholder, in a currency other than the Base Currency of the Sub-Fund (see section headed “Currency of Payment and Foreign Exchange Transaction” in the Prospectus).

Timing

Redemption proceeds in respect of Units will be paid by the time set out in the Dealing Timetable at Appendix V provided that all the required documentation has been furnished to and received by the Manager.

In the case of a partial redemption of a Unitholder's holding, the Manager will advise the Unitholder of the remaining Units held by him.

#### Minimum Subscriptions/Holdings/ Redemptions

The minimum subscription, minimum holding and minimum redemption amounts applicable to Unitholders are set out in the Dealing Timetable at Appendix V (or less at the discretion of the Manager).

Any Unitholder who redeems or otherwise disposes of part of his holding must maintain a holding of not less than the amount set out in the Dealing Timetable at Appendix V (or less at the discretion of the Investment Manager).

The Manager has the power to redeem the remaining holding of any Unitholder who redeems his minimum holding of Units to below the relevant minimum holding amount.

#### **Operation of the Subscription and Redemption Collection Account/s**

The Fund has established the Umbrella Cash Collection Account and, in respect of those Sub-Funds considered to be highly leveraged, the Sub-Fund Cash Collection Accounts. All subscriptions into and redemptions and distributions due from the Sub-Funds will be paid either into the Umbrella Cash Collection Account or the Sub-Fund Cash Collection Accounts. Monies in the Umbrella Cash Collection Account or the Sub-Fund Cash Collection Accounts, including early subscription monies received in respect of a Sub-Fund, do not qualify for the protections afforded by the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers.

Pending issue of the Units and / or payment of subscription proceeds to an account in the name of the relevant Sub-Fund, and pending payment of redemption proceeds or distributions, the relevant investor will be an unsecured creditor of the relevant Sub-Fund in respect of amounts paid by or due to it.

All subscriptions (including subscriptions received in advance of the issue of Units) attributable to, and all redemptions, dividends or cash distributions payable from, a Sub-Fund will be channelled and managed through the Umbrella Cash Collection Account or Sub-Fund Cash Collection Accounts, as applicable. Subscriptions amounts paid into the Umbrella Cash Collection Account or Sub-Fund Cash Collection Accounts, as applicable, will be paid into an account in the name of the relevant Sub-Fund on the contractual settlement date. Where subscription monies are received in the Umbrella Cash Collection Account or the Sub-Fund Cash Collection Accounts, as applicable, without sufficient documentation to identify the investor or the relevant Sub-Fund, such monies shall be returned to the relevant investor within five (5) Business Days and as specified in the operating procedure in respect of the Umbrella Cash Collection Account or Sub-Fund Cash Collection Accounts.

Redemptions and distributions, including blocked redemptions or distributions, will be held in the Umbrella Cash Collection Account or Sub-Fund Cash Collection Accounts, as applicable, until payment due date (or such later date as blocked payments are permitted to be paid), and will then be paid to the relevant or redeeming Unitholder.

Failure to provide the necessary complete and accurate documentation in respect of subscriptions, redemptions or dividends, and / or to make payment into the Umbrella Cash Collection Account or the correct Sub-Fund Cash Collection Account, as appropriate, is at the investor's risk.

The Umbrella Cash Collection Account and Sub-Fund Cash Collection Accounts have been opened in the name of the Fund and, in respect of those Sub-Funds considered to be highly leveraged, in the name of the Sub-Fund/s concerned. The Trustee will be responsible for safe-keeping and oversight of the monies in the Umbrella Cash Collection Account and the Sub-Fund Cash Collection Account, and for ensuring that relevant amounts in the Umbrella Cash Collection Account and the Sub-Fund Cash Collection Accounts are attributable to the appropriate Sub-Funds.

The Fund and the Trustee have agreed an operating procedure in respect of the Umbrella Cash Collection Account which identifies the participating Sub-Funds of the Fund, the procedures and protocols to be followed in order to transfer monies from the Umbrella Cash Collection Accounts, the daily reconciliation processes, and the procedures to be followed where there are shortfalls in respect

of a Sub-Fund due to late payment of subscriptions, and / or transfers to a Sub-Fund of moneys attributable to another Sub-Fund due to timing differences.

### **Switching between Sub-Funds**

Unitholders of a Class within a Sub-Fund may switch to the same Class within another Sub-Fund or Sub-Funds as the Manager may permit with the exception of Unitholders in the Flexible Classes, which may not switch to any other Class of Units in the relevant Sub-Fund or in any other Sub-Fund. On the establishment of any new Sub-Fund (or Class thereof) the Manager shall specify the switching rights relating to such Sub-Fund (or Class thereof).

Switching may be effected by application to the Manager on such switching form as may be prescribed by the Manager or by such other means as the Manager, with the consent of the Administrator, may prescribe from time to time where such means are in accordance with the requirements of the Central Bank.

If the switch would result in the Unitholder holding a number of Units in the original Sub-Fund with a value of less than the Minimum Holding, the Manager may, at its discretion, convert the whole of the applicant's holding of Units in the original Sub-Fund or refuse to effect any switch. No switches will be made during any period in which the rights of Unitholders to require the redemption of their Units are suspended. The general provisions on procedures for redemptions (including provisions relating to the delivery of Unit certificates, if issued) will apply equally to switches.

The switching form must be received within the time limits specified for redemption of Units in the original Sub-Fund and application for Units in the new Sub-Fund (or such lesser period as the Manager may permit provided it is prior to the Valuation Point). The Redemption Price/Dealing Price per Unit in the original Sub-Fund will be applied towards the subscription/purchase of Units in the new Sub-Fund.

The number of Units to be issued in the new Sub-Fund will be calculated in accordance with the following formula:

$$A = \frac{B \times C \times D}{E}$$

Where

- A = number of Units of the new Sub-Fund to be allocated
- B = number of Units of the original Sub-Fund to be switched
- C = Redemption Price/Dealing Price per Unit on the relevant Dealing Day for the original Sub-Fund
- D = the currency conversion factor determined by the Administrator as representing the effective rate of exchange of settlement on the relevant Dealing Day applicable to the transfer of assets between the relevant Sub-Funds (where the Base Currencies of the relevant Sub-Funds are different) or where the Base Currencies of the relevant Sub-Funds are the same D = 1
- E = Subscription Price/Dealing Price per Unit on the relevant Dealing Day for the new Sub-Fund

### **Switching between Classes within Sub-Funds**

Unitholders of any Unit Class within a Sub-Fund may switch to another Unit Class of that Sub-Fund as the Manager may permit and subject to compliance with any conditions applicable to that Unit Class with the exception of Unitholders in the Flexible Classes, which may not switch to any other Class of Units in the relevant Sub-Fund or in any other Sub-Fund. The Manager does not intend to charge a switching fee and will notify Unitholders in advance if it is their intention to charge such a fee.

Switching may be effected by application to the Manager on such switching form as may be prescribed by the Directors or by such other means as the Manager, with the consent of the Administrator, may prescribe from time to time where such means are in accordance with the requirements of the Central Bank.

If the switch would result in the Unitholder holding a number of Units in the original class with a value of less than the Minimum Holding, the Manager may, at its discretion, switch the whole of the applicant's

holding of Units in the Sub-Fund or refuse to effect any switch. No switches will be made during any period in which the rights of Unitholders to require the redemption of their Units are suspended.

The general provisions on procedures for redemptions (including provisions relating to the redemption fee) will apply equally to switching. Notice of the proposed switch must be received by the Manager at least two Business Days before a Dealing Day (or such lesser period as the Directors may permit provided it is prior to the Valuation Point).

The number of Units to be issued in the new Unit Class will be calculated in accordance with the following formula:

$$A = \frac{B \times C \times D}{E}$$

Where

- A = number of Units of the new Unit Class to be allocated
- B = number of Units of the original Unit Class to be switched
- C = Net Asset Value per Unit on the relevant Dealing Day for the original Unit Class
- D = the currency switching factor determined by the Administrator as representing the effective rate of exchange on the relevant Dealing Day applicable to the relevant Unit Class (where the Base Currencies of the relevant Sub-Funds are different) or where the Base Currencies of the relevant Unit Classes are the same D = 1
- E = Net Asset Value per Unit on the relevant Dealing Day for the new Unit Class.

Where a conversion involves a switch between (i) a Unit Class designated in the Base Currency and a Currency Hedged Class or (ii) a switch between two Currency Hedged Classes, the relevant exchange rate between the currencies in which the respective Classes are designated will be applied to the calculation.

### **Excessive Trading Policy**

The Manager does not knowingly allow investments that are associated with excessive trading practices as such practices may adversely affect the interests of all Unitholders. Excessive trading includes individuals or groups of individuals whose securities transactions seem to follow a timing pattern or are characterised by excessively frequent or large trades.

Unitholders should, however, be aware that the Sub-Funds may be utilised by certain investors for asset allocation purposes or by structured product providers, which may require the periodic re-allocation of assets between Sub-Funds. This activity will not normally be classed as excessive trading unless the activity becomes, in the opinion of the Manager, too frequent or appears to follow a timing pattern.

As well as the general power of the Manager to refuse subscriptions, switches, conversions or transfers at their discretion, powers exist in other sections of this Prospectus to ensure that unitholder interests are protected against excessive trading such as the sections entitled "Switching Between Sub-Funds" and "Switching between Classes within Sub-Funds" above.

In addition, where excessive trading is suspected, the Sub-Funds may:

- (i) combine Units that are under common ownership or control for the purposes of ascertaining whether an individual or a group of individuals can be deemed to be involved in excessive trading practices. Accordingly, the Manager reserves the right to reject any application for switches, conversions, transfers and/or subscription of units from investors whom they consider to be excessive traders; and
- (ii) levy a redemption charge of 2 per cent of the redemption proceeds to Unitholders whom the Manager, in its reasonable opinion, suspects of excessive trading. This charge will be made for the benefit of the relevant Sub-Fund, and affected unitholders will be notified in their contract notes if such a fee has been charged.

## Subscriptions/Redemptions in Kind

### Subscriptions in Kind

The Manager may issue Units of any Class of Sub-Fund in kind provided that:

- (a) in the case of a person who is not an existing Unitholder no Units shall be issued until the person concerned shall have completed and delivered to the Manager an Account Opening Form and Dealing Form as required under this Prospectus (or otherwise) and satisfied all the requirements of the Manager as to such person's application;
- (b) the nature of the Investments transferred into the Sub-Fund are such as would qualify as Investments of such Sub-Fund in accordance with the investment objectives, policies and restrictions of such Sub-Fund;
- (c) no Units shall be issued until the Investments shall have been vested in the Trustee or any sub-custodian to the Trustee's satisfaction and the Trustee shall be satisfied that the terms of such settlement will not be such as are likely to result in any material prejudice to the existing Unitholders of the Sub-Fund; and
- (d) the Manager is satisfied that the terms of any exchange would not be such as would be likely to result in any prejudice to remaining Unitholders and provided that any such exchange shall be effected upon the terms (including provision for paying any expenses of exchange and any preliminary charge as would have been payable for Units issued for cash) that the number of Units issued shall not exceed the number which would have been issued for cash against payment of a sum equal to the value of the Investments concerned calculated in accordance with the procedures for the valuation of the assets of the relevant Sub-Fund. Such sum may be increased by such amount as the Manager may consider represents an appropriate provision for Duties and Charges which would have been incurred by the relevant Sub-Fund in the acquisition of the Investments by purchase for cash or decreased by such amount as the Manager may consider represents any Duties and Charges to be paid to the Sub-Fund as a result of the direct acquisition by the Sub-Fund of the Investments.

### Redemptions in Kind

The Manager may redeem Units of any Class of a Sub-Fund in kind provided that:

- (a) a Dealing Form is completed and delivered to the Manager as required by this Prospectus and the redemption request otherwise satisfies all the requirements of the Manager as to such request and the Unitholder seeking redemption of Units agrees to such course of action;
- (b) the Manager is satisfied that the terms of any exchange would not be such as would be likely to result in any prejudice to the remaining Unitholders, and elects that instead of the Units being redeemed in cash, the redemption shall be satisfied in kind by the transfer to the Unitholder of Investments provided that the value thereof shall not exceed the amount which otherwise would have been payable on a cash redemption and provided that the transfer of Investments is approved by the Trustee. Such value may be reduced by such amount as the Manager may consider represents any Duties and Charges to be paid to the Sub-Fund as a result of the direct transfer by the Sub-Fund of the Investments or increased by such amount as the Manager may consider represents any appropriate provision for Duties and Charges which would have been incurred by the Sub-Fund in the disposition of the Investments to be transferred. The shortfall (if any) between the value of the Investments transferred on a redemption in kind and the redemption proceeds which would have been payable on a cash redemption shall be satisfied in cash. Any decline in the value of the Investments to be transferred in settlement of a redemption between the relevant Dealing Day and the day on which Investments are delivered to the redeeming Unitholder shall be borne by the redeeming Unitholders; and



- (c) if a redeeming Unitholder requests redemption of a number of Units that represents 5% or more of the Net Asset Value of a Sub-Fund, the Manager may in its sole discretion redeem the Units by way of exchange for Investments and in such circumstances the Manager will, if requested by the redeeming Unitholder, sell the Investments on behalf of the Unitholder. The cost of such a sale may be charged to the Unitholder.

If the discretion conferred upon the Manager above is exercised, the Manager shall notify the Trustee and shall supply to the Trustee particulars of the Investments to be transferred and any amount of cash to be paid to the Unitholder. All stamp duties, transfer and registration fees in respect of such transfer shall be payable by the Unitholder. Any allocation of Investments pursuant to an in kind redemption is subject to the approval of the Trustee.

### **Total Redemption**

All of the Units of any Sub-Fund may be redeemed (inter alia):

- (a) if the holders of 75% in value of the issued Units of the Sub-Fund approve the redemption at a meeting of Unitholders of the Sub-Fund of which not more than twelve and not less than four weeks' notice has been given; or
- (b) at the discretion of the Manager, after the first anniversary of the first issue of Units of the relevant Sub-Fund, if the Net Asset Value of the Sub-Fund falls, for a period of 90 consecutive days or more, below €250,000,000 or its foreign currency equivalent.

All of the Units of the Fund shall be redeemed if the Trustee has served notice of its intention to retire under the terms of the Trust Deed (and has not revoked such notice) and no new Trustee has been formally approved and appointed by the Manager within six months of the date of service of such notice.

### **Non-Dealing Days**

Some Business Days will not be Dealing Days for certain Sub-Funds where, for example, a substantial amount of such Sub-Fund's portfolio is traded in market(s) which are closed (including Business Days on which the Sub-Funds will be unable to take appropriate actions in the underlying market(s) to reflect subscriptions in or redemptions out of Sub-Fund Units made on that day because of market illiquidity). In addition, the day immediately preceding such a relevant market closure may be a non-Dealing Day for such Sub-Funds, in particular where the "Cut Off Time" set out in the Dealing Timetable at Appendix V occurs at a time when the relevant markets are already closed to trading, so that the Sub-Funds will be unable to take appropriate actions in the underlying market(s) to reflect investments in or divestments out of Sub-Fund Units made on that day. A list of the Business Days which will be treated as non-Dealing Days for certain Sub-Funds from time to time can be obtained from the Manager upon request and is also available at <http://www.blackrock.com/uk/intermediaries/literature/income-equalisation/non-dealing-day-notification-ucits-funds.pdf>. This list is subject to change.

### **Transfer of Units**

Units are (save as hereinafter specified) freely transferable and may be transferred in writing in a form approved by the Manager or by such other means as the Manager, with the consent of the Administrator, may prescribe from time to time where such means are in accordance with the requirements of the Central Bank. No transfer of Units of the Flexible Classes may be made unless the proposed transferee has a current Client Agreement with the Investment Manager or an Affiliate and has also completed an Account Opening Form and has provided such other information (e.g. as to identity) as the Manager may reasonably require. The Manager may decline to register any transfer of a Unit where it appears that such transfer would result in the legal or beneficial ownership of such Units by a person who is not a Qualified Holder or expose the Fund to adverse tax or regulatory consequences. During any period when the determination of the Net Asset Value of the relevant Sub-Fund has been temporarily suspended, the Manager at its discretion may permit the registration of any transfer of Units.

### **Temporary Suspensions**

The Manager may temporarily suspend the determination of the Net Asset Value of any Sub-Fund and the issue and redemption of Units of any Class of any Sub-Fund during the whole or part of any period:

- (a) when any of the principal markets on which any significant portion of the Investments of the relevant Sub-Fund from time to time are quoted, listed, traded or dealt in is closed (otherwise than for customary weekend or ordinary holidays) or during which dealings therein are restricted or suspended or trading on any relevant futures exchange or market is restricted or suspended;
- (b) when, as a result of political, economic, military or monetary events or any other circumstances outside the control, responsibility and power of the Manager, any disposal or valuation of Investments of the relevant Sub-Fund is not, in the opinion of the Manager, reasonably practicable without this being seriously detrimental to the interests of owners of Units in general or the owners of Units of the relevant Sub-Fund or if, in the opinion of the Manager, the Redemption Price cannot fairly be calculated or such disposal would be materially prejudicial to the owners of Units in general or the owners of Units of the relevant Sub-Fund;
- (c) during which any breakdown occurs in the means of communication normally employed in determining the value of any of the Investments of the Fund or when for any other reason the value of any of the Investments or other assets of the relevant Sub-Fund cannot reasonably or fairly be ascertained;
- (d) when the Manager is unable to repatriate funds required for the purpose of making redemption payments or when such payments cannot, in the opinion of the Manager, be effected at normal prices or normal rates of exchange or during which any transfer of funds involved in the realisation or acquisition of Investments or when payments due or redemption cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange; or
- (e) following service of a notice of a meeting of the Unitholders at which a resolution is to be proposed to wind up the Fund or a Sub-Fund or a resolution has been passed for the winding up of the Fund or a Sub-Fund.

The Manager, where possible, will take all necessary steps to bring any period of suspension to an end as soon as possible.

In the event of any suspension as set out above, the Manager will immediately publish such fact on [www.blackrock.com](http://www.blackrock.com) and will immediately (and in any event during the Business Day on which the suspension occurred), notify the Central Bank and any other competent authority in a Member State or other country in which Units are marketed.

The Manager or Administrator will not be liable for any costs incurred by an investor as a result of the temporary suspension of the restriction of redemptions as set out above.

### **Redemption Restrictions**

Where the Administrator receives in respect of any Valuation Point requests for redemptions which in the aggregate amount to more than 10% of the Net Asset Value of any Sub-Fund, the Manager, in its sole discretion, may reduce each such request for redemption of Units pro rata so that all such requests cover no more than 10% of the Net Asset Value of the particular Sub-Fund. Any part of a redemption request to which effect is not given by reason of the exercise of this power by the Manager shall be treated as if a request had been made in respect of the next Dealing Day and each succeeding Dealing Day (in relation to which the Manager shall have the same power) until the original requests have been satisfied in full.

For the avoidance of doubt, deferred redemptions as described above will not be effected in priority to other redemption or switching requests received on the same Dealing Day. If redemption or switching requests are so carried forward, the Manager shall procure that the Unitholders whose dealings are affected thereby are promptly informed.

The Manager or Administrator will not be liable for any costs incurred by an investor as a result of the temporary suspension of the issue and redemption of Units of any Sub-Fund.

## **Currency of Payment and Foreign Exchange Transactions**

Where payments in respect of subscriptions, redemptions or switches of Units or dividend payments are tendered or requested in a major currency other than the designated currency of the relevant Unit Class of the relevant Sub-Fund any necessary foreign exchange transactions may be arranged by the Manager (at its discretion) for the account of, and at the risk and expense of, the applicant, in the case of purchases at the time cleared funds are received, in the case of redemptions at the time the request for redemption is received and accepted, and in the case of dividends at the time of payment. The Manager may arrange for such transactions to be carried out by an affiliate of the Investment Manager. The exchange rate applicable to any such transactions will be the prevailing exchange rate quoted by the Manager's bankers or by an Affiliate.

## **FEES AND EXPENSES**

### **General**

#### **Establishment Expenses**

All fees and expenses relating to the establishment of the Sub-Funds of the Trust, other than the BlackRock UK Equity Income Fund, BlackRock Defensive Yield ESG Screened Fund, BlackRock Emerging Markets Alpha Tilts Fund, BlackRock Systematic ESG Emerging Markets Equity Fund, BlackRock Tactical Opportunities Fund and BlackRock Diversifying Fixed Income Fund have been paid.

The fees and expenses relating to the establishment of the Credit Screened Funds did not exceed €50,000. The fees and expenses relating to the establishment of the Sovereign Screened Bond Funds did not exceed €20,000 and the fees and expenses relating to the establishment of the Mix Funds did not exceed €40,000. The fees and expenses relating to the establishment of the BlackRock Diversified Distribution Fund did not exceed €30,000. The fees and expenses in relation to the establishment of the BlackRock Euro Sovereign Bond Index Fund 1 and BlackRock Customised Euro Corporate Bond Index Fund 1 did not exceed €30,000. The fees and expenses in relation to the establishment of the BlackRock Multi Style Strategy Fund, BlackRock Global Equity Selection Fund, BlackRock Fixed Income Selection Fund, BlackRock Diversified Strategies Selection Fund, BlackRock Multi Asset Balanced Selection Fund, BlackRock Multi Asset Conservative Selection Fund, BlackRock Euro Cash Fund and BlackRock Dynamic Allocation Fund did not exceed €30,000 for each Sub-Fund. The fees and expenses in relation to the establishment of the BlackRock UK Equity Income Fund, BlackRock Defensive Yield ESG Screened Fund, BlackRock Emerging Markets Alpha Tilts Fund, BlackRock Systematic ESG Emerging Markets Equity Fund and BlackRock Tactical Opportunities Fund are not expected to exceed €30,000 per Sub-Fund. The fees and expenses relating to the establishment of the BlackRock Diversifying Fixed Income Fund are not expected to exceed €40,000. The fees and expenses relating to the establishment of the BlackRock Cangrande Global Index Equity Fund are not expected to exceed €40,000. These establishment expenses will be charged as between the various Sub-Funds within the amortisation period on such terms and in such manner as the Manager deems fair and equitable and provided that each Sub-Fund will bear its own direct establishment costs and listing costs (where applicable). Any new Sub-Fund established after the amortisation period will bear its own direct establishment costs and listing costs, if applicable, and such costs will be amortised over the first five financial years after their launch or such other period as the Manager may determine. Details of these costs will be set out in this Prospectus or relevant Supplement for such Sub-Funds.

The Manager reserves the right to add or deduct from the Net Asset Value per Unit of the relevant Class, as appropriate, an amount representing Duties and Charges relating to the purchase or sale of underlying investments. In particular, this is likely on days where the Sub-Funds experience large inflows of subscriptions or large outflows of redemptions.

There will be no subscription or redemption fees charged save for the subscription fee in respect of the Mix Funds, BlackRock Diversified Distribution Fund, BlackRock Euro Sovereign Bond Index Fund 1, BlackRock Customised Euro Corporate Bond Index Fund 1 and BlackRock Multi Style Strategy Fund and in respect of the Class A Accumulating Units of the BlackRock Global Equity Selection Fund, BlackRock Fixed Income Selection Fund and BlackRock Multi Asset Conservative Selection Fund, in each case as set out below. However, in respect of the Mix Funds, BlackRock Diversified Distribution Fund and BlackRock Diversifying Fixed Income Fund the Manager reserves the right to adjust the Net

Asset Value per Unit of the relevant Class, as appropriate, by adding to or deducting from the Net Asset Value per Unit an amount representing Duties and Charges relating to the purchase or sale of underlying investments.

Value added tax (if any) on fees payable to the Manager, Trustee and Administrator will be borne by the Fund.

### **Service Providers' Fees**

The Manager is entitled to charge a fee calculated as a percentage per annum of the Net Asset Value of each Sub-Fund or relevant Unit Class as set out in the "Table of Fees and Expenses". Different percentages may be charged to different Unit Classes of the same Sub-Fund and in this respect the fees payable may be higher or lower than the fees payable by other or existing Unit Classes. The Manager will be responsible for discharging, from this fee, all fees (including reasonable out of pocket expenses) of the Investment Manager (a portion of which may be paid to distributors which may be affiliates of the Investment Manager), the Administrator and the Trustee, except in circumstances where a Client Agreement may exist in respect of a particular Unit Class in which case no investment management fees will be charged to the assets attributable to that Class. The fee will be accrued on a daily basis and will be paid monthly in arrears. The Manager is entitled to increase such fee in respect of certain Unit Classes and the maximum fee to which the Manager will be entitled is set out in the "Table of Fees and Expenses". Unitholders will be notified in writing in advance of any proposed increase of such fees up to such maximum.

### **Client Agreement**

Where a Client Agreement may exist in respect of a particular Unit Class, no investment management fees/expenses will be charged to the assets attributable to the Class to be discharged by the Manager. Unitholders in the Class will be subject to a fee with regard to the investment in the relevant Unit Class based on the Client Agreement between themselves and the Investment Manager or an Affiliate. Where a Client Agreement applies to a particular Class, details will be set out in the "Table of Fees and Expenses" or in a revised supplement.

The Manager reserves the right to repurchase the entire holding of Units of any Unitholder (deducting any amount owed for unpaid investment management fees), if the relevant Client Agreement is terminated for any reason whatsoever.

The Investment Manager may also, where provided for in this Prospectus or in the relevant Supplement, be entitled to receive a performance fee from a Sub-Fund calculated in the manner set out in this Prospectus or in the relevant Supplement.

### **Fees in Underlying CIS**

The Fund and any Sub-Fund may, subject to the conditions set out in Appendix III, invest in other CIS, which may be operated and/or managed by an Interested Party including, but not limited to, funds of Institutional Cash Series plc. As an investor in such other CIS, in addition to the fees, costs and expenses payable by a Unitholder in the Sub-Funds, each Unitholder may also indirectly bear a portion of the fees, costs and expenses of the underlying CIS, including management, investment management and, administration and other expenses.

The maximum level of management fees that may be charged to the CIS in which the Mix Funds, BlackRock Diversified Distribution Fund, BlackRock Diversifying Fixed Income Fund, BlackRock Global Equity Selection Fund, BlackRock Fixed Income Selection Fund, BlackRock Diversified Strategies Selection Fund, BlackRock Multi Asset Balanced Selection Fund, BlackRock Multi Asset Conservative Selection Fund, BlackRock Euro Cash Fund and BlackRock Cangrande Global Index Equity Fund invests is 1% of the underlying CIS's Net Asset Value.

### **Paying Agents and Local Intermediaries**

Local regulations in EEA Member States may, from time to time, require the appointment of paying agents and/or other local agents and the maintenance of accounts by such agents through which

subscriptions and redemption monies may be paid. Such local intermediaries shall be appointed in accordance with the requirements of the Central Bank.

The fees of any such intermediate entity will be at normal commercial rates and will be borne by the Unitholders who will avail of the services provided by such agent. In certain circumstances such fees may be borne by the Fund out of the assets of the relevant Sub-Fund or Sub-Funds.

Investors who choose or are obliged under local regulations to pay/receive subscription/redemption monies via such an intermediary entity rather than directly to or from the Trustee (e.g. a sub-distributor or agent in the local jurisdiction) will bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Trustee and (b) redemption monies payable by such intermediate entity to the relevant investor.

### **Financial Intermediaries' Fees**

Financial Intermediaries, such as third party distributors, may receive a portion of the ongoing fees payable to the Manager by the Fund (and/or of the ongoing fees payable to the Investment Manager) or from the Manager's and/or Investment Manager's own resources for distribution, shareholder or marketing support services. Any such amounts paid do not increase the amount paid by Unitholders or the Fund. These payments are generally based upon average net assets invested in the Fund attributable to that Financial Intermediary. The financial arrangements may vary for each Financial Intermediary.

MiFID II introduces restrictions on the receipt and retention of fees, commissions, monetary and non-monetary benefits ("inducements") where firms, regulated under MiFID II, provide clients with portfolio management services or independent investment advice. It also introduces obligations where firms provide clients with other services (such as execution services or restricted investment advice). In such cases, where a firm receives and retains an inducement, it must ensure that the receipt and retention of the inducement is designed to enhance the quality of the relevant service to the client and is properly disclosed. Where authorised intermediaries or distributors are subject to MiFID II and receive and/or retain any inducements, they must ensure that they comply with all applicable legislation, including, those introduced by MiFID II.

### *Sales Charge*

Applications to purchase Class A Accumulating Units, Class D Accumulating Units and Class E Accumulating Units through a Financial Intermediary may incur a sales charge and/or other costs which are payable to the relevant Financial Intermediary and are not charged by the Fund. Such charge shall be deducted from the subscription amount and shall be applied at the discretion of the relevant Financial Intermediary. The Financial Intermediary may apply the sales charge at the point of conversion of Units into Class A Accumulating, Class D Accumulating and/or Class E Accumulating Units. The terms of any such charge will be agreed between the Financial Intermediary and the relevant Class A Accumulating, Class D Accumulating and/or Class E Accumulating Unitholder from time to time and will not exceed 4% of the Net Asset Value per Unit.

### *UK – Retail Distribution Review*

As a result of the UK Financial Conduct Authority's Retail Distribution Review, neither the Manager nor the Investment Manager / Distributor will be permitted to pay initial or renewal commission or rebate of the annual management charge to authorised intermediaries or to third party distributors or agents in respect of any subscriptions for, or holdings of, units for any UK retail investors in respect of investments made as a result of the investor having received a personal recommendation on or after 31 December 2012.

### **Subscription Fee**

A fee of 5% of the Net Asset Value per Unit will apply to subscriptions for Units in the Mix Funds, BlackRock Diversified Distribution Fund, BlackRock Euro Sovereign Bond Index Fund 1, BlackRock Customised Euro Corporate Bond Index Fund 1 and BlackRock Multi Style Strategy Fund, and in respect

of the Class A Accumulating Units of the BlackRock Global Equity Selection Fund, BlackRock Fixed Income Selection Fund and BlackRock Multi Asset Conservative Selection Fund.

In each case, the Manager has the discretion to waive this fee.

### **Index Fee**

An index licensing fee of up to \$10,000 per annum may be charged out of the assets of the BlackRock Diversified Distribution Fund in respect of one or more indices which comprise the reference portfolio for Relative VaR purposes.

An index licensing fee of up to \$10,000 per annum may be charged out of the assets of each of the BlackRock Euro Sovereign Bond Index Fund 1 and BlackRock Customised Euro Corporate Bond Index Fund 1 in relation to their respective benchmark indices.

An index licensing fee of up to 0.001% per annum of the Net Asset Value of the BlackRock Cangrande Global Index Equity Fund may be charged out of the assets of the BlackRock Cangrande Global Index Equity Fund in relation to its benchmark index.

### **Operational Expenses**

The Fund will also pay out of the assets of each Sub-Fund:

- (a) reasonable out of pocket expenses of the Manager;
- (b) any fees in respect of circulating details of the Net Asset Value (including publishing prices) and Net Asset Value per Unit;
- (c) stamp duties;
- (d) taxes;
- (e) rating fees (if any);
- (f) brokerage or other expenses of acquiring and disposing of Investments;
- (g) fees and expenses of the auditors, tax, legal and other professional advisers;
- (h) fees connected with listing of Units on any stock exchange;
- (i) fees and expenses in connection with the distribution of Units and costs of registration of the Fund in jurisdictions outside Ireland;
- (j) the Central Bank's industry funding levy;
- (k) costs of preparing, printing and distributing the Prospectus, Supplements, KIID, reports, accounts and any explanatory memoranda;
- (l) any necessary translation fees;
- (m) any costs incurred as a result of periodic updates of the Prospectus, Supplements, KIID or of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law);
- (n) any other fees and expenses relating to the management and administration of the Fund or attributable to the Investments of the Sub-Funds;
- (o) in respect of each financial year of the Fund in which expenses are being determined, such proportion (if any) of the establishment and reconstruction expenses as are being amortised in that year.

The above fees will be determined on the last Dealing Day of each month. Such fees will be accrued on a daily basis and will be paid monthly in arrears.

All fees and expenses, Duties and Charges will be charged to the Sub-Fund (and Class thereof, if appropriate) in respect of which they were incurred or, where an expense is not considered by the Manager to be attributable to any one Sub-Fund (or Class thereof), the expense will normally be allocated to classes of all Sub-Funds pro rata to the Net Asset Value of the relevant Sub-Funds. Expenses of a Sub-Fund which are directly attributable to a specific Class of Units are charged against the income available for distribution to the holders of such Units. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Manager may calculate such fees and expenses on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any period.

### **Securities Lending Fee**

The Investment Manager may be appointed by the Manager as the securities lending agent of the Sub-Fund under the terms of a securities lending management agreement. Under the terms of such an agreement, the securities lending agent is appointed to manage the relevant Sub-Fund's securities lending activities and is entitled to receive a fee out of the income earned from securities lending which is in addition to its fee as investment manager. To the extent a Sub-Fund undertakes securities lending and appoints the Investment Manager as the securities lending agent, the Sub-Fund will receive 62.5% of the associated revenue generated from securities lending activities and the remaining 37.5% will be received by the securities lending agent which will pay for any securities lending costs out of its portion of the revenue. Full financial details of the amounts earned and expenses incurred with respect to securities lending for the Sub-Fund, including fees paid or payable, will also be included in the annual and semi-annual financial statements. The Manager will, at least annually, review the securities lending arrangements and associated costs.

### **BlackRock Multi Style Strategy Class U Performance Fee**

All references to Units in this section should be read as references to the Class U Accumulating Class in the BlackRock Multi Style Strategy Fund for the purpose of calculating the Performance Fee.

A number of definitions are used to describe how the performance fee is calculated, as follows:

“Benchmark”, the value of the index against which the performance of the BlackRock Multi Style Strategy Fund is measured for the purpose of calculating the Performance Fee, being the value of the Eonia + 1% with net dividends reinvested. The Eonia rate is the 1-day interbank interest rate for the Euro zone. For the avoidance of doubt, the Benchmark is solely used for Performance Fee calculation purposes and should therefore under no circumstances be considered as indicative of a specific investment style.

“Net Asset Value” or “NAV”, for the purposes of the Performance Fee calculation, the Net Asset Value of each Unit in the Class U Accumulating Class in the BlackRock Multi Style Strategy Fund after the Performance Fee and all other regularly accruing charges and expenses have been accrued to the BlackRock Multi Style Strategy Fund at the relevant Valuation Point.

“Performance Fee”, the performance fee that the Investment Manager shall be entitled to receive out of the assets of the BlackRock Multi Style Strategy Fund in respect of the Class U Accumulating Class.

“Performance Period”, means a calendar year, except that: (i) in relation to subscriptions made intra-year, it shall mean the period between the Valuation Point at which the subscription is made and the end of that calendar year and (ii) in relation to redemptions made intra-year, it shall mean the period from the end of the previous calendar year to the relevant Valuation Point at which the redemption is made. In relation to the first Performance Period it shall mean the period from launch of the relevant Unit Class in the BlackRock Multi Style Strategy Fund and ending at close of business on the Dealing Day corresponding with the end of the first calendar year.

“Reference NAV”, either for the first Performance Period of the Class U Accumulating Class the initial Net Asset Value per Unit adjusted by the accumulated Benchmark, or in subsequent Performance Periods the Reference NAV will be the higher of:

- (a) the NAV per Unit of the Class U Accumulating Class at the end of the previous Performance Period where a performance fee has been paid out, adjusted by accumulated Benchmark since the last performance fee was paid out; or
- (b) the NAV per Unit of the Class U Accumulating Class at the end of the previous Performance Period.

#### Calculation and Accrual

The Performance Fee shall be calculated and shall accrue at each Valuation Point and the accrual will be reflected in the NAV of the relevant Unit Class. The Performance Fee will be paid annually in arrears as soon as practicable after the close of business on the Business Day following the end of the relevant Performance Period.

The Performance Fee shall be equal to 15% of the amount if any, by which the NAV outperforms the Reference NAV on the last Business Day of the Performance Period. If there is a redemption from the Sub-Fund during a Performance Period, the Performance Fee will crystallise with respect to those Units and will be deducted from the final redemption proceeds payable to the redeeming Unitholder.

The Performance Fee is calculated by the Administrator and verified by the Trustee.

Any underperformance by a Unit Class relative to the Reference NAV during a Performance Period must be clawed back by that Unit Class before any subsequent Performance Fee becomes payable.

The Performance Fee shall only be payable on the amount by which each Unit Class outperforms the Reference NAV. In practical terms this will be achieved by introducing a high watermark principle or "Prior High Net Asset Value" (as defined below) for each Class. For each Performance Period, a Performance Fee will only be payable by a particular Unit Class if the NAV of a Unit in that Class at the end of a Performance Period is greater than the prevailing Prior High Net Asset Value for that Class.

The "Prior High Net Asset Value" of each Class is the NAV per Unit for that Class at the end of the last performance period in respect of which a Performance Fee has been paid (or, if no Performance Fee has yet been paid with respect to any such Performance Period, the initial Dealing Price).

At the end of each Performance Period, where a Performance Fee has been paid, and only then, the Prior High Net Asset Value per Unit will be reset to the Net Asset Value per Unit of the relevant Class at the end of such Performance Period. For the avoidance of doubt, where the relevant Unit Class has underperformed, (i.e. its NAV per Unit at the end of a Performance Period is below the Prior High Net Asset Value per Unit), no Performance Fee will be payable until the underperformance is clawed back.

**Investors should note that the Investment Manager may be paid a Performance Fee which will be based on realised and unrealised gains. Therefore, it is an inherent risk in the BlackRock Multi Style Strategy Fund that Performance Fees may be paid on unrealised gains which may never ultimately be realised by the BlackRock Multi Style Strategy Fund.**





**TABLE OF FEES AND EXPENSES**

<b>Fund Name</b>	<b>Unit Class</b>	<b>Management Fee (including fee for Administrator and Trustee and Investment Management Fee where applicable)</b>	<b>Maximum aggregate Management Fee (including fee for Administrator and Trustee and Investment Management Fee where applicable)</b>	<b>Investment Management Fee</b>
		<b>UP TO THE FOLLOWING:</b>	<b>UP TO THE FOLLOWING:</b>	
<b>BlackRock UK Credit Screened Fund</b>	Flexible Accumulating Unit Class	0.15%	0.15%	Client Agreement
	Flexible Distributing Unit Class	0.15%	0.15%	Client Agreement
	Institutional Accumulating Unit Class	0.30%	1%	Included in Management Fee
	Institutional Distributing Unit Class	0.30%	1%	Included in Management Fee
<b>BlackRock Developed Markets Sovereign Screened Bond Fund</b>	Flexible Accumulating Unit Class	0.15%	0.15%	Client Agreement
	Flexible Distributing Unit Class	0.15%	0.15%	Client Agreement
	Institutional Accumulating Unit Class	0.15%	0.40%	Included in Management Fee
	Institutional Distributing Unit Class	0.15%	0.40%	Included in Management Fee
<b>BlackRock Emerging Markets Sovereign Screened Bond Fund</b>	Flexible Accumulating Unit Class	0.15%	0.15%	Client Agreement
	Flexible Distributing Unit Class	0.15%	0.15%	Client Agreement
	Institutional Accumulating Unit Class	0.30%	0.60%	Included in Management Fee
	Institutional Distributing Unit Class	0.30%	0.60%	Included in Management Fee
<b>BlackRock Mix Fonds 1</b>	Class R Accumulating	0.50%	1%	Included in Management Fee
<b>BlackRock Mix Fonds 2</b>	Class R Accumulating	0.50%	1%	Included in Management Fee
<b>BlackRock Mix Fonds 3</b>	Class R Accumulating	0.50%	1%	Included in Management Fee
<b>BlackRock Mix Fonds 4</b>	Class R Accumulating	0.50%	1%	Included in Management Fee
<b>BlackRock Mix Fonds 5</b>	Class R Accumulating	0.50%	1%	Included in Management Fee

<b>BlackRock Diversified Distribution Fund</b>	Institutional Distributing Unit Class	0.50%	1%	Included in Management Fee
<b>BlackRock Euro Sovereign Bond Index Fund 1</b>	Institutional Accumulating Unit Class	0.15%	0.15%	Included in Management Fee
<b>BlackRock Customised Euro Corporate Bond Index Fund 1</b>	Institutional Accumulating Unit Class	0.15%	0.15%	Included in Management Fee
<b>BlackRock Multi Style Strategy Fund</b>	Class U Accumulating	1%	2%	Included in Management Fee
<b>BlackRock Fixed Income Selection Fund</b>	Class A Accumulating	1.55%	2.20%	Included in Management Fee
	Class D Accumulating	0.80%	1.45%	Included in Management Fee
	Class E Accumulating	1.85%	2.50%	Included in Management Fee
<b>BlackRock Multi Asset Conservative Selection Fund</b>	Class A Accumulating	1.85%	2.50%	Included in Management Fee
	Class D Accumulating	0.90%	1.55%	Included in Management Fee
	Class E Accumulating	2.15%	2.80%	Included in Management Fee
	Flexible Accumulating Unit Class	0.15%	0.15%	Client Agreement
<b>BlackRock Multi Asset Balanced Selection Fund</b>	Class D Accumulating	0.95%	1.60%	Included in Management Fee
	Class E Accumulating	2.45%	3.10%	Included in Management Fee
<b>BlackRock Global Equity Selection Fund</b>	Class A Accumulating	2.10%	2.75%	Included in Management Fee
	Class D Accumulating	1.05%	1.70%	Included in Management Fee
	Class E Accumulating	2.75%	3.40%	Included in Management Fee
<b>BlackRock Diversified Strategies Selection Fund</b>	Class D Accumulating	1.15%	1.80%	Included in Management Fee
	Class E Accumulating	2.45%	3.10%	Included in Management Fee
<b>BlackRock Euro Cash Fund</b>	Class D Accumulating	0.45%	1.10%	Included in Management Fee
	Class E Accumulating	0.60%	1.25%	Included in Management Fee
<b>BlackRock Dynamic Allocation Fund</b>	Class D Accumulating	0.57%	1%	Included in Management Fee
	Class D Distributing	0.57%	1%	Included in Management Fee
	Flexible Accumulating Unit Class	0.15%	0.15%	Client Agreement
	Flexible Distributing Unit Class	0.15%	0.15%	Client Agreement

	Institutional Accumulating Unit Class	0.52%	1%	Included in Management Fee
	Institutional Distributing Unit Class	0.52%	1%	Included in Management Fee
<b>BlackRock UK Equity Income Fund</b>	Class A Accumulating	2.10%	2.60%	Included in Management Fee
	Class A Distributing	2.10%	2.60%	Included in Management Fee
	Class D Accumulating	1.35%	1.85%	Included in Management Fee
	Class D Distributing	1.35%	1.85%	Included in Management Fee
	Class S Accumulating	1.27%	1.77%	Included in Management Fee
	Class S Distributing	1.27%	1.77%	Included in Management Fee
	Class X Accumulating	0.60%	1.10%	Client Agreement
	Class X Distributing	0.60%	1.10%	Client Agreement
	Class Z Accumulating	1.10%	1.60%	Included in Management Fee
	Class Z Distributing	1.10%	1.60%	Included in Management Fee
<b>BlackRock Defensive Yield ESG Screened Fund</b>	Class A Accumulating	0.45%	1%	Included in Management Fee
	Class A Distributing	0.45%	1%	Included in Management Fee
	Class D Accumulating	0.24%	1%	Included in Management Fee
	Class D Distributing	0.24%	1%	Included in Management Fee
	Class D CHF Hedged Accumulating	0.24%	1%	Included in Management Fee
	Class D CHF Hedged Distributing	0.24%	1%	Included in Management Fee
	Class D GBP Hedged Accumulating	0.24%	1%	Included in Management Fee
	Class D GBP Hedged Distributing	0.24%	1%	Included in Management Fee
	Class Z Accumulating	0.19%	1%	Included in Management Fee
	Class Z Distributing	0.19%	1%	Included in Management Fee
	Class Z CHF Hedged Accumulating	0.19%	1%	Included in Management Fee
	Class Z CHF Hedged Distributing	0.19%	1%	Included in Management Fee
	Flexible Accumulating Unit Class	0.15%	0.15%	Client Agreement
	Flexible Distributing Unit Class	0.15%	0.15%	Client Agreement
<b>BlackRock Emerging Markets Alpha Tilts Fund</b>	Class D Accumulating	1.10%	1.20%	Included in Management Fee
	Class Z Accumulating	1.10%	1.20%	Included in Management Fee

	Institutional Accumulating Unit Class	1.10%	1.20%	Included in Management Fee
	Flexible Accumulating Unit Class	0.30%	0.40%	Client Agreement
<b>BlackRock Systematic ESG Emerging Markets Equity Fund</b>	Class A Accumulating	0.85%	0.95%	Included in Management Fee
	Flexible Accumulating Unit Class	0.20%	0.30%	Client Agreement
	Class A EUR Accumulating	0.85%	0.95%	Included in Management Fee
	Flexible EUR Accumulating Unit Class	0.20%	0.30%	Client Agreement
	Class A EUR Hedged Accumulating	0.85%	0.95%	Included in Management Fee
	Flexible EUR Hedged Accumulating Unit Class	0.20%	0.30%	Client Agreement
<b>BlackRock Tactical Opportunities Fund</b>	Flexible Accumulating Unit Class	0.45%	0.55%	Client Agreement
	Flexible Distributing Unit Class	0.45%	0.55%	Client Agreement
	Institutional Accumulating Unit Class	1%	1.25%	Included in Management Fee
	Institutional Distributing Unit Class	1%	1.25%	Included in Management Fee
	Flexible EUR Hedged Accumulating Unit Class	0.45%	0.55%	Client Agreement
	Flexible EUR Hedged Distributing Unit Class	0.45%	0.55%	Client Agreement
	Institutional EUR Hedged Accumulating Unit Class	1%	1.25%	Included in Management Fee
	Institutional EUR Hedged Distributing Unit Class	1%	1.25%	Included in Management Fee
	Flexible JPY Hedged Accumulating Unit Class	0.45%	0.55%	Client Agreement
	Flexible JPY Hedged Distributing Unit Class	0.45%	0.55%	Client Agreement
	Institutional JPY Hedged Accumulating Unit Class	1%	1.25%	Included in Management Fee
	Institutional JPY Hedged Distributing Unit Class	1%	1.25%	Included in Management Fee
	Flexible AUD Hedged Accumulating Unit Class	0.45%	0.55%	Client Agreement
	Flexible AUD Hedged Distributing Unit Class	0.45%	0.55%	Client Agreement

	Institutional AUD Hedged Accumulating Unit Class	1%	1.25%	Included in Management Fee
	Institutional AUD Hedged Distributing Unit Class	1%	1.25%	Included in Management Fee
<b>BlackRock Diversifying Fixed Income Fund</b>	Institutional Distributing Unit Class	0.50%	0.50%	Included in Management Fee
	Institutional Accumulating Unit Class	0.50%	0.50%	Included in Management Fee
	Institutional 1 Distributing Unit Class	0.50%	0.50%	Included in Management Fee
	Institutional 2 Distributing Unit Class	0.50%	0.50%	Included in Management Fee
	Institutional 3 Distributing Unit Class	0.50%	0.50%	Included in Management Fee
	Institutional 4 Distributing Unit Class	0.50%	0.50%	Included in Management Fee
	Institutional 5 Distributing Unit Class	0.50%	0.50%	Included in Management Fee
	Class X1 Distributing Unit Class	0.15%	0.15%	Client Agreement
	Class X2 Distributing Unit Class	0.15%	0.15%	Client Agreement
	Class X3 Distributing Unit Class	0.15%	0.15%	Client Agreement
<b>BlackRock Cangrande Global Index Equity Fund</b>	Institutional Distributing Unit Class	0.20%	0.20%	Included in Management Fee

### Research fees

Any external research received by the Investment Manager in connection with investment services that the Investment Manager provides to the Sub-Funds will be paid for by the Investment Manager out of its own resources.

### Soft Commissions

Neither the Investment Manager, any investment adviser, nor any of their affiliates may retain the benefit of any cash commission or rebate paid or payable by any broker or dealer to the Investment Manager, investment adviser or affiliate in respect of any business placed with such broker or dealer by any such person, for and on behalf of the Fund.

The Investment Manager, any investment adviser or affiliate may enter into transactions for the provision to the Investment Manager, any investment adviser or any affiliate for goods and services which assist in the provision of investment services to the Fund or any other client. The execution of all such transactions shall be on a best execution basis and the Fund will pay brokerage which is not in excess of customary institutional full brokerage rates for the service provided.

Details of any soft commission programmes entered into will be set out in the periodic reports of the Fund.

The Investment Manager does not generally engage in soft commission programmes or commission recapture and in respect of the Mix Funds will not engage in soft commission programmes or commission recapture.

## ALLOCATION OF ASSETS AND LIABILITIES

The Trust Deed requires the Trustee to establish a separate Sub-Fund which consists of different Classes of Unit in the following manner (it being understood that the Fund as a whole shall not be liable to third parties):

- (a) the records and accounts of each Sub-Fund shall be maintained separately in the Base Currency of the relevant Sub-Fund;
- (b) the assets of each Sub-Fund shall belong exclusively to that Sub-Fund, shall be segregated, in the records of the Trustee, from the assets of other Sub-Funds, shall not be used to discharge directly or indirectly the liabilities of or claims against any other Sub-Fund and shall not be available for any such purpose;
- (c) the proceeds from the issue of each Class of Unit shall be applied to the relevant Sub-Fund established for that Class of Unit, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Sub-Fund subject to the provisions of the Trust Deed;
- (d) where any asset is derived from another asset, the derived asset shall be applied to the same Sub-Fund as the assets from which it was derived and on each revaluation of an asset the increase or diminution in value shall be applied to the relevant Sub-Fund;
- (e) where an asset or a liability of the Fund cannot be considered as being attributable to a particular Sub-Fund or Sub-Funds, the Manager shall have discretion, to determine the basis upon which such asset or liability shall be allocated between the Sub-Funds and the Manager shall have power at any time and from time to time to vary such basis, including allocating such asset or liability between all Sub-Funds or some of the Sub-Funds pro rata to their Net Asset Values or such other basis as the Manager determines.

## TAXATION

### General

***Prospective investors are urged to consult their own tax advisors in determining the possible tax consequences to them under the law of jurisdictions of which they are citizens, residents or domiciliaries and in which they conduct business. In addition, investors should be aware that tax regulations and legislation and their application and interpretation by the relevant taxation authorities may change from time to time, retroactively as well as prospectively. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time. Other legislation could be enacted that would subject the Fund or a Sub-Fund to additional taxes or subject Unitholders to increased taxes. Any change in the Fund's or Sub-Fund's tax status or in taxation legislation could affect the value of the investments held by the Fund or the Sub-Fund and affect the Sub-Fund's ability to provide the investor returns.***

***The following summary is not a full description or analysis of the complex tax rules and considerations affecting the Unitholders, each Sub-Fund, and each Sub-Fund's proposed operations and is based upon existing laws, judicial decisions and administrative regulations, rulings and practices, all of which are subject to change. The tax and other matters described in the Taxation section do not constitute, and should not be considered as, tax or legal advice to prospective investors.***

Dividends, interest and capital gains (if any) which any of the Sub-Funds receive with respect to their Investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of Investments are located. It is anticipated that the Fund may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in a

repayment to the Fund, the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Unitholders rateably at the time of the repayment.

## IRISH TAX INFORMATION

*The following is a summary of certain Irish tax consequences of the purchase, ownership and disposal of Units. The summary does not purport to be a comprehensive description of all of the Irish tax considerations that may be relevant. The summary relates only to the position of persons who are the absolute beneficial owners of Units and may not apply to certain other classes of persons.*

*The summary is based on Irish tax laws and the practice of the Irish Revenue Commissioners in effect on the date of this Prospectus (and is subject to any prospective or retroactive change). Potential investors in Units should consult their own advisors as to the Irish or other tax consequences of the purchase, ownership and disposal of Units.*

### Taxation of the Fund

The Manager intends to conduct its affairs so that the Fund is Irish tax resident. On the basis that the Fund is Irish tax resident, the Fund qualifies as an 'investment undertaking' for Irish tax purposes and, consequently, is exempt from Irish tax on its income and gains.

The Fund will be obliged to account for Irish tax to the Irish Revenue Commissioners if Units are held by non-exempt Irish resident Unitholders (and in certain other circumstances), as described below. Explanations of the terms "resident" and "ordinarily resident" are set out at the end of this summary.

### Taxation of Non-Irish Unitholders

Where a Unitholder is not resident (or ordinarily resident) in Ireland for Irish tax purposes, the Fund will not deduct any Irish tax in respect of the Unitholder's Units once the declaration set out in the Account Opening Form accompanying this Prospectus has been received by the Fund confirming the Unitholder's non-resident status. The Declaration may be provided by an Intermediary who holds Units on behalf of investors who are not resident (or ordinarily resident) in Ireland, provided that, to the best of the Intermediary's knowledge, the investors are not resident (or ordinarily resident) in Ireland. An explanation of the term 'Intermediary' is set out at the end of this summary.

If this declaration is not received by the Fund, the Fund will deduct Irish tax in respect of the Unitholder's Units as if the Unitholder was a non-exempt Irish resident Unitholder (see below). The Fund will also deduct Irish tax if the Fund has information which reasonably suggests that a Unitholder's declaration is incorrect. A Unitholder will generally have no entitlement to recover such Irish tax, unless the Unitholder is a company and holds the Units through an Irish branch and in certain other limited circumstances. The Fund must be informed if a Unitholder becomes Irish tax resident.

Generally, Unitholders who are not Irish tax resident will have no other Irish tax liability with respect to their Units. However, if a Unitholder is a company which holds its Units through an Irish branch or agency, the Unitholder may be liable to Irish corporation tax in respect of profits and gains arising in respect of the Units (on a self-assessment basis).

### Taxation of Exempt Irish Unitholders

Where a Unitholder is resident (or ordinarily resident) in Ireland for Irish tax purposes and falls within any of the categories listed in section 739D(6) Taxes Consolidation Act of Ireland ("TCA"), the Fund will not deduct Irish tax in respect of the Unitholder's Units once the declaration set out in the Account Opening Form has been received by the Fund confirming the Unitholder's exempt status.

The categories listed in section 739D(6) TCA can be summarised as follows:

1. Pension schemes (within the meaning of section 774, section 784 or section 785 TCA).
2. Companies carrying on life assurance business (within the meaning of section 706 TCA).
3. Investment undertakings (within the meaning of section 739B TCA).
4. Investment limited partnerships (within the meaning of section 739J TCA).
5. Special investment schemes (within the meaning of section 737 TCA).
6. Unauthorised unit trust schemes (to which section 731(5)(a) TCA applies).



7. Charities (within the meaning of section 739D(6)(f)(i) TCA).
8. Qualifying managing companies (within the meaning of section 734(1) TCA).
9. Specified companies (within the meaning of section 734(1) TCA).
10. Qualifying fund and savings managers (within the meaning of section 739D(6)(h) TCA).
11. Personal Retirement Savings Account (PRSA) administrators (within the meaning of section 739D(6)(i) TCA).
12. Irish credit unions (within the meaning of section 2 of the Credit Union Act 1997).
13. The National Asset Management Agency.
14. The National Treasury Management Agency or a Fund Investment Vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or Ireland acting through the National Treasury Management Agency.
15. Qualifying companies (within the meaning of section 110 TCA).

Any other person resident in Ireland who is permitted (whether by legislation or by the express concession of the Irish Revenue Commissioners) to hold Units in the Fund without requiring the Fund to deduct or account for Irish tax.

Irish resident Unitholders who claim exempt status will be obliged to account for any Irish tax due in respect of Units on a self-assessment basis.

If this declaration is not received by the Fund in respect of a Unitholder, the Fund will deduct Irish tax in respect of the Unitholder's Units as if the Unitholder was a non-exempt Irish resident Unitholder (see below). A Unitholder will generally have no entitlement to recover such Irish tax, unless the Unitholder is a company within the charge to Irish corporation tax and in certain other limited circumstances.

#### **Taxation of Other Irish Unitholders**

Where a Unitholder is resident (or ordinarily resident) in Ireland for Irish tax purposes and is not an 'exempt' Unitholder (see above), the Fund will deduct Irish tax on distributions, redemptions and transfers and, additionally, on 'eighth anniversary' events, as described below.

##### *Distributions by the Fund*

If the Fund pays a distribution to a non-exempt Irish resident Unitholder, the Fund will deduct Irish tax from the distribution. The amount of Irish tax deducted will be:

1. 25% of the distribution, where the distributions are paid to a Unitholder who is a company which has made the appropriate declaration for the 25% rate to apply; and
2. 41% of the distribution, in all other cases.

The Fund will pay this deducted tax to the Irish Revenue Commissioners.

Generally, a Unitholder will have no further Irish tax liability in respect of the distribution. However, if the Unitholder is a company for which the distribution is a trading receipt, the gross distribution (including the Irish tax deducted) will form part of its taxable income for self-assessment purposes and the Unitholder may set off the deducted tax against its corporation tax liability.

##### *Redemptions and transfers of Units*

If the Fund redeems Units held by a non-exempt Irish resident Unitholder, the Fund will deduct Irish tax from the redemption payment made to the Unitholder.

Similarly if a non-exempt Irish resident Unitholder transfers (by sale or otherwise) an entitlement to Units, the Fund will account for Irish tax in respect of that transfer. The amount of Irish tax deducted or accounted for will be calculated by reference to the gain (if any) which has accrued to the Unitholder on the Units being transferred and will be equal to:

1. 25% of such gain, where the distributions are paid to a Unitholder who is a company which has made the appropriate declaration for the 25% rate to apply; and

2. 41% of such gain, in all other cases.

The Fund will pay this deducted tax to the Irish Revenue Commissioners. In the case of a transfer of Units, to fund this Irish tax liability, the Fund may appropriate or cancel other Units held by the Unitholder. This may result in further Irish tax becoming due.

Generally, a Unitholder will have no further Irish tax liability in respect of the redemption or transfer. However, if the Unitholder is a company for which the redemption or transfer payment is a trading receipt, the gross payment (including the Irish tax deducted) less the cost of acquiring the Units will form part of its taxable income for self-assessment purposes and the Unitholder may set off the deducted tax against its corporation tax liability.

If Units are not denominated in Euro, a Unitholder may be liable (on a self-assessment basis) to Irish capital gains taxation on any currency gain arising on the redemption or transfer of the Units.

#### *'Eighth Anniversary' Events*

If a non-exempt Irish resident Unitholder does not dispose of Units within eight years of acquiring them, the Unitholder will be deemed for Irish tax purposes to have disposed of the Units on the eighth anniversary of their acquisition (and any subsequent eighth anniversary). On such deemed disposal, the Fund will account for Irish tax in respect of the increase in value (if any) of those Units over that eight year period. The amount of Irish tax accounted for will be equal to:

1. 25% of such increase in value, where the Unitholder is a company which has made the appropriate declaration for the 25% rate to apply; and
2. 41% of the increase in value, in all other cases.

The Fund will pay this tax to the Irish Revenue Commissioners. To fund the Irish tax liability, the Fund may appropriate or cancel Units held by the Unitholder.

However, if less than 10% of the Units (by value) in the relevant Sub-Fund are held by non-exempt Irish resident Unitholders, the Fund may elect not to account for Irish tax on this deemed disposal. To claim this election, the Fund must:

1. confirm to the Irish Revenue Commissioners, on an annual basis, that this 10% requirement is satisfied and provide the Irish Revenue Commissioners with details of any non-exempt Irish resident Unitholders (including the value of their Units and their Irish tax reference numbers); and
2. notify any non-exempt Irish resident Unitholders that the Fund is electing to claim this exemption.

If the exemption is claimed by the Fund, any non-exempt Irish resident Unitholders must pay to the Irish Revenue Commissioners on a self-assessment basis the Irish tax which would otherwise have been payable by the Fund on the eighth anniversary (and any subsequent eighth anniversary).

Any Irish tax paid in respect of the increase in value of Units over the eight year period may be set off on a proportionate basis against any future Irish tax which would otherwise be payable in respect of those Units and any excess may be recovered on an ultimate disposal of the Units.

#### *Unit Exchanges*

Where a Unitholder exchanges Units on arm's length terms for other Units in the Fund or for Units in another Sub-Fund and no payment is received by the Unitholder, the Fund will not deduct Irish tax in respect of the exchange.

#### **Stamp Duty**

No Irish stamp duty (or other Irish transfer tax) will apply to the issue, transfer or redemption of Units. If a Unitholder receives a distribution *in specie* of assets from the Fund, a charge to Irish stamp duty could potentially arise.

## Gift and Inheritance Tax

Irish capital acquisitions tax (at a rate of 33%) can apply to gifts or inheritances of Irish situate assets or where either the person from whom the gift or inheritance is taken is Irish domiciled, resident or ordinarily resident or the person taking the gift or inheritance is Irish resident or ordinarily resident.

The Units are treated as Irish situate assets because they have been issued by an Irish trust. However, any gift or inheritance of Units will be exempt from Irish gift or inheritance tax once:

1. the Units are comprised in the gift or inheritance both at the date of the gift or inheritance and at the “valuation date” (as defined for Irish capital acquisitions tax purposes);
2. the person from whom the gift or inheritance is taken is neither domiciled nor ordinarily resident in Ireland at the date of the disposition; and
3. the person taking the gift or inheritance is neither domiciled nor ordinarily resident in Ireland at the date of the gift or inheritance.

## Taxation of investment in BlackRock ICS Euro Liquidity Fund

BlackRock Euro Cash Fund, a Sub-Fund of the Fund, intends to invest 100% of its assets in units issued by BlackRock ICS Euro Liquidity Fund (the “**Master Fund**”). Each of BlackRock Euro Cash Fund and the Master Fund is authorised by the Central Bank of Ireland as a UCITS. As a result, BlackRock Euro Cash Fund is an Exempt Irish Unitholder (being an investment undertaking within the meaning of section 739B TCA).

Therefore, the Master Fund should not be required to deduct any amounts for or on account of Irish tax in respect of distributions or redemption amounts paid to BlackRock Euro Cash Fund in respect of units in the Master Fund, provided that BlackRock Euro Cash Fund provides an appropriate declaration to the Master Fund confirming that it is an Exempt Irish Unitholder.

Any income or gains earned by BlackRock Euro Cash Fund in respect of its units in the Master Fund will be exempt from Irish tax (as described in the section ‘*Taxation of the Fund*’ above).

## Meaning of Terms

### *Meaning of “Residence” for Companies*

A company which has its central management and control in Ireland is tax resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which was incorporated in Ireland on or after 1 January 2015 is tax resident in Ireland except where the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

A company which does not have its central management and control in Ireland but which was incorporated before 1 January 2015 in Ireland is resident in Ireland except where:

1. the company (or a related company) carries on a trade in Ireland and either the company is ultimately controlled by persons resident in EU member states or in countries with which Ireland has a double tax treaty, or the company (or a related company) are quoted companies on a recognised stock exchange in the EU or in a tax treaty country; or
2. the company is regarded as not resident in Ireland under a double tax treaty between Ireland and another country.

Finally, a company that was incorporated in Ireland before 1 January 2015 will also be regarded as resident in Ireland if the company is (i) managed and controlled in a territory with which a double taxation agreement with Ireland is in force (a ‘relevant territory’), and such management and control would have been sufficient, if exercised in Ireland, to make the company Irish tax resident; and (ii) the company would have been tax resident in that relevant territory under its laws had it been incorporated there; and (iii) the company would not otherwise be regarded by virtue of the law of any territory as resident in that territory for the purposes of tax.

### *Meaning of "Residence" for Individuals*

An individual will be regarded as being tax resident in Ireland for a calendar year if the individual:

1. spends 183 days or more in Ireland in that calendar year; or
2. has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that calendar year together with the number of days spent in Ireland in the preceding year. Presence in Ireland by an individual of not more than 30 days in a calendar year will not be reckoned for the purposes of applying this "two year" test.

An individual is treated as present in Ireland for a day if that individual is personally present in Ireland at any time during that day.

### *Meaning of "Ordinary Residence" for Individuals*

The term "ordinary residence" (as distinct from 'residence') relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity. An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year. An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which the individual is not resident. For example, an individual who is resident and ordinarily resident in Ireland in 2007 and departs Ireland in that year will remain ordinarily resident in Ireland up to the end of the tax year in 2010.

An 'intermediary' means a person who:

1. carries on a business which consists of, or includes, the receipt of payments from a regulated investment undertaking resident in Ireland on behalf of other persons; or
2. holds units in such an investment undertaking on behalf of other persons.

## **United Kingdom Taxation**

The Manager intends to conduct the affairs of the Fund so that it does not become resident in the United Kingdom for taxation purposes. Accordingly, and provided that the Fund does not carry on a trade in the United Kingdom through a permanent establishment situated there, the Fund will not be subject to United Kingdom corporation tax on its income or chargeable gains.

It is unlikely that the activities of the Fund will be regarded as trading activities for the purposes of United Kingdom taxation. In the event that the Fund were considered to be carrying on trading activities in the United Kingdom through the agency of its United Kingdom Investment Manager, the profits from these activities would be subject to United Kingdom tax for which the United Kingdom Investment Manager would be liable to account. However, under Section 835 Income Tax Act 2007, the United Kingdom Investment Manager, as agent of the Fund, will not be liable for United Kingdom taxation provided that the conditions of the Investment Management Exemption ("IME") are met. As far as possible, the Manager of the Fund and the Directors of the Investment Manager intend to conduct the affairs of the Fund and of the Investment Manager so that these conditions are satisfied. If the Fund failed to satisfy the conditions of the IME or if any investments held are not considered to be a "specified transaction", this may lead to tax leakage within the Fund.

In addition to the above, if HMRC successfully argue that a Fund is trading for UK tax purposes, the returns earned by the Fund from its interest in the underlying assets may need to be included in the Fund's calculation of "income" for the purposes of computing the relevant amount to "report" to investors in order to meet the requirements of UK Reporting Fund Status. However, it is considered that the investments held by the Fund should meet the definition of an "investment transaction" as defined by The Offshore Funds (Tax) Regulations 2009 ("the regulations") which came into force on 1 December 2009. Therefore, it is considered that these investments should be considered as "non-trading transactions" as outlined in the regulations. This is on the basis that the Fund meets both the "equivalence condition" and the "genuine diversity of ownership" condition as outlined in the regulations.

Subject to their personal circumstances, holders of Units resident in the United Kingdom for taxation purposes may be liable to United Kingdom income tax or corporation tax in respect of any dividends or other income distributions of the Fund. In addition, UK Unitholders holding Units at the end of each 'reporting period' (as defined for United Kingdom tax purposes) will potentially be subject to United Kingdom income tax or corporation tax on their share of a Class's 'reported income', to the extent that this amount exceeds distributions received. The terms 'reported income', 'reporting period' and their implications are discussed in further detail below. In addition, where the Fund holds more than 60% of its assets in interest bearing (or similar) form, any distribution will be treated as interest in the hands of the UK individual investor.

There is no withholding by the Fund for Irish tax on dividends payable to United Kingdom investors, provided that the United Kingdom investors are (a) neither Irish Resident nor Irish Ordinary Resident, (b) the investor has made a Relevant Declaration, (c) the Fund is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct (see previous section headed "Irish Taxation" for further details), or (d) the Manager has put in place appropriate equivalent measures to ensure that Unitholders in the Fund are neither Irish Resident nor Irish Ordinary Resident and the Fund has received the appropriate approval from the Revenue Commissioners (see previous section headed "Irish Taxation" for further details).

Holdings in the Fund are likely to constitute interests in offshore funds, as defined for the purposes of the United Kingdom Finance Act 2008, with each class of the Fund treated as a separate 'offshore fund' for these purposes.

Statutory Instrument 2009 / 3001 (The Offshore Funds (Tax) Regulations 2009) provides that if an investor resident in the United Kingdom for taxation purposes holds an interest in an offshore fund and that offshore fund is a 'non-reporting fund', any gain accruing to that investor upon the sale or other disposal of that interest will be charged to United Kingdom tax as income rather than a capital gain. Alternatively, where an investor resident in the United Kingdom holds an interest in an offshore fund that has been a 'reporting fund' for all periods of account for which they hold their interest, any gain accruing upon sale or other disposal of the interest will be subject to tax as a capital gain rather than income; with relief for any accumulated or reinvested profits which have already been subject to United Kingdom income tax or corporation tax on income.

Where an offshore fund may have been a non-reporting fund for part of the time during which the UK Unitholder held their interest and a reporting fund for the remainder of that time, there are elections which can potentially be made by the Unitholder in order to pro-rate any gain made upon disposal; the impact is that the portion of the gain made during the time when the offshore fund was a reporting fund would be taxed as a capital gain. Such elections have specified time limits from the date of change in status of the fund in which they can be made.

It should be noted that a "disposal" for United Kingdom taxation purposes includes a switching between Sub-Funds and may include a switching between Unit Classes of Sub-Funds.

In broad terms, a 'reporting fund' is an offshore fund that meets certain upfront and annual reporting requirements to HM Revenue & Customs and its Unitholders. The Manager intends to manage the affairs of the Fund so that these upfront and annual duties are met and continue to be met on an ongoing basis for each class within the Fund that seeks United Kingdom reporting fund status. Such annual duties will include calculating and reporting the income returns of the offshore fund for each reporting period (as defined for United Kingdom tax purposes) on a per-unit basis to all relevant Unitholders.

The 'reporting funds' regime applies to the Fund with effect from 1 April 2010. A list of the Unit Classes which currently have 'reporting fund' status is available at

<https://www.gov.uk/government/publications/offshore-funds-list-of-reporting-funds>

UK Unitholders who hold their interests at the end of the reporting period to which the reported income relates, will be subject to income tax or corporation tax on the higher of any cash distribution paid and the full reported amount. The reported income will generally be deemed to arise to United Kingdom Unitholders on the date the report is issued by the Manager.

In accordance with Regulation 90 of the Offshore Funds (Tax) Regulations 2009, unitholder reports shall be made available within six months of the end of the reporting period at [www.blackrock.co.uk/reportingfundstatus](http://www.blackrock.co.uk/reportingfundstatus). The intention of the regulations is that reportable income data shall principally be made available on a website accessible to UK investors. Alternatively, the Unitholder may if they so require, request a hard copy of the reporting fund data for any given year. Such requests must be made in writing to the following address:

Head of Product Tax, BlackRock Investment Management (UK) Limited, 12 Throgmorton Avenue, London, EC2N 2DL.

Each such request must be received within three months of the end of the reporting period. Unless the fund manager is notified to the contrary in the manner described above, it is understood that investors do not require their report to be made available other than by accessing the appropriate website.

Once reporting fund status is obtained from HM Revenue & Customs for the relevant Unit Classes it will remain in place permanently, provided the annual requirements are undertaken.

UK resident but non-UK domiciled investors who are subject to tax in the UK on the remittance basis should note that an investment in the 'reporting fund' unit classes is likely to constitute a mixed fund for their purposes. Further, there is no guarantee that the excess of reportable income over distributions paid in any given period will always be nil. Investors are encouraged to seek their own professional tax advice in this regard.

An individual Unitholder domiciled or deemed for United Kingdom tax purposes domiciled in the United Kingdom may be liable to United Kingdom Inheritance Tax on their units in the event of death or on making certain categories of lifetime transfer.

The attention of individuals resident in the United Kingdom is drawn to the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007. These provisions are aimed at preventing the avoidance of income tax by individuals through transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled outside the United Kingdom and may render them liable to income tax in respect of undistributed income of the Fund on an annual basis. The legislation is not directed towards the taxation of capital gains.

Corporate Unitholders resident in the UK for taxation purposes should note that the "controlled foreign companies" legislation contained in Part 9A of the Taxation (International and Other Provisions) Act 2010 ("TIOPA 2010") could apply to any UK resident company which is, either alone or together with persons connected or associated with it for taxation purposes, deemed to be interested in 25 per cent or more of any chargeable profits of a non-UK resident company, where that non-UK resident company is controlled by residents of the UK and meets certain other criteria (broadly that it is resident in a low tax jurisdiction). "Control" is defined in Chapter 18, Part 9A of TIOPA 2010. A non-UK resident company is controlled by persons (whether companies, individuals or others) who are resident in the UK for taxation purposes or is controlled by two persons taken together, one of whom is resident in the UK for tax purposes and has at least 40 per cent of the interests, rights and powers by which those persons control the non-UK resident company, and the other of whom has at least 40 per cent and not more than 55 per cent of such interests, rights and powers. The effect of these provisions could be to render such Unitholders liable to UK corporation tax in respect of the income of the Fund.

The attention of persons resident in the United Kingdom for taxation purposes (and who, if individuals, are also domiciled in the United Kingdom for those purposes) is drawn to the fact that the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 could be material to any such person whose proportionate interest in the Fund (whether as a Unitholder or otherwise as a "participator" for United Kingdom taxation purposes) when aggregated with that of persons connected with that person is 25%, or greater, if, at the same time, the Fund is itself controlled in such matter that it would, were it to be resident in the United Kingdom for taxation purposes, be a "close" company for those purposes. Section 13 could, if applied, result in a person with such an interest in the Fund being treated for the purposes of United Kingdom taxation of chargeable gains as if a part of any capital gain accruing to the Fund (such as on a disposal of any of its investments) had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person's proportionate interest in the Fund (determined as mentioned above).

Under the corporate debt tax regime in the United Kingdom any corporate Unitholder which is within the charge to United Kingdom corporation tax will be taxed on the increase in value of its holding on a mark to market basis (rather than on disposal) or will obtain tax relief on any equivalent decrease in value, if the investments held by the Sub-Fund within which the Unitholder invests, consist of more than 60% (by value) of "qualifying investments". Qualifying investments are broadly those, which yield a return directly or indirectly in the form of interest.

Transfer taxes may be payable by the Fund in the United Kingdom and elsewhere in relation to the acquisition and/or disposal of Investments. In particular, stamp duty reserve tax at the rate of 0.5% (or, if the transfer does not take place in dematerialised form, stamp duty at an equivalent rate) will be payable by the Fund in the United Kingdom on the acquisition of shares in companies incorporated in the United Kingdom or which maintain a share register in the United Kingdom. This liability will arise in the course of the Fund's normal investment activity and on the acquisition of Investments from subscribers on subscription for Units.

In the absence of an exemption applicable to a prospective Unitholder (such as that available to intermediaries under section 88A of the Finance Act 1986) stamp duty reserve tax (or stamp duty) at the same rate as above will also be payable by prospective Unitholders on the acquisition shares in companies incorporated in the United Kingdom or which maintain a share register in the United Kingdom for the purpose of subsequent subscription for Units, and may arise on the transfer of Investments to Unitholders on redemption.

Because the Fund is not incorporated in the United Kingdom and the register of holders of Units will be kept outside the United Kingdom, no liability to stamp duty reserve tax will arise by reason of the transfer, subscription for or redemption of Units except as stated above. Liability to stamp duty will not arise provided that any instrument in writing transferring Units in the Fund is executed and retained at all times outside the United Kingdom.

### **Foreign Account Tax Compliance Act ('FATCA') and other cross-border reporting systems**

The U.S.-Ireland Agreement to Improve International Tax Compliance and to implement FATCA (the "U.S.-Ireland IGA") was entered into with the intention of enabling the Irish implementation of the Foreign Account Tax Compliance Act provisions of the U.S. Hiring Incentives to Restore Employment Act ("FATCA"), which impose a reporting regime and potentially a 30% withholding tax on certain payments made from (or attributable to) U.S. sources or in respect of U.S. assets to certain categories of recipient including a non-U.S. financial institution (a "foreign financial institution" or "FFI") that does not comply with the terms of FATCA and is not otherwise exempt. Certain financial institutions ("reporting financial institutions") are required to provide certain information about their U.S. accountholders to the Irish Revenue Commissioners (which information will in turn be provided to the U.S. tax authority) pursuant to the U.S.-Ireland IGA. It is expected that the Fund will constitute a reporting financial institution for these purposes. Accordingly, the Fund is required to provide certain information about its U.S. Unitholders to the Irish Revenue Commissioners (which information will in turn be provided to the U.S. tax authorities) and is also required to register with the U.S. Internal Revenue Service. It is the intention of the Manager to procure that the Fund is treated as complying with the terms of FATCA by complying with the terms of the reporting system contemplated by the U.S.-Ireland IGA. No assurance can, however, be provided that the Fund will be able to comply with FATCA and, in the event that it is not able to do so, a 30% withholding tax may be imposed on payments it receives from (or which are attributable to) U.S. sources or in respect of U.S. assets, which may reduce the amounts available to it to make payments to its Unitholders.

A number of jurisdictions have entered into multilateral arrangements modelled on the Common Reporting Standard for Automatic Exchange of Financial Account Information published by the OECD. This will require the Manager to provide certain information to the Irish Revenue Commissioners about Unitholders from the jurisdictions which are party to such arrangements (which information will in turn be provided to the relevant tax authorities).

The OECD Common Reporting Standard replaces the previous European information reporting regime in respect of savings income under Directive 2003/48/EC (commonly known as the EU Savings Directive regime).

In light of the above, Unitholders in the Fund will be required to provide certain information to the Manager to comply with the terms of the reporting systems. Please note that the Manager has determined that the Fund is not open for investment by any US Person who would be subject to the 1940 Act, the 1933 Act, the CEA, or US income tax unless prior consent is obtained from the Manager.



## PART II

### STATUTORY AND GENERAL INFORMATION

#### (a) Trust Deed

All Unitholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Trust Deed, copies of which are available as mentioned below. The provisions of the Trust Deed are binding on the Trustee, the Manager and the Unitholders and all persons claiming through them respectively as if all such Unitholders and persons had been party to the Trust Deed.

Copies of the Trust Deed may be obtained by Unitholders from the Manager free of charge or may be inspected at the offices of the Manager during normal business hours on a Business Day.

The Trustee and the Manager shall, subject to the prior approval of the Central Bank, be entitled at any time, and from time to time, to modify, alter or add provisions to the Trust Deed provided that the Trustee shall certify in writing that in its opinion, the modification, alteration or addition:

- (a) does not materially prejudice the interests of Unitholders or operate to release to any material extent the Trustee or the Manager from any responsibility to the Unitholders; and/or
- (b) is required in order to comply with any provision of the UCITS Regulations or any regulation made pursuant thereto or any other applicable statutory or fiscal enactment or requirement or any practice or requirement of any government or fiscal or revenue authority (whether or not having the force of law) including without limitation any requirement imposed by the Central Bank.

No other modification, alteration or addition, may be made without the sanction of a Resolution of Unitholders. No such modification, alteration or addition may impose any obligation on any Unitholder to make any further payment or accept any liability in respect of his Units.

#### (b) Meetings

The Trustee or the Manager only may convene a meeting of Unitholders at any time of the Fund or any Sub-Fund.

All business transacted at a meeting of Unitholders duly convened and held shall be by way of Resolution.

Not less than fourteen (14) days' notice of every meeting of the Fund or any Sub-Fund must be given to relevant Unitholders. The notice shall specify the place, day and hour of the meeting and terms of the resolution to be proposed. A copy of the notice shall be sent by post to the Trustee unless the meeting shall be convened by the Trustee. A copy of the notice shall be sent by post to the Manager unless the meeting shall have been convened by the Manager. The accidental omission to give notice to or the non-receipt of notice by any of the Unitholders shall not invalidate the proceedings at any meeting.

A quorum at any meeting of the Fund or any Sub-Fund shall be two Unitholders present in person or by proxy. No business shall be transacted at any meeting unless the requisite quorum is present at the commencement of business.

At any meeting:

- (a) all Units in the Fund shall carry equal voting rights, except that in matters affecting only a particular Sub-Fund, only Units of that Sub-Fund shall be entitled to vote; and
- (b) every Unitholder that is present in person or by proxy shall have one vote; and

- (c) on a poll every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he is a Unitholder.

**(c) Calculation of Net Asset Value**

- (a) The calculation of the Net Asset Value of each Sub-Fund is the responsibility of the Administrator. The Net Asset Value of each Sub-Fund will be determined by the Administrator in accordance with the Trust Deed and will be equal to all the assets less all of its liabilities as at the Valuation Point on each Business Day plus any interest accrued on underlying assets between the Valuation Point and the time of calculation of the Net Asset Value on the Dealing Day.
- (b) The assets of each Sub-Fund shall be determined to include inter alia:
  - (i) subscription monies receivable for units allotted, all cash in hand, on deposit, or on call including any interest accrued thereon and all accounts receivable;
  - (ii) all bills, demand notes, certificates of deposit and promissory notes;
  - (iii) all bonds, forward currency transactions, time notes, shares, stock, convertibles, units of or participation in CIS/mutual funds, debentures, debenture stock, subscription rights, warrants, futures contracts, options contracts, swap contracts, fixed rate securities, floating rate securities, securities in respect of which the return and/or redemption amount is calculated by reference to any index, price or rate, financial instruments and other investments and securities owned or contracted for by such Sub-Fund, other than rights and securities issued by it;
  - (iv) all stock and cash dividends and cash distributions to be received by such Sub-Fund and not yet received by it but declared to stockholders on record on a date on or before the day as of which the Net Asset Value is being determined;
  - (v) all interest accrued on any interest-bearing securities owned by such Sub-Fund except to the extent that the same is included or reflected in, the principal value of such security;
  - (vi) all other Investments of such Sub-Fund;
  - (vii) the establishment costs incurred in establishing such Sub-Fund and the cost of issuing and distributing Units of such Sub-Fund insofar as the same have not been written off; and
  - (viii) all other assets of such Sub-Fund of every kind and nature including prepaid expenses as valued and defined from time to time by the Manager.
- (c) The liabilities of each Sub-Fund shall be deemed to include:
  - (i) all bills, notes and accounts payable;
  - (ii) all expenses payable and/or accrued (the latter on a day to day basis);
  - (iii) all known liabilities including the amount of any unpaid interest distribution declared upon the Units in the Sub-Fund, contractual obligations for the acquisition of Investments or other property or for the payment of money and outstanding payments on any Units previously redeemed;
  - (iv) an appropriate provision for taxes (other than taxes taken into account as Duties and Charges) and contingent liabilities as determined from time to time by the Manager; and
  - (v) all other liabilities of the Sub-Fund of whatsoever kind and nature except liabilities represented by Units in the Fund.

In determining the amount of such liabilities the Manager may calculate administrative and other expenses of a regular or recurring nature on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any such period. This may include jurisdictional capital gains tax that is attributed to a Sub-Fund.

- (d) The assets of each Sub-Fund will be valued as follows:
- (i) the value of an Investment which is quoted, listed or normally dealt in on a Regulated Market shall (save in the specific cases set out in paragraphs (iii), (viii), (ix) and (x)) be the closing mid-market price (for all Sub-Funds except for BlackRock Customised Euro Corporate Bond Index Fund 1 where the closing bid price shall be used) on such Regulated Market as at the relevant Valuation Point or the last traded price when no closing mid-market price is available, provided that:-
    - A. if an Investment is quoted, listed or normally dealt in on more than one Regulated Market, the Manager may, in its absolute discretion, select any one of such markets for the foregoing purposes (provided that the Manager has determined that such market constitutes the main market for such Investment or provides the fairest criteria for valuing such securities) and once selected a market shall be used for future calculations of the Net Asset Value with respect to that Investment; and
    - B. in the case of any Investment which is quoted, listed or normally dealt in on Regulated Market but in respect of which for any reason, prices on that market may not be available at any relevant time, or, in the opinion of the Manager, may not be representative, the value therefor shall be the probable realisation value thereof estimated with care and in good faith by a competent person (which may be the Investment Manager or the Administrator) firm or association making a market in such Investment (approved for the purpose by the Trustee and selected by the Manager) and/or any other competent person qualified, appointed by the Manager (and approved for the purpose by the Trustee) to provide such estimated value;
    - C. in the case of any Investment which is quoted, listed or normally dealt in on Regulated Market but which was acquired at a premium or at a discount outside or off the relevant market, the level of premium or discount at the date of valuation may be taken into account when valuing such Investment provided the Trustee ensures that the adoption of such procedure is justifiable in the context of establishing the probable realisation value thereof;
  - (ii) the value of any Investment which is not quoted, listed or normally dealt in on a Regulated Market shall be the probable realisable value thereof estimated with care and in good faith by a competent person, firm or association making a market in such Investment (approved for the purpose by the Trustee) and/or any other competent person qualified, appointed by the Manager (and approved for the purpose by the Trustee) to provide such estimated value;
  - (iii) the value of any Investment which is a unit of or participation in an open-ended collective investment scheme/mutual fund shall be calculated at the latest available net asset value of such unit/participation or the estimated net asset value of such unit/participation (whichever is the more recent) as calculated by the administrator of and in accordance with the requirements of the scheme/fund of which the relevant Investment is a unit/participation;
  - (iv) the value of any cash in hand, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof unless in any case the Manager is of the opinion that the same is unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Manager (with the approval of the Trustee) may consider appropriate in such case to reflect the true value thereof;

- (v) deposits shall be valued at their principal amount plus accrued interest from the date on which the same were acquired or made;
- (vi) treasury bills shall be valued at the middle market dealing price on the market on which same are traded or admitted to trading as at the Valuation Point, provided that where such price is not available, same shall be valued at the probable realisation value estimated with care and good faith by a competent person (which may be the Investment Manager or the Administrator) (appointed by the Manager and approved for the purpose by the Trustee);
- (vii) bonds, notes, debenture stocks, certificates of deposit, bank acceptances, trade bills and similar assets shall be valued at the latest available middle market dealing price on the market on which these assets are traded or admitted for trading (being the market which is the sole market or in the opinion of the Manager the principal market on which the assets in question are quoted or dealt in) plus any interest accrued thereon from the date on which same were acquired;
- (viii) forward foreign exchange contracts will be valued by reference to the price at the Valuation Point at which a new forward contract of the same size and maturity could be undertaken;
- (ix) the value of any futures contracts and options which are dealt in on a Regulated Market shall be the settlement price as determined by the market in question, provided that if such settlement price is not available for any reason or is unrepresentative, same shall be valued at the probable realisation value estimated with care and good faith by a competent person (which may be the Investment Manager or the Administrator) (appointed by the Manager and approved for the purpose by the Trustee);
- (x) the value of any OTC Derivatives contracts shall be valued at least daily at a price obtained from the counterparty or by an alternative valuation provided by a competent person (which may be the Administrator or the Investment Manager) appointed by the Manager and approved by the Trustee for such purpose, or by any other means provided the value is approved by the Trustee. If a derivative instrument is valued at a price obtained from the counterparty, such price shall be verified at least weekly by a party independent of the counterparty (which may be the Administrator or the Investment Manager) approved for such purpose by the Trustee. If a derivative instrument is valued in any other way, such alternative valuation shall be reconciled on at least a monthly basis to a valuation provided by the counterparty and any significant difference shall be promptly investigated and explained.

Forward foreign exchange and interest rate swaps contracts for which market quotations are freely available may be valued in accordance with the previous paragraph or by reference to market quotations (in which case there is no requirement to have such prices independently verified or reconciled to the counterparty valuation);

- (xi) notwithstanding any of the foregoing sub-paragraphs, the Manager with the approval of the Trustee may adjust the value of any Investment if, having regard to currency, applicable rate of interest, maturity, marketability and/or such other considerations as it may deem relevant, it considers that such adjustment is required to reflect the fair value thereof;
- (xii) if in any case a particular value is not ascertainable as above provided or if the Manager shall consider that some other method of valuation better reflects the fair value of the relevant Investment then in such case the method of valuation of the relevant Investment shall be such as the Manager shall decide with the approval of the Trustee and provided that such method is approved by the Trustee; and

- (xiii) notwithstanding the foregoing, where at any time of any valuation any asset of a Sub-Fund has been realised or contracted to be realised there shall be included in the assets of the Sub-Fund in place of such asset the net amount receivable by the Sub-Fund in respect thereof provided that if such amount is not then known exactly then its value shall be the net amount estimated by the Manager as receivable by the Sub-Fund.

(e) Any valuations made pursuant to the Trust Deed shall be binding on all persons.

**(d) Commissions**

Save as disclosed under the heading “Fees and Expenses”, no commissions, discounts, brokerages or other special terms have been granted or are payable by the Fund in connection with the issue or sale of any Units of the Sub-Funds.

**(e) Termination**

A Sub-Fund may be terminated if the holders of 75% in value of the issued Units of the Sub-Fund approve of the termination at a meeting of the Sub-Fund of which not more than twelve and not less than four weeks’ notice has been given.<sup>1</sup>

The Fund and each Sub-Fund may be terminated by the Trustee by notice in writing to the Manager as hereinafter provided on the occurrence of the following events, namely:-

- (a) if the Manager shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or ceases business or if an examiner is appointed to it or a receiver appointed over any part of its assets;
- (b) if in the reasonable opinion of the Trustee the Manager shall be incapable of performing or shall in fact fail to perform his duties satisfactorily or shall do any other thing which in the opinion of the Trustee is intended to bring the Fund into disrepute or to be harmful to the interests of the Unitholders; or
- (c) if any law shall be passed which renders it illegal or in the reasonable opinion of the Trustee impracticable or inadvisable to continue the Fund.

The Fund and each Sub-Fund may be terminated by the Manager in its absolute discretion by notice in writing to the Trustee as hereinafter provided in any of the following events, namely:-

- (i) if the Fund shall cease to be an authorised Unit Trust under the UCITS Regulations;
- (ii) if any law shall be passed which renders it illegal or in the reasonable opinion of the Manager impracticable or inadvisable to continue the Fund;
- (iii) if within three months from the date of the Manager expressing in writing to the Trustee its desire to retire, a qualified person acceptable to the Trustee and the Central Bank to act as new Manager has not been appointed; or
- (iv) all of the Units of each Sub-Fund have been redeemed.

The party terminating the Fund and each Sub-Fund shall give notice thereof to the Unitholders in writing and by such notice fix the date on which such termination is to take effect which day shall not be less than one month after the service of such notice.

On a termination Unitholders are entitled to receive distributions in proportion to their respective interests in the relevant Class of the relevant Sub-Fund after all liabilities, costs and expenses

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<sup>1</sup> Where there is a feeder fund holding Units in a Sub-Fund such Unitholders may require a longer notice period to be provided in accordance with applicable law and regulation.

have been deducted. Such distributions will be the net cash proceeds derived from the realisation of the property of the Sub-Fund unless by agreement between the Manager, the Trustee and the relevant Unitholder, distributions are made in kind.

On a winding up of all the Sub-Funds, the balance of any assets of the Fund then remaining, not comprised in any of the Sub-Funds shall be apportioned as between Sub-Funds (and Class thereof) pro rata to the net asset value of each Sub-Fund immediately prior to any distribution to Unitholders which shall be distributed amongst the Unitholders of each Sub-Fund pro rata to the number of Units in that Sub-Fund held by them.

Every distribution shall be made only after the production of evidence of title to the Units to the satisfaction of the Trustee together with such form of request for payment and receipt as the Trustee shall in its absolute discretion require.

Unitholders' distribution proceeds may contain an income element, equivalent to that part of the Net Asset Value of the Unit which reflects the accrued income (if any) to the date of termination.

The Manager and the Trustee undertake to carry out the termination procedures as soon as reasonably possible after the decision/resolution to terminate has taken place.

**(f) Money Laundering**

The Manager has a responsibility under law to comply with anti-money laundering regulations around the world and, for that reason, existing Unitholders, potential subscribers for and transferees of Units may be asked for proof of identity, and/or to fulfil other requirements. Until satisfactory proof of identity is provided and/or those requirements are fulfilled, the Manager reserves the right to withhold issuance, redemption and approval of transfers of Units.

In case of delay or failure to provide satisfactory proof of identity, the Manager may take such action as they see fit including the right to redeem issued Units compulsorily.

**(g) Retirement of the Trustee**

The Trustee shall not be entitled to retire voluntarily except upon the appointment of a new Trustee or on the revocation of the authorisation of the Trust. In the event of the Trustee desiring to retire and provided that approval of the Central Bank has been obtained for the appointment of a new Trustee, the Manager shall endeavour to find a new trustee who is a qualified corporation to act as trustee and, provided that such new trustee is acceptable to the Manager and has received prior approval for appointment by the Central Bank, and agrees to enter into such deed(s) as are required by the Manager to secure the due performance of the new trustee's duties, the Manager shall, by deed or deeds, appoint such new trustee to be the Trustee in the place of the retiring Trustee.

If, despite attempts to appoint a new Trustee and depositary no replacement for the current Trustee and depositary has been appointed in accordance with the Central Bank UCITS Regulations and the current Trustee and depositary is unwilling or unable to act as such, then:

- (a) a general meeting will be convened in accordance with the Trust Deed at which a resolution passed by 75 per cent. of the Unitholders by value to wind up or otherwise dissolve the Fund is proposed; and
- (b) the appointment of the current Trustee and depositary may be terminated only upon the revocation of the authorisation of the Fund.

**(h) Removal of the Trustee**

The Manager may remove the Trustee by notice in writing given by the Manager in any of the following events:

- (a) if the Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Manager) or if an examiner is appointed to it or a receiver appointed over any part of its assets;
- (b) if for good and sufficient reason the Manager is of opinion and so states in writing to the Trustee that a change of Trustee is desirable in the interests of the Unitholders.

The Manager shall (with the prior approval of the Central Bank) appoint as Trustee some other qualified corporation subject to such corporation entering into such deeds as are required by the Manager to secure the due performance of the new trustee's duties.

**(i) Retirement of the Manager**

The Manager shall have power to retire in favour of some other qualified corporation (whose appointment has received the prior approval of the Central Bank and the Trustee) upon and subject to such corporation entering into such deeds as are required by the Trustee to secure the due performance of the new manager's duties as manager.

**(j) Removal of the Manager**

The Trustee may remove the Manager by notice in writing given by the Trustee if the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if an examiner is appointed or a receiver is appointed over any part of its assets.

In such event the Trustee shall (with the prior approval of the Central Bank) appoint as Manager some other qualified corporation, being a manager approved by the Central Bank, subject to such corporation entering into such deed(s) as are required by the Trustee to secure the due performance of the new manager's duties as manager and which deed(s) shall provide (inter alia) that the new manager shall purchase from the former Manager the Units of each Sub-Fund of which the former Manager is or is deemed to be the holder at the Redemption Price applicable to the redemption of Units of each Sub-Fund on the relevant Dealing Day(s).

**(k) Indemnity and Liability of the Manager, Investment Manager, Administrator and Trustee**

Each of the Manager, the Investment Manager and the Administrator shall be indemnified out of the assets of the Fund against all actions, proceedings, claims, costs, demands and expenses which may be brought against, suffered or incurred by it by reason of its performance or non-performance of its obligations or duties under the terms of the Trust Deed, the Investment Management Agreement or the Administration Agreement (as the case may be) other than due to its fraud, wilful default or negligence.

The Trustee shall act honestly, fairly, professionally, independently and solely in the interest of the Fund and Unitholders and exercise due care and diligence in the discharge of its duties and will be liable to the Fund or the Unitholders for any loss suffered by them arising from the Trustee's negligent or intentional failure to properly fulfil its obligations pursuant to the Trust Deed, the Directive, the UCITS Regulations, Commission Delegated Regulation (EU) 2016/48 or the Central Bank UCITS Regulations.

The Trustee is liable to the Fund and to Unitholders for the loss of financial instruments of the Fund which are held in custody as part of the Trustee's Safekeeping Function (irrespective of whether or not the Trustee has delegated its Safekeeping Function in respect of such financial instruments to a third party), unless it can prove that the loss of such financial instruments held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. This standard of liability applies only to financial instruments capable of being registered in a financial instruments account opened in the Trustee's books or which can be physically delivered to the Trustee.

The Trustee shall be indemnified out of the assets of the Fund and each relevant Sub-Fund and held harmless from and against all or any losses, liabilities, demands, damages, costs, claims or

expenses whatsoever and howsoever arising (including, without limitation, acting on proper instructions) other than by reason of its negligent or intentional failure to properly fulfil its obligations pursuant to the Trust Deed or the UCITS Regulations, Commission Delegated Regulation (EU) 2016/48 or the Central Bank UCITS Regulations, or loss of Financial Instruments for which it is liable pursuant to the Trust Deed, the Directive, the UCITS Regulations, Commission Delegated Regulation (EU) 2016/48 or the Central Bank UCITS Regulations.

#### **(I) Material Contracts**

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Fund and are, or may be, material:-

- a. the Trust Deed contains provisions governing the responsibilities of the Manager and the Trustee and provides for their indemnification in certain circumstances subject to certain exclusions (see (k) above) and subject to the provisions of the UCITS Regulations. Details of the provisions relating to the fees payable to the Manager and the Trustee are set out in “Fees and Expenses” and details of the provisions relating to the Trust Deed are set out in paragraphs (a), (b), (c), (e) and (g) to (k) respectively;
- b. the Administration Agreement dated 29 June 2007. The Administration Agreement provides that the appointment of the Administrator will continue in force unless and until terminated by either party giving to the other not less than three months written notice although in certain circumstances (e.g. the insolvency of any party, unremedied breach after notice, etc.) the Agreement may be terminated forthwith by notice in writing by either party to the others. The Administration Agreement contains indemnities in favour of the Administrator other than matters arising by reason of its fraud, negligence or wilful default in the performance of its duties and obligations, and provisions regarding the Administrator’s legal responsibilities.
- c. the Investment Management Agreement dated 29 June 2007. The Investment Management Agreement provides that the appointment of the Investment Manager will continue in force unless and until terminated by either party giving to the other not less than 180 days written notice although in certain circumstances (e.g. the insolvency of either party, unremedied breach after notice, etc.) the Agreement may be terminated forthwith by notice in writing by either party to the other. The Investment Management Agreement contains indemnities in favour of the Investment Manager other than matters arising by reason of its wilful default, fraud or negligence in the carrying out of its duties and obligations, and provisions regarding the Investment Manager’s legal responsibilities.

#### **Inspection of Documents**

Copies of the following documents will be available for inspection at any time during normal business hours on any day (excluding Saturdays, Sundays and Public Holidays) free of charge at the offices of the Manager in Dublin:

- (a) the Trust Deed;
- (b) this Prospectus, any Supplement and any KIID prepared by the Manager;
- (c) the most recently published annual and half yearly reports relating to the Fund;
- (d) the Administration Agreement;
- (e) the Investment Management Agreement;
- (f) the UCITS Regulations;
- (g) the Central Bank UCITS Regulations.

The documents listed at (a) and (f) may be obtained on request, free of charge, from the Manager.



## **UK Facilities Agent**

The Fund is required in accordance with the FSMA 2000 and the FCA's Collective Investment Scheme Sourcebook to maintain at an address in the UK certain facilities in the interests of investors in the Fund in the UK. The Fund has appointed the Investment Manager as the UK facilities agent (the "UK Facilities Agent").

UK investors can contact the UK Facilities Agent at BlackRock Advisors (UK) Limited, 12 Throgmorton Avenue, London EC2N 2DL to obtain details regarding the prices of units, to redeem or arrange for the redemption of units, to obtain payment and to make a complaint.

Details on the procedure to be followed in connection with the subscription, redemption and switching of units are set out above.

Copies of the following documents will be available (in English) for inspection and can be obtained at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays) free of charge at the above address of the UK Facilities Agent:

- (a) the Trust Deed;
- (b) the Prospectus, KIID and any Supplement prepared by the Manager;
- (c) the most recently published annual and half yearly reports relating to the Fund;
- (d) the Administration Agreement;
- (e) the Investment Management Agreement;
- (f) the UCITS Regulations; and
- (g) any notice to Unitholders and other notices and documents sent to and from the UK.

UK investors are advised that the rules made by the FCA under FSMA 2000 do not in general apply to the Fund in relation to its investment business. In particular the rules made under FSMA 2000 for the protection of private customers (for example, those conferring rights to cancel or withdraw from certain investment agreements) do not apply, and the Financial Services Compensation Scheme will not be available, in connection with an investment in the Fund.

## **Data Protection**

Prospective investors and investors are referred to the privacy notice of the Manager, which is provided as an addendum to the Account Opening Form (the "Privacy Notice").

The Privacy Notice explains, among other things, how the Manager processes personal data about individuals who invest in the Sub-Funds or apply to invest in the Sub-Funds and personal data about the directors, officers, employees and ultimate beneficial owners of institutional investors.

The Privacy Notice may be updated from time to time. The latest version of the Privacy Notice is available at [www.blackrock.com](http://www.blackrock.com).

If you would like further information on the collection, use, disclosure, transfer or processing of your personal data or the exercise of any of the rights in relation to personal data as set out in the Privacy Notice, please address questions and requests to: The Data Protection Officer, BlackRock, 12 Throgmorton Avenue, London, EC2N 2DL.

## APPENDIX I

### Stock Exchanges and Regulated Markets

#### The Regulated Markets

With the exception of permitted investment in unlisted securities and off-exchange FDI, investment in securities or FDI will be made only in securities or FDI which are listed or traded on stock exchanges and markets listed below in this Prospectus or any Supplement thereto or revision thereof.

The list is currently as follows:

#### Recognised Investment Exchanges

1. Recognised investment exchanges in any Member State (excluding Malta), Australia, Canada, Hong Kong, Iceland, Japan, Norway, New Zealand, Switzerland, the United Kingdom or the United States.

2. The following recognised investment exchanges:

- **Argentina**
  - Bolsa de Comercio de Buenos Aires
  - Mercado Abierto Electronico S.A.
- **Bahrain** - Bahrain Bourse
- **Bangladesh** - Dhaka Stock Exchange
- **Brazil** - BM&F BOVESPA S.A.
- **Chile**
  - Bolsa de Comercio de Santiago
  - Bolsa Electronica de Chile
- **China**
  - Shanghai Stock Exchange
  - Shenzhen Stock Exchange
  - China Interbank Bond Market via Bond Connect
- **Colombia** - Bolsa de Valores de Colombia
- **Egypt** - Egyptian Stock Exchange
- **India**
  - Bombay Stock Exchange, Ltd.
  - National Stock Exchange
- **Indonesia** - Indonesian Stock Exchange
- **Israel** - Tel Aviv Stock Exchange
- **Jordan** - Amman Stock Exchange
- **The Republic of Korea**
  - Korea Exchange (Stock Market)
  - Korea Exchange (KOSDAQ)
- **Kenya** - Nairobi Securities Exchange
- **Kuwait** - Kuwait Stock Exchange
- **Malaysia**
  - Bursa Malaysia Securities Berhad
  - Bursa Malaysia Derivatives Berhad
- **Mauritius** - Stock Exchange of Mauritius
- **Mexico** - Bolsa Mexicana de Valores
- **Morocco** - Casablanca Stock Exchange
- **Nigeria** - Nigeria Stock Exchange
- **Oman** - Muscat Securities Market
- **Pakistan** - Karachi Stock Exchange
- **Peru** - Bolsa de Valores de Lima
- **Philippines** - Philippines Stock Exchange
- **Poland** - Warsaw Stock Exchange
- **Qatar** - Qatar Exchange
- **Russia** - Open Joint Stock Company Moscow Exchange MICEX-RTS (Moscow Exchange)
- **Saudi Arabia** - Tadawul Stock Exchange

- **Singapore** – Singapore Exchange Limited
- **South Africa** - JSE Limited
- **Sri Lanka** - Colombo Stock Exchange
- **Taiwan** - Taiwan Stock Exchange
- **Thailand** - Stock Exchange of Thailand
- **Turkey** - Istanbul Stock Exchange
- **UAE – Abu Dhabi** - Abu Dhabi Securities Exchange
- **UAE - Dubai**
  - Dubai Financial Market
  - NASDAQ Dubai Limited
- **Vietnam** - Ho Chi Minh Stock Exchange

### **Markets**

3. The following regulated markets including regulated markets on which FDI may be traded:

- the markets organised by the International Capital Market Association;
- the market conducted by “listed money market institutions” as described in the Bank of England publication “The Regulation of the Wholesale Cash and OTC Derivatives Markets (in Sterling, foreign currency and bullion)”;
- AIM – the Alternative Investment Market in the UK, regulated and operated by the LSE;
- NASDAQ in the United States;
- the market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York;
- the over-the-counter market in the United States regulated by the Financial Industry Regulatory Authority and reportable on TRACE;
- the over-the-counter market in the United States regulated by MarketAxess;
- the over-the-counter market in the United States regulated by National Association Of Securities Dealers (NASD);
- the French market for “Titres de Creance Negotiable” (over-the-counter market in negotiable debt instruments);
- The Korea Exchange (Futures Market);
- The Thailand Futures exchange;
- South African Futures exchange;
- The Intercontinental Exchange (ICE);
- Taiwan Futures exchange;
- the over-the-counter market in Canadian Government Bonds, regulated by the Investment Industry Regulatory Organisation of Canada;
- the China Interbank Bond Market;
- any approved derivative market within the European Economic Area on which FDI are traded;
- EUOTLX (Multilateral Trading Facility);
- HI\_MTF (Multilateral Trading Facility);
- NASDAQ OMX Europe (NEURO) (Multilateral Trading Facility);
- EURO MTF for securities (Multilateral Trading Facility);
- MTS Austria (Multilateral Trading Facility);
- MTS Belgium (Multilateral Trading Facility);
- MTS France (Multilateral Trading Facility);
- MTS Ireland (Multilateral Trading Facility);
- NYSE Bondmatch (Multilateral Trading Facility);
- POWERNEXT (Multilateral Trading Facility);
- Tradegate AG (Multilateral Trading Facility);
- the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan; and
- MarketAxess Europe Limited (Multilateral Trading Facility).

The above markets are listed in accordance with the requirements of the Central Bank, it being noted the Central Bank does not issue a list of approved markets or stock exchanges.

## APPENDIX II

### Financial Derivative Instruments/Efficient Portfolio Management

#### A. Investment in FDIs - Efficient Portfolio Management/Direct Investment

The following provisions apply whenever a Sub-Fund proposes to engage in transactions in FDIs including, but not limited to, futures, forwards, swaps, options, contracts for difference, swaptions and warrants, where the transactions are for the purposes of the efficient portfolio management of any Sub-Fund or for direct investment purposes (and such intention is disclosed in the Sub-Fund's investment policy).

The Investment Manager employs a risk management process in respect of the Sub-Funds in accordance with the requirements of the Central Bank to enable it to accurately monitor, measure and manage, the global exposure from FDIs ("global exposure") which each Sub-Fund gains. The Investment Manager uses a methodology known as "Value at Risk" ("VaR") in order to measure the global exposure of each Sub-Fund and manage the potential loss to them due to market risk. The Manager will, on request, provide supplemental information to Unitholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investment.

The conditions and limits for the use of such techniques and instruments in relation to each Sub-Fund are as follows:

##### *VaR Methodology*

1. The VaR methodology measures the potential loss to a Sub-Fund at a particular confidence (probability) level over a specific time period and under normal market conditions. The Investment Manager uses a one-tailed 99% confidence level, a one day holding period and a historical observation period of not less than one year for the purposes of carrying out this calculation.
2. There are two types of VaR measure which can be used to monitor and manage the global exposure of a Sub-Fund: "Relative VaR" and "Absolute VaR".
3. Relative VaR is the VaR of a Sub-Fund divided by the VaR of an appropriate benchmark or reference portfolio allowing the global exposure of a Sub-Fund to be compared to, and limited by reference to, the global exposure of the appropriate benchmark or reference index. The UCITS Regulations specify that the VaR of the Sub-Fund must not exceed twice the VaR of the benchmark or reference index.
4. Absolute VaR is commonly used as the relevant VaR measure for absolute return style funds where a benchmark or reference portfolio is not appropriate for risk measurement purposes. In accordance with the requirements of the Central Bank, the monthly VaR measure for such a Sub-Fund must not exceed 20% of that Sub-Fund's Net Asset Value.

##### *Commitment Approach*

5. The commitment approach methodology aggregates the underlying market or notional values of FDIs to determine the degree of global exposure of a Sub-Fund to FDIs.
6. A Sub-Fund's level of investment exposure can exceed its Net Asset Value due to the use of FDIs. Where a Sub-Fund's investment exposure exceeds its Net Asset Value this is known as leverage. For the purposes of this disclosure, leverage is investment exposure gained through the use of FDIs. The expected level of leverage may vary over time. In accordance with the requirements of the Central Bank, the global exposure for such a Sub-Fund must not exceed 100% of that Sub-Fund's Net Asset Value.

## *General*

7. Position exposure to the underlying assets of FDIs, including embedded FDIs in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations. (This provision does not apply in the case of index based FDIs provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations).
8. A Sub-Fund may invest in FDIs dealt in OTC provided that the counterparties to OTCs are institutions subject to prudential supervision and belonging to categories approved by the Central Bank. Counterparties to swap transactions will not have discretion over the assets of a Sub-Fund. Collateral received in connection with swap transactions shall be marked-to-market daily and subject to daily variation margin.

### **B. Efficient Portfolio Management - Other Techniques and Instruments**

1. In addition to the investments in FDIs noted above, the Sub-Funds may employ other techniques and instruments relating to transferable securities and money market instruments for efficient portfolio management purposes such as repurchase / reverse repurchase agreements (“Repo Contracts”) and securities lending subject to the conditions and limits set out in the Central Bank UCITS Regulations. Techniques and instruments which relate to transferable securities and money market instruments and which are used for the purpose of efficient portfolio management, including FDIs which are not used for direct investment purposes, shall be understood as a reference to techniques and instruments which fulfil the following criteria:
  - (a) they are economically appropriate in that they are realised in a cost-effective way;
  - (b) they are entered into for one or more of the following specific aims:
    - (i) reduction of risk;
    - (ii) reduction of cost;
    - (iii) generation of additional capital or income for the Fund with a level of risk which is consistent with the risk profile of the Fund and the risk diversification rules set out in the UCITS Regulations;
  - (c) their risks are adequately captured by the RMP of the Fund; and
  - (d) they cannot result in a change to the Sub-Fund’s declared investment objectives or add supplementary risks in comparison to the general risk policy as described in the sales documents.

To the extent a Sub-Fund engages in repo contracts, securities lending or total return swaps, any permitted Investments of a Sub-Fund may be subject to such transactions.

Techniques and instruments (other than FDIs) which may be used for efficient portfolio management purposes are set out below and are subject to the following conditions:

2. The following applies to Repo Contracts and securities lending arrangements, in particular, and reflects the requirements of the “ESMA Guidelines on ETFs and Other UCITS Issues” ESMA/2012/832EN (the “ESMA Guidelines”) and is subject to changes thereto:
  - (a) Repo contracts and securities lending may only be effected in accordance with normal market practice.
  - (b) The Fund must have the right to terminate any securities lending arrangement which it has entered into at any time or demand the return of any or all of the securities loaned.

- (c) Repo Contracts or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 respectively.
  - (d) Where the Fund enters into repurchase agreements, it must be able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.
  - (e) Where the Fund enters into reverse repurchase agreements, it must be able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value. Fixed-term reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.
  - (f) The Manager conducts credit assessments of counterparties to a repurchase/reverse repurchase agreement or securities lending arrangement. Where a counterparty is subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account in the credit assessment process and where the counterparty is downgraded by the credit rating agency to A-2 or below (or comparable rating), a new credit assessment of the counterparty is conducted by the Manager without delay.
3. Any revenues from efficient portfolio management techniques not received directly by the relevant Sub Fund will be returned to that Sub-Fund, net of direct and indirect operational costs and fees (which do not include hidden revenue). To the extent the Fund engages in securities lending it may appoint a securities lending agent, which may or may not be an Affiliate and which may receive a fee in relation to its securities lending activities. Any operational costs arising from such securities lending activities shall be borne by the securities lending agent out of its fee.
  4. The Fund may invest in securities on a when-issued, delayed delivery and forward commitment basis and such securities will be taken into consideration in calculating a Sub-Fund's investment restriction limits.

**C. Risks and potential conflicts of interest involved in efficient portfolio management techniques.**

There are certain risks involved in efficient portfolio management activities and the management of collateral in relation to such activities (see further below). Please refer to the sections of this Prospectus entitled "Conflicts of Interest" and "Risk Factors" and, in particular but without limitation, the risk factors relating to FDI risks, counterparty risk, counterparty risk to the Trustee and other depositaries and credit risk. These risks may expose investors to an increased risk of loss.

**D. Management of collateral for OTC financial derivative transactions and efficient portfolio management techniques**

*For the purposes of this section, "Relevant Institutions" refers to those institutions which are credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 or credit institutions in a third country deemed equivalent pursuant to Article 107(4) of the Regulation (EU) No.575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No.648/2012.*

*The provisions below reflect the requirements of the ESMA Guidelines and are subject to changes thereto.*

- (a) Collateral obtained in respect of OTC financial derivative transactions and efficient portfolio management techniques ("Collateral"), such as a Repo Contract or securities lending

arrangement, will be of an appropriate type for the given transaction and the particular counterparty and may be in the form of cash or securities (without restriction as to issuer type or location, or maturity) and must comply with the following criteria:

- (i) liquidity: Collateral (other than cash) should be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation;
  - (ii) valuation: Collateral should be capable of being valued on a daily basis and assets that exhibit high price volatility should not be accepted as Collateral unless suitably conservative haircuts are in place;
  - (iii) issuer credit quality: Collateral should be of high quality;
  - (iv) correlation: Collateral should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
  - (v) diversification: Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of a Sub-Fund's Net Asset Value. When a Sub-Fund is exposed to different counterparties the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. A Sub-Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, its local authorities, as well as non-Member States and public international bodies set out in Appendix III, paragraph 2.12. Such a Sub-Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Fund's Net Asset Value; and
  - (vi) immediately available: Collateral must be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.
- (b) Until the expiry of the repo contract or securities lending arrangement, Collateral obtained under such contracts or arrangements:
- (i) must be marked to market daily; and
  - (ii) is intended to equal or exceed the value of the amount invested or securities loaned plus a premium.
- (c) Collateral must be held by the Trustee or its agent (where there is title transfer). This is not applicable in the event that there is no title transfer in which case the Collateral can be held by a third party custodian which is subject to prudential supervision; and which is unrelated to the provider of the Collateral.
- (d) Non-cash Collateral
- Non-cash collateral cannot be sold, re-invested or pledged.
- (e) Cash Collateral
- Cash as collateral may only be:
- (i) placed on deposit with Relevant Institutions;
  - (ii) invested in high quality government bonds;
  - (iii) used for the purpose of reverse repurchase agreements provided the transactions are with Relevant Institutions and the Fund can recall at any time the full amount of the cash on an accrued basis; and

(iv) invested in short term money market funds.

Re-invested Cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash Collateral.

(f) Haircut policy

The Fund has implemented a haircut policy in respect of each class of assets received as Collateral. A haircut is a discount applied to the value of a Collateral asset to account for the fact that its valuation, or liquidity profile, may deteriorate over time. The haircut policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the Collateral, the price volatility of the Collateral and the results of any stress tests which may be performed in accordance with the collateral management policy. Subject to the framework of agreements in place with the relevant counterparty, which may or may not include minimum transfer amounts, it is the intention of the Fund that any Collateral received shall have a value, adjusted in light of the haircut policy, which equals or exceeds the relevant counterparty exposure where appropriate.

(g) The risk exposures to a counterparty arising from OTC financial derivative transactions and efficient portfolio management techniques should be combined when calculating the counterparty risk limits set out in Appendix III, paragraph 2.8.

## **E. Counterparty Selection & Review**

BlackRock Group select from an extensive list of full service and execution-only brokers and counterparties. All prospective and existing counterparties require the approval of the Counterparty and Concentration Risk Group (“CCRG”), which is part of BlackRock’s independent Risk & Quantitative Analysis department (“RQA”).

In order for a new counterparty to be approved, a requesting portfolio manager or trader is required to submit a request to the CCRG. The CCRG will review relevant information to assess the credit-worthiness of the proposed counterparty in combination with the type and settlement and delivery mechanism of the proposed security transactions. BlackRock’s established counterparty credit risk management policy does not make reference to a minimum credit rating as part of the review and approval process. Eligible counterparties may be constituted as companies, trusts, partnerships or their equivalent, and will be institutions subject to prudential supervision, domiciled in OECD and non-OECD countries. A list of approved trading counterparties is maintained by the CCRG and reviewed on an on-going basis.

Counterparty reviews take into account the fundamental creditworthiness (ownership structure, financial strength, regulatory oversight) and commercial reputation of specific legal entities in conjunction with the nature and structure of proposed trading activities. Counterparties are monitored on an ongoing basis through the receipt of audited and interim financial statements, via portfolio alerts with market data service providers, and where applicable, as part of BlackRock Group’s internal research process. Formal renewal assessments are performed on a cyclical basis.

BlackRock Group select brokers based upon their ability to provide good execution quality (i.e. trading), whether on an agency or a principal basis; their execution capabilities in a particular market segment; and their operational quality and efficiency; and we expect them to adhere to regulatory reporting obligations.

Once a counterparty is approved by the CCRG, broker selection for an individual trade is then made by the relevant dealer at the point of trade, based upon the relative importance of the relevant execution factors. For some trades, it is appropriate to enter into a competitive tender amongst a shortlist of brokers. BlackRock Group perform pre-trade analysis to forecast transaction cost and to guide the formation of trading strategies including selection of techniques, division between points of liquidity, timing and selection of broker. In addition, BlackRock Group monitors trade results on a continuous basis.

Broker selection will be based on a number of factors including, but not limited to the following:



- Ability to execute and execution quality;
- Ability to provide Liquidity/capital;
- Price and quote speed;
- Operational quality and efficiency; and
- Adherence to regulatory reporting obligations.

## APPENDIX III

### Investment and Borrowing Restrictions

Investment of the assets of any Sub-Fund must comply with the UCITS Regulations. The UCITS Regulations provide:

<b>1</b>	<b>Permitted Investments</b>
	Investments of each Sub-Fund are confined to:
<b>1.1</b>	Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
<b>1.2</b>	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
<b>1.3</b>	Money market instruments other than those dealt on a regulated market.
<b>1.4</b>	Units of UCITS.
<b>1.5</b>	Units of Non-UCITS.
<b>1.6</b>	Deposits with credit institutions.
<b>1.7</b>	FDIs.
<b>2</b>	<b>Investment Restrictions</b>
<b>2.1</b>	Each Sub-Fund may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
<b>2.2</b>	Each Sub-Fund may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1) within a year. This restriction will not apply in relation to investment by a Sub-Fund in certain US securities known as Rule 144A securities provided that: <ul style="list-style-type: none"> <li>- the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and</li> <li>- the securities are not illiquid securities i.e. they may be realised by the UCITS within seven days at the price, or approximately at the price, at which they are valued by the Sub-Fund.</li> </ul>
<b>2.3</b>	Each Sub-Fund may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
<b>2.4</b>	The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Sub-Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the Sub-Fund. To avail of this provision the prior approval of the Central Bank is required.
<b>2.5</b>	The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
<b>2.6</b>	The transferable securities and money market instruments referred to in 2.4 and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.

2.7	Each Sub-Fund shall not invest more than 20% of its assets in deposits made with the same body.
2.8	<p>The risk exposure of a Sub-Fund to a counterparty to an OTC derivative may not exceed 5% of net assets.</p> <p>This limit is raised to 10% in the case of credit institutions authorised in the EEA, credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 or a credit institution authorised in a third country deemed equivalent pursuant to Article 107(4) of the Capital Requirements Regulation (EU) No. 575/2013 or any other entity permitted by the Central Bank.</p>
2.9	<p>Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:</p> <ul style="list-style-type: none"> <li>- investments in transferable securities or money market instruments;</li> <li>- deposits, and/or</li> <li>- risk exposures arising from OTC Derivatives transactions.</li> </ul>
2.10	The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
2.11	Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
2.12	<p>Each Sub-Fund may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.</p> <p>The individual issuers must be listed in the prospectus and may be drawn from the following list:</p> <p>OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC, Export-Import Bank.</p> <p>Each Sub-Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.</p>
<b>3</b>	<b>Investment in CIS</b>
3.1	Subject to section 3.2, Investments made by a Sub-Fund in units of other CIS may not exceed, in aggregate, 10% of the assets of the Sub-Fund;
3.2	<p>Notwithstanding the provisions of Section 3.1, where the investment policy of a Sub-Fund states that it may invest more than 10% of its assets in other UCITS or CIS, the following restrictions shall apply instead of the restrictions set out at Section 3.1 above:</p> <ul style="list-style-type: none"> <li>(a) each Sub-Fund may not invest more than 20% of its Net Asset Value in any one CIS (with the exception of a feeder Sub-Fund approved under the UCITS Regulations to invest at least 85% of its assets in any one CIS);</li> <li>(b) investments in non-UCITS CIS may not, in aggregate, exceed 30% of the Sub-Fund's Net Asset Value.</li> </ul>

3.3	The underlying CIS are prohibited from investing more than 10% of their net assets in other CIS.
3.4	When a Sub-Fund invests in the units of other CIS that are managed, directly or by delegation, by the Manager or by any other company with which the Manager is linked by common management or control, or by a substantial direct or indirect holding, the Manager or other company may not charge subscription, conversion or redemption fees on account of the Sub-Fund's investment in the units of such other CIS.
3.5	Where a commission (including a rebated commission) is received by the Manager or Investment Manager by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Sub-Fund.
3.6	<p>Where the investment policy of a Sub-Fund states that it may invest in other Sub-Funds of the Trust, the following restrictions will apply:</p> <ul style="list-style-type: none"> <li>• a Sub-Fund will not invest in another Sub-Fund of the Trust which itself holds units in other Sub-Funds within the Trust;</li> <li>• a Sub-Fund investing in such other Sub-Fund of the Trust will not be subject to subscription conversion or redemption fees;</li> <li>• the Manager will not charge a management fee to a Sub-Fund in respect of that portion of the Sub-Fund's assets invested in another Sub-Fund of the Trust (this provision also applies to the annual fee charged by the Investment Manager where this fee is paid directly out of the assets of the Trust); and</li> <li>• investment by a Sub-Fund in another Sub-Fund of the Trust will be subject to the limits set out in paragraph 3.1 above.</li> </ul>
<b>4</b>	<b>Index Tracking UCITS</b>
	Intentionally left blank
<b>5</b>	<b>General Provisions</b>
5.1	The Manager acting in connection with all of the funds it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
5.2	<p>A Fund may acquire no more than:</p> <ul style="list-style-type: none"> <li>(i) 10% of the non-voting shares of any single issuing body;</li> <li>(ii) 10% of the debt securities of any single issuing body;</li> <li>(iii) 25% of the units of any single CIS;</li> <li>(iv) 10% of the money market instruments of any single issuing body.</li> </ul> <p>NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.</p>
5.3	<p>5.1 and 5.2 shall not be applicable to:</p> <ul style="list-style-type: none"> <li>(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;</li> <li>(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;</li> <li>(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;</li> <li>(iv) shares held by a Sub-Fund in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in</li> </ul>

	<p>which the Sub-Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed.</p> <p>(v) Shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.</p>
5.4	A Sub-Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
5.5	The Central Bank may allow recently authorised Sub-Funds to derogate from the provisions of 2.3 to 2.12 and 3.1 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
5.6	If the limits laid down herein are exceeded for reasons beyond the control of a Sub-Fund, or as a result of the exercise of subscription rights, the Sub-Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Unitholders.
5.7	Neither the Manager nor the Trustee acting on behalf of a Sub-Fund may carry out uncovered sales of: <ul style="list-style-type: none"> <li>- transferable securities;</li> <li>- money market instruments;</li> <li>- units of CIS; or</li> <li>- FDIs.</li> </ul>
5.8	A Sub-Fund may hold ancillary liquid assets.
<b>6</b>	<b>Financial Derivative Instruments ('FDIs')</b>
6.1	A Sub-Funds global exposure relating to FDI must not exceed its total net asset value.
6.2	Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations.),
6.3	A Sub-Fund may invest in FDIs dealt in over-the-counter (OTC) provided that the counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
6.4	Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

### **Borrowing Restrictions**

The UCITS Regulations provide that the Manager, in respect of each Sub-Fund:

- (a) may not borrow, other than borrowings which in the aggregate do not exceed 10% of the Net Asset Value of the Sub-Fund and provided that this borrowing is on a temporary basis. Borrowing may be secured on the assets of the Sub-Fund. Credit balances (e.g. cash) may not be offset against borrowings when determining the percentage of borrowings outstanding;
- (b) may acquire foreign currency by means of a back-to-back loan. Foreign currency obtained in this manner is not classed as borrowings for the purpose of the borrowing restriction in paragraph (a), provided that the offsetting deposit: (i) is denominated in the Base Currency of the Sub-Fund and (ii) equals or exceeds the value of the foreign currency loan outstanding. However, where

foreign currency borrowings exceed the value of the back-to-back deposit, any excess is regarded as borrowing for the purposes of paragraph (a) above.

## APPENDIX IV

### DEFINITION OF US PERSONS AND RELATED INFORMATION

#### Information Related to Definition of US Persons

Each subscriber for Units will be required to certify to the Manager, among other things, that the Units are not being acquired and will not at any time be held for the account or benefit, directly or indirectly, of any US Person (as defined below) or any non-U.S. person subject to the restrictions described herein. Unitholders are required to notify the Manager immediately of any change in such information. **EACH UNITHOLDER WILL BE REQUIRED TO VERIFY THAT IT IS NOT A US PERSON THAT IS PROHIBITED FROM OWNING UNITS IN THE FUND.**

Each prospective Unitholder is urged to consult with its own advisors to determine the suitability of an investment in the Units, and the relationship of such an investment to the purchaser's overall investment programme and financial and tax position. By subscribing for Units, each purchaser of Units represents that, after all necessary advice and analysis, its investment in the Fund is suitable and appropriate, in light of the foregoing considerations.

ENTITIES SUBJECT TO THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, MAY NOT PURCHASE UNITS IN THE FUNDS.

THE TAX AND OTHER MATTERS DESCRIBED IN THIS PROSPECTUS DO NOT CONSTITUTE, AND SHOULD NOT BE CONSIDERED AS, LEGAL OR TAX ADVICE TO PROSPECTIVE UNITHOLDERS.

THE FUND IS NOT REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED. THE INVESTMENT MANAGER IS NOT REGISTERED AS AN INVESTMENT ADVISER UNDER THE U.S. INVESTMENT ADVISERS ACT OF 1940, AS AMENDED.

#### Definition of US Person(s)

A "US Person" is a person described in any the following paragraphs:

1. With respect to any person, any individual or entity that would be a U.S. Person under Regulation S of the U.S. Securities Act of 1933. The Regulation S definition is set forth below. **Even if you are not considered a U.S. Person under Regulation S, you can still be considered a "US Person" within the meaning of this Prospectus under Paragraph 2 and 3, below.**
2. With respect to individuals, any U.S. citizen or "resident alien" within the meaning of U.S. income tax laws as in effect from time to time. Currently, the term "resident alien" is defined under U.S. income tax laws to generally include any individual who (i) holds an Alien Registration Card (a "green card") issued by the U.S. Immigration and Naturalization Service or (ii) meets a "substantial presence" test. The "substantial presence" test is generally met with respect to any current calendar year if (i) the individual was present in the U.S. on at least 31 days during such year and (ii) the sum of the number of days on which such individual was present in the U.S. during the current year, 1/3 of the number of such days during the first preceding year, and 1/6 of the number of such days during the second preceding year, equals or exceeds 183 days.
3. With respect to persons other than individuals, (i) a corporation or partnership created or organised in the United States or under the law of the United States or any state, (ii) a trust where (a) a U.S. court is able to exercise primary supervision over the administration of the trust and (b) one or more U.S. persons have the authority to control all substantial decisions of the trust and (iii) an estate which is subject to U.S. tax on its worldwide income from all sources.

## **Regulation S Definition of U.S. Person**

1. Pursuant to Regulation S of the U.S. Securities Act of 1933, as amended (the “Act”), U.S. “Person” means:
  - (i) any natural person resident in the United States;
  - (ii) any partnership or corporation organised or incorporated under the laws of the United States;
  - (iii) any estate of which any executor or administrator is a U.S. person;
  - (iv) any trust of which any trustee is a U.S. person;
  - (v) any agency or branch of a foreign entity located in the United States;
  - (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person;
  - (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; or
  - (viii) any partnership or corporation if:
    - (A) organised or incorporated under the laws of any non-U.S. jurisdiction; and
    - (B) formed by a U.S. Person principally for the purpose of investing in securities not registered under the Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the Act) who are not natural persons, estates or trusts.
2. Notwithstanding (1) above, any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States shall not be deemed a “U.S. Person”.
3. Notwithstanding (1) above, any estate of which any professional fiduciary acting as executor or administrator is a U.S. Person shall not be deemed a U.S. Person if:
  - (i) an executor or administrator of the estate who is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate; and
  - (ii) the estate is governed by non-U.S. law.
4. Notwithstanding (1) above, any trust of which any professional fiduciary acting as trustee is a U.S. Person shall not be deemed a U.S. Person if a trustee who is not a U.S. Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. Person.
5. Notwithstanding (1) above, an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country shall not be deemed a U.S. Person.
6. Notwithstanding (1) above, any agency or branch of a U.S. Person located outside the United States shall not be deemed a “U.S. Person” if:
  - (i) the agency or branch operates for valid business reasons; and



- (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located.
- 7. The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organisations, their agencies, affiliates and pension plans shall not be deemed "U.S. Persons".

**APPENDIX V**

**DEALING TIMETABLE**

**(Following close of initial offer period)**

<b>Fund Name</b>	<b>Unit Class</b>	<b>Cut Off Time</b>	<b>Minimum Subscription</b>	<b>Minimum Subsequent Subscription</b>	<b>Minimum Redemption Amount</b>	<b>Minimum Holding Amount for existing Unitholders</b>	<b>Subscription/Redemptions Settlement Time</b>
<b>BlackRock Diversifying Fixed Income Fund</b>	Institutional Distributing Unit Class	9.30 am (Irish time) on the second Business Day prior to the Dealing Day	€1,000,000	€250,000	€250,000	€1,000,000	DD+3BD
	Institutional Accumulating Unit Class	9.30 am (Irish time) on the second Business Day prior to the Dealing Day	€1,000,000	€250,000	€250,000	€1,000,000	DD+3BD
	All other Classes	9.30 am (Irish time) on the second Business Day prior to the Dealing Day	€50,000,000	€50,000,000	€250,000	€50,000,000	DD+3BD
<b>BlackRock UK Credit Screened Fund</b>	Flexible Accumulating Unit Class	9.30 am (Irish time) on Dealing Day	£250,000	£250,000	£50,000	£250,000	DD+3BD
	Flexible Distributing Unit Class	9.30 am (Irish time) on Dealing Day	£250,000	£250,000	£50,000	£250,000	DD+3BD

Fund Name	Unit Class	Cut Off Time	Minimum Subscription	Minimum Subsequent Subscription	Minimum Redemption Amount	Minimum Holding Amount for existing Unitholders	Subscriptions/Redemptions Settlement Time
	Institutional Accumulating Unit Class	9.30 am (Irish time) on Dealing Day	£250,000	£250,000	£50,000	£250,000	DD+3BD
	Institutional Distributing Unit Class	9.30 am (Irish time) on Dealing Day	£250,000	£250,000	£50,000	£250,000	DD+3BD
<b>BlackRock Developed Markets Sovereign Screened Bond Fund</b>	EUR – Flexible Accumulating Unit Class	4.00 pm (Irish time) on the Business Day prior to the Dealing Day	€5,000,000 (or the GBP, USD or CHF equivalent as applicable depending on the Valuation Currency of denomination)	€10,000 (or the GBP, USD or CHF equivalent as applicable depending on the Valuation Currency of denomination)	€10,000 (or the GBP, USD or CHF equivalent as applicable depending on the Valuation Currency of denomination)	€250,000 (or the GBP, USD or CHF equivalent as applicable depending on the Valuation Currency of denomination)	DD+3BD
	EUR – Flexible Distributing Unit Class						
	EUR - Institutional Distributing Unit Class						
<b>BlackRock Emerging Markets Sovereign Screened Bond Fund</b>	EUR – Flexible Accumulating Unit Class	4.00 pm (Irish time) on the Business Day prior to the Dealing Day	€5,000,000 (or the GBP, USD or CHF equivalent as applicable depending on the Valuation Currency of denomination)	€10,000 (or the GBP, USD or CHF equivalent as applicable depending on the Valuation Currency of denomination)	€10,000 (or the GBP, USD or CHF equivalent as applicable depending on the Valuation Currency of denomination)	€250,000 (or the GBP, USD or CHF equivalent as applicable depending on the Valuation Currency of denomination)	DD+3BD
	EUR – Flexible Distributing Unit Class						
<b>BlackRock Mix Fonds 1</b>	All Classes	10.00 am (Irish time) on Dealing Day	€5,000,000	€250,000	€250,000	€5,000,000	DD+4BD
<b>BlackRock Mix Fonds 2</b>	All Classes	10.00 am (Irish time) on Dealing Day	€5,000,000	€250,000	€250,000	€5,000,000	DD+4BD

Fund Name	Unit Class	Cut Off Time	Minimum Subscription	Minimum Subsequent Subscription	Minimum Redemption Amount	Minimum Holding Amount for existing Unitholders	Subscriptions/Redemptions Settlement Time
<b>BlackRock Mix Fonds 3</b>	All Classes	10.00 am (Irish time) on Dealing Day	€5,000,000	€250,000	€250,000	€5,000,000	DD+4BD
<b>BlackRock Mix Fonds 4</b>	All Classes	10.00 am (Irish time) on Dealing Day	€5,000,000	€250,000	€250,000	€5,000,000	DD+4BD
<b>BlackRock Mix Fonds 5</b>	All Classes	10.00 am (Irish time) on Dealing Day	€5,000,000	€250,000	€250,000	€5,000,000	DD+4BD
<b>BlackRock Diversified Distribution Fund</b>	Institutional Distributing Unit Class	2.00 pm (Irish time) on the Business Day prior to the Dealing Day	€5,000,000	€250,000	€250,000	€5,000,000	DD+3BD
<b>BlackRock Euro Sovereign Bond Index Fund 1</b>	Institutional Accumulating Unit Class	9.30 am (Irish time) on Dealing Day	€5,000,000	€250,000	€250,000	€5,000,000	DD+3BD
<b>BlackRock Customised Euro Corporate Bond Index Fund 1</b>	Institutional Accumulating Unit Class	9.30 am (Irish time) on Dealing Day	€5,000,000	€250,000	€250,000	€5,000,000	DD+3BD
<b>BlackRock Multi Style Strategy Fund</b>	Class U Accumulating	11:00 am (Irish time) on Dealing Day	€50,000,000	€250,000	€250,000	€5,000,000	DD+3BD
<b>BlackRock Global Equity Selection Fund</b>	Class A Accumulating	9.00 am (Irish time) on Dealing Day	€5,000,000	€1,000	€1,000	€5,000	DD+3BD
	All other Classes	9.00 am (Irish time) on Dealing Day	€5,000	€1,000	€1,000	€5,000	DD+3BD

Fund Name	Unit Class	Cut Off Time	Minimum Subscription	Minimum Subsequent Subscription	Minimum Redemption Amount	Minimum Holding Amount for existing Unitholders	Subscription/Redemptions Settlement Time
<b>BlackRock Fixed Income Selection Fund</b>	Class A Accumulating	9.00 am (Irish time) on Dealing Day	€5,000,000	€1,000	€1,000	€5,000	DD+3BD
	All other Classes	9.00 am (Irish time) on Dealing Day	€5,000	€1,000	€1,000	€5,000	DD+3BD
<b>BlackRock Diversified Strategies Selection Fund</b>	All Classes	9.00 am (Irish time) on Dealing Day	€5,000	€1,000	€1,000	€5,000	DD+3BD
<b>BlackRock Multi Asset Balanced Selection Fund</b>	All Classes	9.00 am (Irish time) on Dealing Day	€5,000	€1,000	€1,000	€5,000	DD+3BD
<b>BlackRock Multi Asset Conservative Selection Fund</b>	Class A Accumulating	9.00 am (Irish time) on Dealing Day	€5,000,000	€1,000	€1,000	€5,000	DD+3BD
	Flexible Accumulating Unit Class	9.00 am (Irish time) on Dealing Day	€10,000,000	€1,000	€1,000	€10,000,000	DD+3BD
	All other Classes	9.00 am (Irish time) on Dealing Day	€5,000	€1,000	€1,000	€5,000	DD+3BD
<b>BlackRock Euro Cash Fund</b>	All Classes	9.00 am (Irish time) on Dealing Day	€5,000	€1,000	€1,000	€5,000	DD+1BD
<b>BlackRock Dynamic Allocation Fund</b>	All Classes	9.30 am (Irish time) on Dealing Day	€250,000	€1,000	€1,000	€250,000	DD+3BD
<b>BlackRock UK Equity Income Fund</b>	Class A Accumulating	11.00 am (Irish time) on Dealing Day	£5,000	£1,000	£1,000	£5,000	DD+3BD

Fund Name	Unit Class	Cut Off Time	Minimum Subscription	Minimum Subsequent Subscription	Minimum Redemption Amount	Minimum Holding Amount for existing Unitholders	Subscriptions/Redemptions Settlement Time
	Class A Distributing	11.00 am (Irish time) on Dealing Day	£5,000	£1,000	£1,000	£5,000	DD+3BD
	Class D Accumulating	11.00 am (Irish time) on Dealing Day	£100,000	£1,000	£1,000	£100,000	DD+3BD
	Class D Distributing	11.00 am (Irish time) on Dealing Day	£100,000	£1,000	£1,000	£100,000	DD+3BD
	All other Classes	11.00 am (Irish time) on Dealing Day	£10,000,000	£1,000	£1,000	£10,00,000	DD+3BD
<b>BlackRock Defensive Yield ESG Screened Fund</b>	Class A Accumulating	9.30 am (Irish time) on Dealing Day	€5,000	€1,000	€1,000	€5,000	DD+3BD
	Class A Distributing	9.30 am (Irish time) on Dealing Day	€5,000	€1,000	€1,000	€5,000	DD+3BD
	Class D Accumulating	9.30 am (Irish time) on Dealing Day	€10,000	€1,000	€1,000	€10,000	DD+3BD
	Class D Distributing	9.30 am (Irish time) on Dealing Day	€10,000	€1,000	€1,000	€10,000	DD+3BD
	Class D CHF Hedged Accumulating	9.30 am (Irish time) on Dealing Day	€10,000 (or CHF equivalent)	€1,000 (or CHF equivalent)	€1,000 (or CHF equivalent)	€10,000 (or CHF equivalent)	DD+3BD
	Class D CHF Hedged Distributing	9.30 am (Irish time) on Dealing Day	€10,000 (or CHF equivalent)	€1,000 (or CHF equivalent)	€1,000 (or CHF equivalent)	€10,000 (or CHF equivalent)	DD+3BD

Fund Name	Unit Class	Cut Off Time	Minimum Subscription	Minimum Subsequent Subscription	Minimum Redemption Amount	Minimum Holding Amount for existing Unitholders	Subscriptions/Redemptions Settlement Time
	Class D GBP Hedged Accumulating	9.30 am (Irish time) on Dealing Day	€10,000 (or GBP equivalent)	€1,000 (or GBP equivalent)	€1,000 (or GBP equivalent)	€10,000 (or GBP equivalent)	DD+3BD
	Class D GBP Hedged Accumulating	9.30 am (Irish time) on Dealing Day	€10,000 (or GBP equivalent)	€1,000 (or GBP equivalent)	€1,000 (or GBP equivalent)	€10,000 (or GBP equivalent)	DD+3BD
	Class Z Accumulating	9.30 am (Irish time) on Dealing Day	€10,000,000	€10,000	€250,000	€10,000,000	DD+3BD
	Class Z Distributing	9.30 am (Irish time) on Dealing Day	€10,000,000	€10,000	€250,000	€10,000,000	DD+3BD
	Class Z CHF Hedged Accumulating	9.30 am (Irish time) on Dealing Day	€10,000,000 (or CHF equivalent)	€10,000 (or CHF equivalent)	€250,000 (or CHF equivalent)	€10,000,000 (or CHF equivalent)	DD+3BD
	Class Z CHF Hedged Distributing	9.30 am (Irish time) on Dealing Day	€10,000,000 (or CHF equivalent)	€10,000 (or CHF equivalent)	€250,000 (or CHF equivalent)	€10,000,000 (or CHF equivalent)	DD+3BD
	Flexible Accumulating Unit Class	9.30 am (Irish time) on Dealing Day	€10,000,000	€10,000	€250,000	€10,000,000	DD+3BD
	Flexible Distributing Unit Class	9.30 am (Irish time) on Dealing Day	€10,000,000	€10,000	€250,000	€10,000,000	DD+3BD
<b>BlackRock Emerging Markets Alpha Tilts Fund</b>	Class D Accumulating	4.00 pm (Irish time) on the Business Day prior to the Dealing Day	\$250,000	\$50,000	\$50,000	\$250,000	DD+3BD

Fund Name	Unit Class	Cut Off Time	Minimum Subscription	Minimum Subsequent Subscription	Minimum Redemption Amount	Minimum Holding Amount for existing Unitholders	Subscriptions/Redemptions Settlement Time
	Class Z Accumulating	4.00 pm (Irish time) on the Business Day prior to the Dealing Day	\$10,000,000	\$250,000	\$250,000	\$10,000,000	DD+3BD
	Institutional Accumulating Unit Class	4.00 pm (Irish time) on the Business Day prior to the Dealing Day	\$250,000	\$50,000	\$50,000	\$250,000	DD+3BD
	Flexible Accumulating Unit Class	4.00 pm (Irish time) on the Business Day prior to the Dealing Day	\$250,000	\$50,000	\$50,000	\$250,000	DD+3BD
<b>BlackRock Systematic ESG Emerging Markets Equity Fund</b>	Class A Accumulating	4.00 pm (Irish time) on the Business Day prior to the Dealing Day	\$10,000,000	\$1,000	\$1,000	\$250,000	DD+3BD
	Flexible Accumulating Unit Class	4.00 pm (Irish time) on the Business Day prior to the Dealing Day	\$50,000,000	\$1,000	\$1,000	\$10,000,000	DD+3BD
	Class A EUR Accumulating	4.00 pm (Irish time) on the Business Day prior to the Dealing Day	\$10,000,000 (or EUR equivalent)	\$1,000 (or EUR equivalent)	\$1,000 (or EUR equivalent)	\$250,000 (or EUR equivalent)	DD+3BD



Fund Name	Unit Class	Cut Off Time	Minimum Subscription	Minimum Subsequent Subscription	Minimum Redemption Amount	Minimum Holding Amount for existing Unitholders	Subscriptions/Redemptions Settlement Time	
	Flexible Accumulating Unit Class	EUR	4.00 pm (Irish time) on the Business Day prior to the Dealing Day	\$50,000,000 (or EUR equivalent)	\$1,000 (or EUR equivalent)	\$1,000 (or EUR equivalent)	\$10,000,000 (or EUR equivalent)	DD+3BD
	Class A Hedged Accumulating	EUR	4.00 pm (Irish time) on the Business Day prior to the Dealing Day	\$10,000,000 (or EUR equivalent)	\$1,000 (or EUR equivalent)	\$1,000 (or EUR equivalent)	\$250,000 (or EUR equivalent)	DD+3BD
	Flexible Hedged Accumulating Unit Class	EUR	4.00 pm (Irish time) on the Business Day prior to the Dealing Day	\$50,000,000 (or EUR equivalent)	\$1,000 (or EUR equivalent)	\$1,000 (or EUR equivalent)	\$10,000,000 (or EUR equivalent)	DD+3BD
<b>BlackRock Tactical Opportunities Fund</b>	Flexible Accumulating Unit Class		4.00 pm (Irish time) on the Business Day prior to the Dealing Day	\$250,000	\$250,000	\$50,000	\$250,000	DD+3BD
	Flexible Distributing Unit Class		4.00 pm (Irish time) on the Business Day prior to the Dealing Day	\$250,000	\$250,000	\$50,000	\$250,000	DD+3BD
	Institutional Accumulating Unit Class		4.00 pm (Irish time) on the Business Day prior to the Dealing Day	\$250,000	\$250,000	\$50,000	\$250,000	DD+3BD

Fund Name	Unit Class	Cut Off Time	Minimum Subscription	Minimum Subsequent Subscription	Minimum Redemption Amount	Minimum Holding Amount for existing Unitholders	Subscriptions/Redemptions Settlement Time
	Institutional Distributing Unit Class	4.00 pm (Irish time) on the Business Day prior to the Dealing Day	\$250,000	\$250,000	\$50,000	\$250,000	DD+3BD
	Flexible EUR Hedged Accumulating Unit Class	4.00 pm (Irish time) on the Business Day prior to the Dealing Day	\$250,000 (or EUR equivalent)	\$250,000 (or EUR equivalent)	\$50,000 (or EUR equivalent)	\$250,000 (or EUR equivalent)	DD+3BD
	Flexible EUR Hedged Distributing Unit Class	4.00 pm (Irish time) on the Business Day prior to the Dealing Day	\$250,000 (or EUR equivalent)	\$250,000 (or EUR equivalent)	\$50,000 (or EUR equivalent)	\$250,000 (or EUR equivalent)	DD+3BD
	Institutional EUR Hedged Accumulating Unit Class	4.00 pm (Irish time) on the Business Day prior to the Dealing Day	\$250,000 (or EUR equivalent)	\$250,000 (or EUR equivalent)	\$50,000 (or EUR equivalent)	\$250,000 (or EUR equivalent)	DD+3BD
	Institutional EUR Hedged Distributing Unit Class	4.00 pm (Irish time) on the Business Day prior to the Dealing Day	\$250,000 (or EUR equivalent)	\$250,000 (or EUR equivalent)	\$50,000 (or EUR equivalent)	\$250,000 (or EUR equivalent)	DD+3BD
	Flexible JPY Hedged Accumulating Unit Class	4.00 pm (Irish time) on the Business Day prior to the Dealing Day	\$250,000 (or JPY equivalent)	\$250,000 (or JPY equivalent)	\$50,000 (or JPY equivalent)	\$250,000 (or JPY equivalent)	DD+3BD

Fund Name	Unit Class	Cut Off Time	Minimum Subscription	Minimum Subsequent Subscription	Minimum Redemption Amount	Minimum Holding Amount for existing Unitholders	Subscriptions/Redemptions Settlement Time	
	Flexible Hedged Distributing Unit Class	JPY	4.00 pm (Irish time) on the Business Day prior to the Dealing Day	\$250,000 (or JPY equivalent)	\$250,000 (or JPY equivalent)	\$50,000 (or JPY equivalent)	\$250,000 (or JPY equivalent)	DD+3BD
	Institutional Hedged Accumulating Unit Class	JPY	4.00 pm (Irish time) on the Business Day prior to the Dealing Day	\$250,000 (or JPY equivalent)	\$250,000 (or JPY equivalent)	\$50,000 (or JPY equivalent)	\$250,000 (or JPY equivalent)	DD+3BD
	Institutional Hedged Distributing Unit Class	JPY	4.00 pm (Irish time) on the Business Day prior to the Dealing Day	\$250,000 (or JPY equivalent)	\$250,000 (or JPY equivalent)	\$50,000 (or JPY equivalent)	\$250,000 (or JPY equivalent)	DD+3BD
	Flexible Hedged Accumulating Unit Class	AUD	4.00 pm (Irish time) on the Business Day prior to the Dealing Day	\$250,000 (or AUD equivalent)	\$250,000 (or AUD equivalent)	\$50,000 (or AUD equivalent)	\$250,000 (or AUD equivalent)	DD+3BD
	Flexible Hedged Distributing Unit Class	AUD	4.00 pm (Irish time) on the Business Day prior to the Dealing Day	\$250,000 (or AUD equivalent)	\$250,000 (or AUD equivalent)	\$50,000 (or AUD equivalent)	\$250,000 (or AUD equivalent)	DD+3BD
	Institutional Hedged Accumulating Unit Class	AUD	4.00 pm (Irish time) on the Business Day prior to the Dealing Day	\$250,000 (or AUD equivalent)	\$250,000 (or AUD equivalent)	\$50,000 (or AUD equivalent)	\$250,000 (or AUD equivalent)	DD+3BD

Fund Name	Unit Class	Cut Off Time	Minimum Subscription	Minimum Subsequent Subscription	Minimum Redemption Amount	Minimum Holding Amount for existing Unitholders	Subscriptions/Redemptions Settlement Time
	Institutional Hedged Distributing Unit Class	AUD 4.00 pm (Irish time) on the Business Day prior to the Dealing Day	\$250,000 (or AUD equivalent)	\$250,000 (or AUD equivalent)	\$50,000 (or AUD equivalent)	\$250,000 (or AUD equivalent)	DD+3BD
BlackRock Cangrande Global Index Equity Fund	Institutional Distributing Unit Class	10 am (Irish time) on the Business Day prior to the Dealing Day	€50,000,000	€500,000	€500,000	€1,000,000	DD+3BD

† The initial offer period may be shortened or extended by the Manager and any extension will be notified to the Central Bank.

\* "BD" means Business day and "DD" means Dealing Day.

\*\*DD +1BD indicates settlement will/must occur by the first BD following the DD.

\*\*\*DD +3BD indicates settlement will/must occur by the third BD following the DD.

\*\*\*\*DD +4BD indicates settlement will/must occur by the fourth BD following the DD.

Earlier or later times may be determined by the Manager or the Investment Manager at their discretion with prior Unitholder notice.

## APPENDIX VI

### Disclaimer for Reference to Benchmark Index and Index Provider Website

In accordance with Central Bank requirements, the Manager, on behalf of the Index Sub-Funds, is required to provide details of the relevant index provider's website ("Website") to enable Unitholders obtain further details of the relevant Sub-Fund's Benchmark Index (including the index constituents). The Manager has no responsibility for each Website and is not involved in any way in sponsoring, endorsing or otherwise involved in the establishment or maintenance of each Website or the contents thereof. Furthermore, the Manager has no responsibility for the index provider's Benchmark Index nor for the quality, accuracy or completeness of data in respect of their Benchmark Indices nor that the published indices will be managed in line with their described index methodologies.

### Index Provider Disclaimers

The Benchmark Indices are unmanaged and cannot be invested in directly. The development or creation of any product that uses, is based on, or is developed in connection with any Barclays index (each a "Product") is prohibited without the prior written consent of Barclays Risk Analytics and Index Solutions ("BRAIS"). BRAIS does not sponsor, endorse, sell or promote such Products and makes no representation regarding the advisability of investing in any such Product.

Barclays is not acting as an investment adviser or fiduciary. This Prospectus does not constitute personal investment advice or take into account the individual financial circumstances or objectives of any investor. The indices, securities, commodities, currencies, derivatives and other financial products discussed herein may not be suitable for all purposes or for all investors. Accordingly, recipients must independently determine, in consultation with their own advisors, whether any index or investment discussed herein is appropriate for their purposes.

The index data, quantitative models, analytic tools and other information ("Content") referenced in this Prospectus are considered reliable by Barclays, but Barclays does not represent that the Content (including information obtained from third party sources) is accurate, complete or error free, and it should not be relied upon as such. The Content is provided for informational purposes only and is made available "as is". Barclays does not guarantee the accuracy, timeliness, reliability, performance, continued availability, completeness or currency of any Content and Barclays shall have no liability for any errors, omissions or interruptions therein. Any data on past performance, modelling or back-testing contained in the Content is no indication as to future performance. No representation is made as to the reasonableness of the assumptions made within or the accuracy or completeness of any modelling or back-testing. Because of the possibility of human and mechanical errors as well as other factors, Barclays accepts no responsibility for any errors or omissions in the Content (including but not limited to the calculation or performance of any index and/or the output of any quantitative model or analytic tool). Barclays accepts no liability whatsoever for the accuracy, timeliness, reliability, performance, continued availability, completeness or currency of the Content, or for delays or omissions therein, or for interruptions in the delivery of any Content, or for any special, punitive, indirect, incidental or consequential losses arising from the use of or reliance on any content, even if advised of the possibility of such losses.

Index returns represent past performance and are not indicative of any specific investment. The Content (including any of the output derived from any analytic tools or models) is not intended to predict actual results, which may differ substantially from those reflected. Past performance is not necessarily indicative of future results.

## APPENDIX VII

### SUMMARY DETAILS OF INSTITUTIONAL CASH SERIES PLC

Unitholders should note that the information in respect of Institutional Cash Series plc (“ICS”) in this Appendix VII is a summary of the structure of the ICS, and the investment objectives and policies of the ICS sub-fund, the BlackRock ICS Euro Liquidity Fund. The information contained in this Appendix VII does not purport to be an exhaustive or a complete explanation of the structure, investment objectives and policies and investment restrictions of ICS. The Information contained in Appendix VII is accurate as at the date of this Prospectus. To the extent that there are changes to ICS which require changes to the information contained in Appendix VII, this information will be updated at the next available update to this Prospectus. For details of ICS, investors should read a copy of the prospectus for ICS together with any relevant supplements. Copies of the aforementioned prospectus and any relevant supplements together with the latest periodical reports are available from the Manager upon request.

#### ICS

##### **FORM**

ICS is an umbrella fund and open-ended investment company with variable capital and having segregated liability between its funds organised under the laws of Ireland as a public limited company. ICS currently has twelve sub-funds, namely, the BlackRock ICS Euro Government Liquidity Fund, the BlackRock ICS Sterling Government Liquidity Fund and the BlackRock ICS US Treasury Fund (the “Sovereign Funds”), the BlackRock ICS Euro Liquidity Fund, the BlackRock ICS Sterling Liquidity Fund, the BlackRock ICS US Dollar Liquidity Fund, the BlackRock ICS Euro Liquid Environmentally Aware Fund, the BlackRock ICS Sterling Liquid Environmentally Aware Fund and the BlackRock ICS US Dollar Liquid Environmentally Aware Fund (the “Liquidity Funds”) and the BlackRock ICS Euro Ultra Short Bond Fund, the BlackRock ICS Sterling Ultra Short Bond Fund and the BlackRock ICS US Dollar Ultra Short Bond Fund (the “Ultra Short Bond Funds”) (all sub-funds collectively the “Sub-Funds” for the purposes of this Appendix VII).

##### **AUTHORISATION**

ICS is authorised by the Central Bank as an undertaking for collective investment in transferable securities (“UCITS”) pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended).

#### **INVESTMENT OBJECTIVE AND POLICIES**

##### **BlackRock ICS Euro Liquidity Fund**

###### *Investment Objective*

The BlackRock ICS Euro Liquidity Fund is a low volatility NAV money market fund pursuant to the MMF Regulations (Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds and any delegated regulation published pursuant to it) and its investment objective is to maximise current income consistent with preservation of principal and liquidity by the maintenance of a portfolio of high quality short term “money market” instruments. In pursuit of its investment objective, the BlackRock ICS Euro Liquidity Fund may invest in a broad range of transferable securities such as securities, instruments and obligations that may be available in the relevant markets; these are further described in Appendix IV of the ICS prospectus. These types of securities, instruments and obligations may be issued by both Eurozone and non-Eurozone issuers, but shall be denominated in euros.

###### *Investment Policy*

In pursuit of its investment objective, the BlackRock ICS Euro Liquidity Fund may invest in a broad range of high quality transferable securities (which will generally be traded or listed on the stock exchanges or regulated markets listed in Appendix I of the ICS prospectus) such as securities, instruments and obligations that may be available in the relevant markets (both within and outside the Eurozone) for instruments denominated in euro including securities, instruments and obligations issued or guaranteed

by the Governments of Member States (whether or not participating in EMU) or other sovereign governments or their agencies and securities, instruments and obligations issued or guaranteed by supranational or public international bodies, banks, corporate or other commercial issuers. These types of securities, instruments and obligations shall include those set out below and may be issued by issuers both inside and outside of the Eurozone, but shall be denominated in euro. The list is not exhaustive and such other securities, instruments and obligations (which will generally be traded or listed on stock exchanges or regulated markets listed in Appendix I of the ICS prospectus) as may from time to time be consistent with its investment objectives and policies may be used. In practice, the Sub-Fund will invest only in securities with a maturity at issuance or residual term to maturity of 397 days or less. At least 10% of the Sub-Fund's assets will be daily maturing and at least 30% of the Sub-Fund's assets will be weekly maturing (provided that highly liquid government securities which can be redeemed and settled within one day and have a residual maturity of up to 190 days may be included in the weekly maturity assets, up to 17.5%). The Sub-Fund will maintain a weighted average maturity of 60 days or less and a weighted average life of 120 days or less.

Where the Sub-Fund invests in other collective investment schemes, including other Sub-Funds of ICS, these other collective investment schemes must be Short-Term MMFs in accordance with the MMF Regulations.

The base currency of the BlackRock ICS Euro Liquidity Fund is Euro. The Sub-Fund will only invest in instruments denominated in the base currency of the Sub-Fund. The Sub-Fund will only invest in high quality money market instruments.

*Certificates of Deposit ("CDs")* - Negotiable interest-bearing instruments with a specific maturity. CDs are issued by banks, building societies and other financial institutions in exchange for the deposit of funds, and normally can be traded in the secondary market prior to maturity.

*Commercial Paper* - Unsecured short-term promissory notes issued by corporations or other entities (including public or local authorities) with maturities up to 397 days, including Asset-Backed Commercial Paper.

*Floating Rate Notes ("FRNs")* - FRNs are unsecured notes issued by banks, building societies and other financial institutions. The interest rate payable on FRNs may fluctuate based upon changes in specified interest rates or be set periodically according to a prescribed formula.

*Government Bonds* - Bonds issued by the Governments of the Member States (whether or not participating in EMU).

*Government T-Bills (Eurozone)* - Short-term securities issued by the Governments of Member States (whether or not participating in EMU).

*Government (Ex-Eurozone) Sovereign Bonds* - Bonds denominated in euro which are issued or guaranteed by one or more sovereign governments outside the Eurozone or by any of their political subdivisions, agencies or instrumentalities. Bonds of such political subdivisions, agencies or instrumentalities are often, but not always, supported by the full faith and credit of the relevant government.

*Repurchase Agreements ("Repos")* - Instruments under which ICS sells portfolio securities and at the time of sale ICS agrees to repurchase those securities at a mutually agreed time and price including a mutually agreed interest payment.

*Reverse Repurchase Agreements ("Reverses")* - Instruments under which ICS acquires ownership of debt securities and agrees at the time of the transaction for the repurchase by the seller of the instrument at a mutually agreed time and price, thereby pre-determining the yield to the Sub-Fund during the period when ICS holds the instrument.

ICS will only enter into Reverses with institutions believed by the Investment Manager to present minimal credit risk to ICS.

Repos and Reverses will be used only as described in Appendix II of the ICS prospectus.

*Short and Medium Term Obligations* - Debt obligations, notes, debentures or bonds or any other type of debt instrument (including bonds issued by corporations or other entities (including public or local authorities)) with remaining maturities of 397 days or less.

*Supranational Bonds* - Debt obligations issued or guaranteed by supranational entities and public international bodies including international organisations designated or supported by governmental entities to promote economic reconstruction or development and international banking institutions and related government agencies including the Asian Development Bank, the European Bank for Reconstruction and Development, the European Central Bank, the European Investment Bank, the Inter-American Development Bank, the International Monetary Fund and the International Bank for Reconstruction and Development (the World Bank) (collectively "Supranational Entities").

## **FEES AND EXPENSES**

### Establishment Costs

All fees and expenses relating to the establishment of ICS (including listing costs) and the fees of the advisers to ICS have been borne by ICS.

### Voluntary Cap

The manager has agreed with ICS to limit the annual expenses of each class within a Sub-Fund to 1% per annum of the net asset value of such class or to such lesser amount as the manager may agree for any class within a Sub-Fund. The said 1% maximum charge may be increased only with the prior approval of shareholders of the relevant class. The manager has agreed that the annual expenses of each class within a Sub-Fund, will be capped as set out in the prospectus for ICS.

### Preliminary Charge, Redemption and Switching Fees

No preliminary charge is payable in respect of the shares, nor are any redemption or switching fees payable. However, the articles authorise the directors to impose a redemption fee of up to 1% of the redemption price of the shares being redeemed. It is not currently intended to charge any such fees. The directors will give 30 days' written notice to shareholders of any intention to charge such fees.

## **RISK FACTORS**

Risk factors are set out in the prospectus for ICS and include the following risk factors to which an investment in ICS may be subject to: the risk that the investment objective of any Sub-Fund or that the intention of maintaining a stable net asset value may not be attained; currency risk; loss of initial investment; liquidity risk (both of actual investment in ICS in the case of suspension of redemption and also of underlying assets); settlement and counterparty risk; interest rate risk; risk of non-recognition of segregation of liability between Sub-Funds; market risk; European Economic and Monetary Union risk; taxation risk; sovereign debt default risk and derivative instrument risk.



## APPENDIX VIII

The following third-party delegates have been appointed by the Trustee in the referenced markets as sub-custodians of the assets of the Trust.

<b>Sub-Custodian</b>	<b>Market</b>
HSBC Bank Argentina S.A., Buenos Aires	Argentina
JPMorgan Chase Bank, N.A., Melbourne	Australia
UniCredit Bank Austria AG, Vienna	Austria
HSBC Bank Middle East Limited, Al Seef	Bahrain
Standard Chartered Bank, Dhaka	Bangladesh
BNP Paribas Securities Services S.C.A., Brussels	Belgium
HSBC Bank Bermuda Limited, Hamilton	Bermuda
Standard Chartered Bank Botswana Limited, Gaborone	Botswana
J.P. Morgan S.A. DTVM, Sao Paulo	Brazil
Citibank Europe plc, Sofia	Bulgaria
Canadian Imperial Bank of Commerce, Toronto Royal Bank of Canada, Toronto	Canada
Banco Santander Chile, Santiago	Chile
HSBC Bank (China) Company Limited, Shanghai* * Please refer to your Client Relationship Team for additional subcustodial options	China A-Share
HSBC Bank (China) Company Limited, Shanghai	China B-Share
JPMorgan Chase Bank, N.A., Hong Kong	China Connect
Cititrust Colombia S.A., Bogota	Colombia
Banco BCT, S.A., San Jose (Restricted)	Costa Rica
Privredna banka Zagreb d.d., Zagreb	Croatia
HSBC Bank plc, Athens	Cyprus
UniCredit Bank Czech Republic and Slovakia, a.s., Prague	Czech Republic
Nordea Bank AB (publ), Copenhagen	Denmark
Citibank, N.A., Cairo	Egypt
Swedbank AS, Tallinn	Estonia
Nordea Bank AB (publ), Helsinki	Finland
BNP Paribas Securities Services S.C.A., Paris	France
Deutsche Bank AG, Eschborn J.P. Morgan AG, Frankfurt	Germany
Standard Chartered Bank Ghana Limited, Accra	Ghana
HSBC Bank plc, Athens	Greece
JPMorgan Chase Bank, N.A., Hong Kong	Hong Kong
Deutsche Bank AG, Budapest	Hungary
Islandsbanki hf., Reykjavik (Restricted)	Iceland
JPMorgan Chase Bank, N.A., Mumbai	India
PT Bank HSBC Indonesia, Jakarta	Indonesia
JPMorgan Chase Bank, N.A., London	Ireland
Bank Leumi le-Israel B.M., Tel Aviv	Israel
BNP Paribas Securities Services S.C.A., Milan	Italy
Mizuho Bank, Ltd., Tokyo The Bank of Tokyo-Mitsubishi UFJ, Ltd., Tokyo	Japan
Standard Chartered Bank, Amman	Jordan
JSC Citibank Kazakhstan, Almaty	Kazakhstan
Standard Chartered Bank Kenya Limited, Nairobi	Kenya
HSBC Bank Middle East Limited, Safat	Kuwait
Swedbank AS, Riga	Latvia
AB SEB Bankas, Vilnius	Lithuania
BNP Paribas Securities Services S.C.A., Luxembourg	Luxembourg
Standard Bank Limited, Malawi, Blantyre (Restricted)	Malawi
HSBC Bank Malaysia Berhad, Kuala Lumpur	Malaysia
The Hong Kong and Shanghai Banking Corporation Limited, Ebene	Mauritius
Banco Nacional de Mexico, S.A., Mexico, D.F.	Mexico
Société Générale Marocaine de Banques, Casablanca	Morocco
Standard Bank Namibia Limited, Windhoek	Namibia
BNP Paribas Securities Services S.C.A., Amsterdam	Netherlands
JPMorgan Chase Bank, N.A., Wellington	New Zealand
Stanbic IBTC Bank Plc, Lagos	Nigeria
Nordea Bank AB (publ), Oslo	Norway

HSBC Bank Oman S.A.O.G., Seeb	Oman
Standard Chartered Bank (Pakistan) Limited, Karachi	Pakistan
Citibank del Perú S.A., Lima	Peru
The Hong Kong and Shanghai Banking Corporation Limited, Taguig City	Philippines
Bank Handlowy w. Warszawie S.A., Warsaw	Poland
BNP Paribas Securities Services S.C.A., Lisbon	Portugal
HSBC Bank Middle East Limited, Doha	Qatar
Citibank Europe plc, Bucharest	Romania
J.P. Morgan Bank International (Limited Liability Company), Moscow	Russia
HSBC Saudi Arabia, Riyadh	Saudi Arabia
Unicredit Bank Srbija a.d., Belgrade	Serbia
DBS Bank Ltd, Singapore	Singapore
UniCredit Bank Czech Republic and Slovakia, a.s., Bratislava	Slovak Republic
UniCredit Banka Slovenija d.d., Ljubljana	Slovenia
FirstRand Bank Limited, Johannesburg	South Africa
Standard Chartered Bank Korea Limited, Seoul Kookmin Bank Co., Ltd., Jung-gu, Seoul	South Korea
Santander Securities Services, S.A., Madrid	Spain
The Hong Kong and Shanghai Banking Corporation Limited, Colombo	Sri Lanka
Nordea Bank AB (publ), Stockholm	Sweden
UBS Switzerland AG, Zurich	Switzerland
JPMorgan Chase Bank, N.A., Taipei	Taiwan
Stanbic Bank Tanzania Limited, Dar es Salaam (Restricted)	Tanzania
Standard Chartered Bank (Thai) Public Company Limited, Bangkok	Thailand
Banque Internationale Arabe de Tunisie, S.A., Tunis	Tunisia
Citibank A.S., Umraniye, Istanbul	Turkey
Standard Chartered Bank Uganda Limited, Kampala	Uganda
PJSC Citibank, Kiev (Restricted)	Ukraine
HSBC Bank Middle East Limited, Dubai	United Arab Emirates - ADX
HSBC Bank Middle East Limited, Dubai	United Arab Emirates - DFM
HSBC Bank Middle East Limited, Dubai	United Arab Emirates - NASDAQ Dubai
JPMorgan Chase Bank, N.A., London	United Kingdom
Deutsche Bank AG Depository and Clearing Centre, London	United Kingdom
JPMorgan Chase Bank, N.A., New York	United States
Banco Itaú Uruguay S.A., Montevideo	Uruguay
Citibank, N.A., Caracas	Venezuela
HSBC Bank (Vietnam) Ltd., Ho Chi Minh City	Vietnam
Standard Chartered Bank Côte d'Ivoire SA, Abidjan (Restricted)	WAEMU - Benin, Burkina Faso, Guinea-Bissau, Ivory Coast, Mali, Niger, Senegal, Togo
Standard Chartered Bank Zambia Plc, Lusaka	Zambia
Stanbic Bank Zimbabwe Limited, Harare (Restricted)	Zimbabwe

## APPENDIX IX

### **Total Return Swaps and Contracts for Difference**

Any assets of a Sub-Fund may be subject to total return swaps and contracts for differences. The table below specifies the maximum and expected proportion of the Net Asset Value of each Sub-Fund that can be subject to total return swaps and contracts for differences. The expected proportion is not a limit and the actual percentage may vary over time depending on factors including, but not limited to, market conditions.

<b>Sub-Fund</b>	<b>TRS and CFDs: Maximum proportion of NAV</b>	<b>TRS and CFDs: Expected proportion of NAV</b>
BlackRock UK Credit Screened Fund	10%	0%
BlackRock Developed Markets Sovereign Screened Bond Fund	10%	0%
BlackRock Emerging Markets Sovereign Screened Bond Fund	10%	0%
BlackRock Mix Fonds 1	0%	0%
BlackRock Mix Fonds 2	0%	0%
BlackRock Mix Fonds 3	0%	0%
BlackRock Mix Fonds 4	0%	0%
BlackRock Mix Fonds 5	0%	0%
BlackRock Diversified Distribution Fund	100%	0%
BlackRock Diversifying Fixed Income Fund	100%	0%
BlackRock Euro Sovereign Bond Index Fund 1	10%	0%
BlackRock Customised Euro Corporate Bond Index Fund 1	10%	0%
BlackRock Multi Style Strategy Fund	520%	380%
BlackRock Global Equity Selection Fund	0%	0%
BlackRock Fixed Income Selection Fund	0%	0%
BlackRock Diversified Strategies Selection Fund	0%	0%
BlackRock Multi Asset Balanced Selection Fund	0%	0%
BlackRock Multi Asset Conservative Selection Fund	0%	0%
BlackRock Euro Cash Fund	0%	0%
BlackRock Dynamic Allocation Fund	100%	Up to 50%
BlackRock UK Equity Income Fund	5%	0%
BlackRock Defensive Yield ESG Screened Fund	10%	0%
BlackRock Emerging Markets Alpha Tilts Fund	100%	20%
BlackRock Systematic ESG Emerging Markets Equity Fund	100%	20%
BlackRock Tactical Opportunities Fund	75%	25%
BlackRock Cangrande Global Index Equity Fund	0%	0%

## **Repurchase and Reverse Repurchase Agreements**

Any assets of a Sub-Fund may be subject to repurchase and reverse repurchase agreements. The table below specifies the maximum and expected proportion of the Net Asset Value of each Sub-Fund that can be subject to repurchase and reverse repurchase agreements. The expected proportion is not a limit and the actual percentage may vary over time depending on factors including, but not limited to, market conditions.

<b>Sub-Fund</b>	<b>Repurchase and reverse repurchase agreements: Maximum proportion of NAV</b>	<b>Repurchase and reverse repurchase agreements: Expected proportion of NAV</b>
BlackRock UK Credit Screened Fund	5%	0%
BlackRock Developed Markets Sovereign Screened Bond Fund	5%	0%
BlackRock Emerging Markets Sovereign Screened Bond Fund	5%	0%
BlackRock Mix Fonds 1	0%	0%
BlackRock Mix Fonds 2	0%	0%
BlackRock Mix Fonds 3	0%	0%
BlackRock Mix Fonds 4	0%	0%
BlackRock Mix Fonds 5	0%	0%
BlackRock Diversified Distribution Fund	0%	0%
BlackRock Diversifying Fixed Income Fund	5%	0%
BlackRock Euro Sovereign Bond Index Fund 1	5%	0%
BlackRock Customised Euro Corporate Bond Index Fund 1	5%	0%
BlackRock Multi Style Strategy Fund	Not applicable	
BlackRock Global Equity Selection Fund	Not applicable	
BlackRock Fixed Income Selection Fund	Not applicable	
BlackRock Diversified Strategies Selection Fund	Not applicable	
BlackRock Multi Asset Balanced Selection Fund	Not applicable	
BlackRock Multi Asset Conservative Selection Fund	Not applicable	
BlackRock Euro Cash Fund	0%	0%
BlackRock Dynamic Allocation Fund	100%	0%
BlackRock UK Equity Income Fund	0%	0%
BlackRock Defensive Yield ESG Screened Fund	5%	0%
BlackRock Emerging Markets Alpha Tilts Fund	100%	0%
BlackRock Systematic ESG Emerging Markets Equity Fund	100%	0%
BlackRock Tactical Opportunities Fund	50%	0%
BlackRock Cangrande Global Index Equity Fund	0%	0%

## **Securities Lending**

Any assets of a Sub-Fund may be subject to securities lending. The table below specifies the maximum and expected proportion of the Net Asset Value of each Sub-Fund that can be subject to securities lending. The demand to borrow securities is a significant driver for the amount that is actually lent from a Sub-Fund at a given time. Borrowing demand fluctuates over time and depends to a large extent on market factors that cannot be forecasted precisely. Based on historical data, lending volumes for the Sub-Funds are typically in the ranges set out below, though past levels are no guarantee of future levels.

<b>Sub-Fund</b>	<b>Securities lending:</b>	<b>Securities lending:</b>
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	<b>Maximum proportion of NAV</b>	<b>Expected proportion of NAV</b>
BlackRock UK Credit Screened Fund	100%	0%-31%
BlackRock Developed Markets Sovereign Screened Bond Fund	100%	0%-99%
BlackRock Emerging Markets Sovereign Screened Bond Fund	100%	0%-65%
BlackRock Mix Fonds 1	Not applicable	
BlackRock Mix Fonds 2	Not applicable	
BlackRock Mix Fonds 3	Not applicable	
BlackRock Mix Fonds 4	Not applicable	
BlackRock Mix Fonds 5	Not applicable	
BlackRock Diversified Distribution Fund	Not applicable	
BlackRock Diversifying Fixed Income Fund	100%	0%-99%
BlackRock Euro Sovereign Bond Index Fund 1	100%	0%-31%
BlackRock Customised Euro Corporate Bond Index Fund 1	100%	0%-20%
BlackRock Multi Style Strategy Fund	Not applicable	
BlackRock Global Equity Selection Fund	100%	0%-19%
BlackRock Fixed Income Selection Fund	100%	0%-25%
BlackRock Diversified Strategies Selection Fund	100%	0%-25%
BlackRock Multi Asset Balanced Selection Fund	100%	0%-25%
BlackRock Multi Asset Conservative Selection Fund	100%	0%-25%
BlackRock Euro Cash Fund	Not applicable	
BlackRock Dynamic Allocation Fund	100%	1% to 25%
BlackRock UK Equity Income Fund	100%	0% to 87%
BlackRock Defensive Yield ESG Screened Fund	100%	0% to 31%
BlackRock Emerging Markets Alpha Tilts Fund	100%	0% to 99%
BlackRock Systematic ESG Emerging Markets Equity Fund	100%	0% to 99%
BlackRock Tactical Opportunities Fund	100%	1% to 25%
BlackRock Cangrande Global Index Equity Fund	0%	0%

## Appendix X

### BLACKROCK EMEA BASELINE SCREENS POLICY

The Investment Manager will seek to limit and/or exclude direct investment (as applicable) in corporate issuers which, at the time of purchase, in the opinion of the Investment Manager, have exposure to, or ties with, certain sectors (in some cases subject to specific revenue thresholds) including but not limited to:

- (i) the production of certain types of controversial weapons;
  - (ii) the distribution or production of firearms or small arms ammunition intended for retail to civilians;
  - (iii) the extraction of certain types of fossil fuel and/or the generation of power from them;
  - (iv) the production of tobacco products or certain activities in relation to tobacco-related products;
- and
- (v) issuers which have been deemed to have failed to comply with UN Global Compact Principles.

To undertake its analysis of ESG criteria, the Investment Manager may use data generated internally by the Investment Manager and/or its affiliates or provided by one or more third party ESG research providers.

Should existing holdings, compliant at the time of investment subsequently become ineligible, they will be divested within a reasonable period of time.

A Fund may gain limited indirect exposure (through, including but not limited to, derivatives and shares or units of CIS) to issuers with exposures that do not meet the ESG criteria described above.

A full list of the limits and/or exclusions being applied by Investment Managers at any time (including any specific threshold criteria) is available at <https://www.blackrock.com/corporate/literature/publication/blackrock-baseline-screens-in-europe-middleeast-and-africa.pdf>

It is the Investment Managers' intention that the BlackRock EMEA Baseline Screens policy will evolve over time as improved data and more research on this subject becomes available. The full list may be amended from time to time at the Investment Managers' discretion and (unless it alters the description in this section) may be implemented without notification to Unitholders.