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If you are in any doubt about the action to be taken you should consult your stockbroker, bank manager, solicitor, accountant, relationship manager or other professional adviser immediately.

BLACKROCK GLOBAL FUNDS

Registered office: 2-4, rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg
R.C.S. Luxembourg B6317

11 February 2019

Dear Shareholder

We, BlackRock Asset Management North Asia Limited, as Hong Kong Representative of BlackRock Global Funds (the “**Company**”) are writing to advise you of changes that the board of directors (the “**Directors**”) proposes to make to the Company and its sub-funds (the “**Funds**”).

The changes set out in this letter will take effect from 25 March 2019 (the “**Effective Date**”), unless otherwise stated herein and this letter forms notice to shareholders of the facts set out below.

Terms not defined herein shall have the same meaning as set out in the prospectus dated 8 December 2017 currently in force (available at www.blackrock.com/hk) (the “**Prospectus**”). Investors should note that the website has not been authorised or reviewed by the Securities and Futures Commission (“**SFC**”).

1. Changes to the Flexible Multi-Asset Fund (“**FMA**”)

(a) Renaming and change to investment objective and policy

FMA will be renamed as the “ESG Multi-Asset Fund”. Additional or amended disclosures will be included in its investment objective and policy, as further detailed in Appendix 1 to this letter, to reflect the decision of the Directors to take into account environmental, social and governance (or “**ESG**”) characteristics when selecting FMA’s investments. The Prospectus sets out a more detailed definition of “ESG”.

As a result, the Investment Adviser intends to exclude, from FMA’s portfolio, direct investment in securities of issuers including: issuers which have exposure to, or ties with controversial weapons (nuclear, cluster munitions, biological-chemical, landmines, blinding laser, depleted uranium, or incendiary weapons); issuers deriving over 30% of revenue from thermal coal extraction and generation; tobacco producers and issuers deriving over 15% of revenue from tobacco retailing, distribution and licensing; issuers which produce firearms intended for retail to civilians or deriving over 5% of revenue from the retail of firearms to civilians and issuers of securities that are deemed to have breached one or more of the ten United Nations Global Compact Principles (“**UNGC**”), which cover human rights, labour standards, the environment and anti-corruption. The UNGC is a United Nations initiative to implement universal sustainability principles.

The Investment Adviser also intends to limit direct investment in securities of issuers involved in the production, distribution or licensing of alcoholic products; the ownership or operation of gambling-related activities or facilities; production, supply and mining activities related to nuclear power and production of adult entertainment materials.

Once these changes are made, FMA may perform differently compared to similar funds that do not apply such ESG criteria, for example FMA might forego opportunities to buy certain securities when it might otherwise be advantageous to do so, or might sell securities due to ESG characteristics when it might otherwise be considered disadvantageous to do so. However, whilst these ESG-related exclusions may reduce the range of assets to which FMA may gain exposure, they are not expected to materially impact FMA’s risk-return profile, given that FMA is managed as a global total return multi-asset fund (which provides the Investment Adviser with discretion to select FMA’s investments).

The changes described above are not expected to materially affect the overall risk profile of FMA. It is intended that the changes to FMA will be beneficial to investors by providing a more ESG-focused investment strategy, adding governance to the existing investment process, and through the reduction of management fees and will not materially prejudice the rights or interests of the existing shareholders of FMA.

(b) Reduction of management fee

The proposed changes to FMA also include a reduction of the management fees for FMA, as set out in Appendix 1 to this letter.

(c) Update to expected level of leverage

Please refer to section 12 of this letter below for further details.

2. Changes to the Global Opportunities Fund (“GOF”)

GOF will be renamed as the “Global Long-Horizon Equity Fund” to better reflect the strategy of the Fund. This change will have no other impact on the Fund or the way that it is currently managed.

3. Changes to the New Energy Fund (“NEF”)

NEF will be renamed as the “Sustainable Energy Fund” and the words “new energy” in its investment policy will be changed to “sustainable energy”, as set out in Appendix 2 to this letter. The new name will better reflect NEF’s exposures to the power, transportation and built environment industries, as opposed to “new energy” which could be taken to mean purely wind and solar energy. This will not affect the way NEF is currently managed.

4. Changes to the World Agriculture Fund (“WAF”)

(a) Renaming and change to investment policy

WAF will be renamed as the “Nutrition Fund” and its investment policy will be widened to permit WAF to invest in equity securities of both agriculture and food-related companies, as set out in Appendix 3 to this letter. This expansion to the range of available investments is expected to lead to WAF having access to a greater range of investment opportunities, and is expected to assist the Investment Adviser in managing WAF’s volatility, through the ability to make investments throughout the food and agriculture value chain.

Following the changes, WAF will continue to be susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory events affecting the agriculture industry. As a consequence of widening its investment policy to cover food-related companies, WAF will also be subject to the same range of risks as they apply to the food industry.

The changes described above are not expected to materially affect the overall risk profile of WAF or change its expected level of leverage. The changes will not materially prejudice the rights or interests of the existing shareholders of WAF.

(b) Reduction of management fee

The proposed changes to WAF also include a reduction of the management fees for WAF, as set out in Appendix 3 to this letter.

5. China Interbank Bond Market (“CIBM”)

Each of the Dynamic High Income Fund and the Global Allocation Fund will be permitted to gain direct exposure to China onshore bonds via CIBM (in addition to the CIBM Funds already named in the Prospectus) for no more than 10% of its total assets.

Risks associated with investment via the CIBM include liquidity and volatility risks, counterparty and settlement risks and regulatory risks, etc. For the specific risks and other details associated with investment via the CIBM, please refer to the Prospectus.

6. Stock Connects

With effect from the Effective Date, the Dynamic High Income Fund will be permitted to invest in China A-Shares via the Stock Connects for no more than 10% of its total assets.

Investment via the Stock Connects involves regulatory risks as the relevant rules and regulations on the Stock Connects are subject to change which may have potential retrospective effect. The Stock Connects are subject to quota limitations. When a suspension in the trading through the Stock Connects is effected, a Stock Connect Fund’s ability to invest in China A-Shares through the Stock Connects will be adversely affected. Please refer to the Prospectus for the specific risks and other details associated with investment via the Stock Connects.

Additional disclosures will be included in the Prospectus to provide further information relating to the use of the Stock Connects as a way of enabling Stock Connect Funds to invest in China A-Shares. Investors should read the relevant provisions in the Company’s revised Prospectus reflecting the additional disclosures in force on the Effective Date. This clarification will not result in any change to the way any Fund is managed and will not have an adverse impact on the existing shareholders.

7. Review of Portfolio Management of the India Fund

The advisory agreement between DSP BlackRock Investment Managers (“**DSPBIM**”) and BlackRock India Equities (Mauritius) Limited, described in the Prospectus, was recently terminated. This change does not involve any cost to shareholders, nor any change to the India Fund’s strategy or the way in which it is managed.

Accordingly, DSPBIM no longer acts as a non-discretionary investment adviser to BlackRock India Equities (Mauritius) Limited. BlackRock Asset Management North Asia Limited continues to serve as a sub-adviser of this Fund and has acquired much expertise in this market, therefore the Directors do not consider it necessary to appoint a replacement non-discretionary investment adviser for the India Fund.

8. Investment in Contingent Convertible Bonds, Distressed Securities, Asset-backed Securities (“**ABS**”) and Mortgage-backed Securities (“**MBS**”)

The investment strategy of certain Funds in respect of contingent convertible bonds, distressed securities and/or ABS/MBS will be changed.

Contingent convertible bonds

In simple terms, contingent convertible bonds are fixed-income securities that are convertible into equities if a pre-specified trigger event occurs. The obligations associated with these securities may be subject to greater credit, liquidity and interest rate risk compared to other fixed income securities such as government issued bonds.

Contingent convertible bonds’ investors may suffer a loss of capital when equity holders do not. Trigger levels differ and determine exposure to conversion risk depending on the distance of the capital ratio to the trigger level. It might be difficult for the relevant Fund to anticipate the trigger events that would require the debt to convert into equity. Furthermore, it might be difficult for the relevant Fund to assess how the securities will behave upon conversion.

Please refer to “**Contingent Convertible Bonds**” in the “**Risk Considerations**” section of the Prospectus for further information regarding the risks associated with investment in contingent convertible bonds.

Distressed securities

In simple terms, distressed securities are securities issued by a company that is either in default or in high risk of default, and investment in distressed securities therefore involves significant risk.

Please refer to “**Distressed Securities**” in the “**Risk Considerations**” section of the Prospectus for further information regarding the risks associated with investment in distressed securities.

ABS/MBS

In simple terms, ABS and MBS are debt securities backed or collateralised by the income stream from an underlying pool of assets or mortgage loans respectively. The obligations associated with these securities may be subject to greater credit, liquidity and interest rate risk compared to other fixed income securities such as government issued bonds. ABS and MBS are often exposed to extension risk (where obligations on the underlying assets are not paid on time) and prepayment risks (where obligations on the underlying assets are paid earlier than expected). Please refer to “**Asset-backed Securities (“ABS”)**” and “**Mortgage-backed Securities (“MBS”)**” in the “**Risk Considerations**” section of the Prospectus for further information regarding the risks associated with investment in ABS and MBS.

The investment policy of each relevant Fund will be changed as follows and, in light of the risks involved in these investments, and in order to provide shareholders with greater transparency regarding their use, be expanded with appropriate disclosure:

- (a) The investment strategy of certain Funds will be changed to enable these Funds to invest in contingent convertible bonds, distressed securities and ABS/MBS. Please refer to the table in Appendix 4A to this letter for details of the relevant Funds and the changes.
- (b) The disclosures relating to use of contingent convertible bonds and ABS/MBS relating to certain Funds will be revised from their current threshold levels. Please refer to the table in Appendix 4B to this letter for details of the relevant Funds and the changes.

These thresholds have been added or revised as discussed in paragraphs (a) and (b) above so that the investment policy of each relevant Fund will more clearly and accurately represent how the Investment Adviser wishes to manage the Fund in order to achieve its investment objective. The changes are intended to ensure that the investment characteristics and positioning of these Funds remain both relevant to and consistent with the current investment environment and expectations of shareholders. The Directors believe these changes will be in the best interests of shareholders as they will help create a wider investible universe in order to better manage risk and maximise the performance of the Funds.

There will be no material changes to the investment objectives, policies, strategy or overall risk profiles of these Funds or how these Funds are managed as a result of the changes described in this section 8 (although please note that the New Energy Fund and the World Agriculture Fund are being re-positioned as described in this letter).

9. Change to Name of the Risk Allocation Benchmark for the Global Allocation Fund

The Prospectus will be updated on 11 February 2019 to reflect changes to the names of two components of the risk management benchmark for the Global Allocation Fund, as set out in Appendix 5 to this letter. There is no change to the benchmark itself.

10. Change to Management Fee for the European High Yield Bond Fund A Share Class

With effect from the Effective Date, the Management Fee for the A Share Class of this Fund will be reduced from 1.25% to 1.00%. The Directors consider that investors will benefit, since their ongoing charges will decrease, based on current level of expenses.

11. Change of Depositary and Fund Accountant entity

Reference is made to the letter to Hong Kong shareholders dated 11 January 2019 in respect of the proposed change of the Depositary and Fund Accountant entity of the Company and the Funds.

We would like to advise you that the proposed entity change will take effect on 11 February 2019 and accordingly, with effect from 11 February 2019, the following entity will replace The Bank of New York Mellon (International) Limited, Luxembourg Branch as the Depositary and the Fund Accountant of the Company and the Funds:

The Bank of New York Mellon SA / NV, Luxembourg Branch
2-4, rue Eugène Ruppert
L-2453 Luxembourg
Grand Duchy of Luxembourg

The Bank of New York Mellon SA / NV, Luxembourg Branch was incorporated with limited liability in Belgium on 30 September 2008. Its ultimate holding company is The Bank of New York Mellon Corporation which was incorporated in the United States of America.

12. Changes to Expected Levels of Leverage

The Funds may use derivatives for the purposes of efficient portfolio management and, where relevant, investment purposes. Leverage is a Fund's investment exposure gained through the use of derivatives. Please refer to the "Risk Management" and "Leverage" sections in the Prospectus for further details of the Company's risk management policy and leverage calculation.

The expected level of leverage is not a limit and may vary over time. The expected levels of leverage of certain Funds will be revised from their current levels. Please refer to the table in Appendix 6 to this letter for details of the relevant Funds, the changes to the expected levels of leverage and the rationale for the changes. There will be no change to the investment objectives, policies, overall risk profiles or how the relevant Funds are managed as a result of these changes to the expected levels of leverage (although please note that FMA is being re-positioned as described in section 1 of this letter, above).

13. German Investment Tax Act – Change to Equity Threshold for Three Funds

The Management Company aims to manage certain Funds listed in the Prospectus in accordance with the so-called partial exemption regime for equity funds under Sec. 20 para. 1 of the German Investment Tax Act. From the Effective Date, the following Funds, which currently invest at least 51% of their Net Asset Value on a continuous basis directly into equities of corporations which are admitted for trading at a recognised stock exchange or are listed on an organised market, will invest at least 25% of their Net Asset Value on a continuous basis directly into equities of corporations which are admitted for trading at a recognised stock exchange or are listed on an organised market: the ASEAN Leaders Fund, the Asian Growth Leaders Fund and the Emerging Markets Fund. This change to equity thresholds described above will not result in any change to the way the ASEAN Leaders Fund, the Asian Growth Leaders Fund and the Emerging Markets Fund are managed.

14. Net Asset Value and Price Determination: Anti-Dilution

We have taken the opportunity to amend the wording in relation to dilution and the adjustment that is applied by the Directors to reduce the effect of such dilution on the relevant Fund, to reflect certain changes relating to adjustment thresholds and other clarifications, as set out in Appendix 7 to this letter.

Changes relating to adjustment thresholds

Wording will be included to the effect that the Directors may apply multiple thresholds, that is, they may adjust the Net Asset Value of a Fund if on any Dealing Day the value of the aggregate transactions in Shares of all Share Classes of that Fund results in a net increase or decrease which exceeds one or more thresholds that are set by the Directors for that Fund rather than a single threshold.

The magnitude of the adjustment will vary depending on which threshold is triggered. Specifically, each threshold set by the Directors for a Fund will have its own "swing factor", which is the magnitude of adjustment as triggered by the related threshold. Where multiple thresholds are set for a Fund, only the swing factor related to the highest threshold triggered on any Dealing Day will be applied. In any event, the swing factor will be subject to the maximum rate set out in the Prospectus.

The magnitude of such adjustment reflects the estimated costs of trading of a Fund, which vary with the size of net inflows/outflows of such Fund. Therefore, it is in the interests of Shareholders if different swing factors are applied depending on the level of net inflows/outflows of a Fund on any Dealing Day.

Equity Funds, particularly sector Funds and country/area specific Funds, tend to require more thresholds as the costs of trading generally increase with the size of the net inflows/outflows. In contrast, for fixed income Funds, the costs of trading frequently do not significantly change with the size of net inflows/outflows and therefore the number of thresholds required in respect of a fixed income Fund is expected to be fewer.

Furthermore, the wording will be broadened to provide the Directors with discretion and flexibility to decide not to make an adjustment to the Net Asset Value of a Fund where it would not be appropriate to do so. This discretion may include, but is not limited to, Funds that invest primarily in government bonds or money market instruments.

These changes are intended to provide greater investor protection, and aim to reduce the effect of dilution on existing investors within the relevant Fund. It would be in the interests of the shareholders of the relevant Funds to implement these changes.

Clarification relating to fiscal charges

The wording relating to fiscal charges will be clarified to explain that such charges are extraordinary and are distinct from typical duties and levies that are already considered as part of anticipated dealing costs.

Extraordinary fiscal charges are charges imposed by government authorities that are neither standard taxes (such as the European Union Financial Transaction Tax or sales tax) nor duties (such as stamp duties). These fiscal charges are generally temporary in nature and can be indirect. Given that the fiscal charges are imposed by individual countries, which in most cases form only part of a Fund's portfolio, the fiscal charges are not expected to exceed 2.5%.

There will be no change to the current mechanism of charging the fiscal charges and the fiscal charges imposed will be in addition to any adjustments that is applied to reduce the effect of dilution as set out in this section.

15. Consolidation of Rules Applicable to the Investment Policies of the Company's Funds

The rules applicable to some or all of the Company's Funds in relation to investments into China via the RQFII Quota, the Stock Connects and/or CIBM, as well as to investments into non-investment grade sovereign debt, have been incorporated into the investment policies of the relevant Funds.

These editorial amendments have been made for greater clarity and transparency. Save for the changes set out in this letter, there is no change to the applicable investment limits and these editorial amendments do not change the way in which the relevant Funds are managed. These editorial amendments will take effect on 11 February 2019, unless otherwise indicated in the updated Prospectus.

16. Securities Lending

The maximum and expected proportion of the Net Asset Value of certain Funds that can be subject to securities lending as disclosed in the Prospectus will be updated. Please refer to Appendix 8 to this letter for the relevant Funds and the updated figures.

The expected proportion of these Funds' Net Asset Value that may be subject to securities lending are not considered to be significant. Therefore, the updates would not result in a material change to the investment strategy of these Funds, or any change to their overall risk profiles.

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.

17. Clarification to the Investment Policy of the Dynamic High Income Fund ("DHI")

The investment policy of DHI in the Information for Residents of Hong Kong ("IRHK") and its Product Key Facts Statement ("KFS") has been clarified as set out in Appendix 9 to this letter to better reflect the investment strategy of the Fund. The clarification has no impact on DHI or the way that it is currently managed.

18. Corrections of Translation/Typeset Errors in IRHK and KFS

Upon review, certain translation and typesetting errors were noted in the KFS of DHI dated April 2018 and in the current Chinese versions, dated November 2018, of the IRHK and KFS of China A-Share Opportunities Fund, US Dollar Bond Fund, World Bond Fund and World Technology Fund. These clerical errors are set out in Appendix 10. The errors in respect of DHI have been rectified in the current KFS of DHI dated November 2018, while the remaining errors will, together with some minor editorial issues, be rectified when the IRHK and KFS are updated to reflect the changes described in this letter.

The translation and typesetting errors do not have any impact on how the Funds are being managed or the Net Asset Value of the Funds. Further, given the context and nature of these errors and that the disclosures in other parts of the Hong Kong

offering documents of the relevant contents have been accurate, there are no material adverse impact on the investors and accordingly no compensation would be required. Please be assured that we have implemented certain enhancement to our translation review process to avoid similar incident from happening again. We sincerely apologise for these errors.

19. Change to the Investment Management Arrangement

We would like to advise you of a change to the investment management arrangement of the Funds authorised by the SFC* in Hong Kong (the “**HK Funds**”) and its related shareholders notification arrangement, which will take effect on the Effective Date.

Background and existing practice

As disclosed in the section of the Prospectus headed “**Administrative Organisation – The Investment Advisers and Sub-Advisers**”, the Management Company is entitled to delegate its investment management functions to any of its subsidiaries or associates and any other person. The section of the Prospectus headed “**Investment Management of the Funds – Investment Advisers and Sub-Advisers**” further discloses that the Management Company has delegated its investment management functions to the Investment Advisers and Sub-Advisers.

As at the date of this letter, the current list of Investment Advisers and Sub-Advisers who are eligible to exercise investment discretion on the HK Funds (the “**List of IA**”), as disclosed in the IRHK and the Prospectus, consists of the following BlackRock Group entities:

| Current List of IA: | |
|----------------------------|-----------------------------------------------------|
| BFM | BlackRock Financial Management, Inc. |
| BIMLLC | BlackRock Investment Management, LLC |
| BIMUK | BlackRock Investment Management (UK) Limited |
| BLKAus | BlackRock Investment Management (Australia) Limited |
| BAMNAL | BlackRock Asset Management North Asia Limited |
| BLKJ | BlackRock Japan Co. Limited |
| BLKS | BlackRock (Singapore) Limited |

Currently, the IRHK and the KFS contain disclosure on the investment management arrangement for each HK Fund, i.e. the specific Investment Adviser(s) and Sub-Adviser(s) appointed for a particular HK Fund. Under the existing process, the approval of the SFC is sought and one month’s prior notice to relevant Hong Kong shareholders is provided each time when there is a change to the investment management arrangement of an HK Fund, following which the disclosure in the IRHK and KFS would be updated to reflect such change.

From the Effective Date onwards

Following an internal review of the existing process as described above, it is considered to be beneficial to the HK Funds if the investment management responsibilities in respect of an HK Fund may be undertaken by different BlackRock Group entities from time to time, so as to utilise expertise globally across the BlackRock Group and to facilitate internal reorganisation of investment personnel in an efficient manner.

As such we hereby notify Hong Kong shareholders that, from the Effective Date onwards, the Company and the HK Funds will adopt a new investment management arrangement under which the Management Company can delegate its investment management functions of the HK Funds to one or more of the approved Investment Advisers and Sub-Advisers within the List of IA (the “**New Arrangement**”). Under the New Arrangement, the Investment Adviser(s) and Sub-Adviser(s) managing an HK Fund may be changed from time to time, without prior notice to the relevant Hong Kong shareholders, provided that such Investment Adviser(s) and Sub-Adviser(s) are from the current List of IA.

Upon the New Arrangement taking effect, the Management Company shall continue to have ongoing supervision and regular monitoring of the competence of its delegates to ensure that its accountability to investors is not diminished. Although the investment management function of the Management Company may be delegated to the Investment Advisers and Sub-Advisers, its responsibilities and obligations may not be delegated.

From the Effective Date onwards, the relevant Investment Adviser(s) and Sub-Adviser(s) responsible for a particular HK Fund will no longer be disclosed in the IRHK and KFS. However, the List of IA will continue to be disclosed in the IRHK. Details of the relevant Investment Adviser(s) and Sub-Adviser(s) responsible for a particular HK Fund will be listed in the interim report and annual report of the Company and will be available from the Hong Kong Representative upon request.

The current List of IA will remain unchanged following the Effective Date. Prior approval will be sought from the SFC and at least one month notification will be given to Hong Kong shareholders should there be any addition of Investment Adviser or Sub-Adviser to the List of IA. For removal of Investment Adviser or Sub-Adviser from the List of IA, prior approval from the SFC will be sought and notice will be given to Hong Kong shareholders as soon as reasonably practicable.

* The SFC’s authorisation is not a recommendation or endorsement of the Company or the HK Funds nor does it guarantee the commercial merits of the Company or the HK Funds or their performance. It does not mean the Company or the HK Funds are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors.

The above change will not result in any change in the fees and expenses borne by the HK Funds and/or their shareholders. The investment objective and policy, risk profile and operations of each of the HK Funds remain unchanged. The change will not materially prejudice the rights or interests of the shareholders of the HK Funds.

Action to be taken by you

Shareholders are not required to take any action in relation to the changes described in this letter. If, however, you do not agree with the changes described in this letter you may redeem your Shares free of any redemption charges at any time prior to the Effective Date, in accordance with the provisions of the Prospectus. If you have any questions regarding the redemption process please contact your local representative or the Hong Kong Representative (see details below).

Redemption proceeds will be paid to shareholders within three Business Days of the relevant Dealing Day, provided that the relevant documents (as described in the Prospectus) have been received.

General Information

The fee and expenses associated with these changes will be paid by the Management Company out of the Administration Fee charged to the Funds. Save as set out in this letter, there is no change in the level of fees payable by the Funds or the shareholders.

The IRHK and KFS of DHI have been updated to reflect the clarification in section 17 of this letter above. Updated versions of the Prospectus, IRHK and KFS of the relevant Funds reflecting the other changes will be available in due course free of charge upon request from your local representative on +852 3903-2688 or at the office of the Hong Kong Representative at the address stated below. Copies of the Company's Articles of Incorporation, annual and semi-annual reports are also available free of charge upon request from your local representative or the Hong Kong Representative.

The Directors accept responsibility for the contents of this letter. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that this is the case) the information contained in this letter is in accordance with the facts and does not omit anything likely to affect the impact of such information. The current Hong Kong offering documents are available, free of charge, at the office of the Hong Kong Representative.

If you would like any further information or have any questions regarding this letter, please contact the Company's Hong Kong Representative, BlackRock Asset Management North Asia Limited, at 16/F Champion Tower, 3 Garden Road, Central, Hong Kong or by telephone on +852 3903-2688.

Yours faithfully

BlackRock Asset Management North Asia Limited
Hong Kong Representative

Appendix 1 – Flexible Multi-Asset Fund changes

The amendments made pursuant to the consolidation of rules applicable to the investment policies of the Fund as described in section 15 of this letter are *italicised* below for ease of reference.

Investment Objectives and Policies

| Flexible Multi-Asset Fund (Prior to the Effective Date) | ESG Multi-Asset Fund (From the Effective Date) |
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| <p>The <i>Flexible Multi-Asset Fund</i> follows an asset allocation policy that seeks to maximise total return.</p> <p>The Fund invests globally in the full spectrum of permitted investments including equities, fixed income transferable securities (which may include some high yield fixed income transferable securities), units of undertakings for collective investment, cash, deposits and money market instruments. The Fund has a flexible approach to asset allocation (which includes taking indirect exposure to commodities through permitted investments, principally through derivatives on commodity indices and exchange traded funds). The Fund may invest without limitation in securities denominated in currencies other than the reference currency (euro). The currency exposure of the Fund is flexibly managed.</p> <p><i>The Fund is a Stock Connect Fund and may invest directly up to 10% of its total assets in the PRC by investing via the Stock Connects.</i></p> <p><i>The Fund is a CIBM Fund and may gain direct exposure for no more than 10% of its total assets to onshore bonds distributed in Mainland China in the CIBM via the Foreign Access Regime and/or Bond Connect and/or other means as may be permitted by the relevant regulations from time to time.</i></p> <p>As part of its investment objective the Fund may invest up to 20% of its total assets in ABS and MBS whether investment grade or not. These may include asset-backed commercial paper, collateralised debt obligations, collateralised mortgage obligations, commercial mortgage-backed securities, credit-linked notes, real estate mortgage investment conduits, residential mortgage-backed securities and synthetic collateralised debt obligations. The underlying assets of the ABS and MBS may include loans, leases or receivables (such as credit card debt, automobile loans and student loans in the case of ABS and commercial and residential mortgages originating from a regulated and authorised financial institution in the case of MBS). The ABS and MBS in which the Fund invests may use leverage to increase return to investors. Certain ABS may be structured by using a derivative such as a credit default swap or a basket of such derivatives to gain exposure to the performance of securities of various issuers without having to invest in the securities directly.</p> <p>The Fund's exposure to contingent convertible bonds is limited to 20% of total assets.</p> <p>For the purpose of Hong Kong-specific disclosure requirements, the Fund may use derivatives for hedging and extensively for investment purposes. Derivatives such as government bond futures and interest rate swaps may be used for hedging and mitigating interest rate risk. Foreign exchange forwards and futures may be used to minimize currency exposure. In addition to using derivatives for hedging and risk mitigation, the Fund may use derivatives such as futures, foreign exchange derivatives, swaps and options extensively for investment purposes but it is not limited to a particular strategy regarding the derivatives usage.</p> <p>This Fund may have a material exposure to ABS, MBS and non-investment grade debt, and investors are encouraged to read the relevant risk disclosures contained in the section "Specific Risk Considerations".</p> <p>Risk management measure used: Relative VaR using 50% MSCI World Index / 50% Citigroup World Government Bond Euro Hedged Index as the appropriate benchmark.</p> <p>Expected level of leverage of the Fund: 200% of Net Asset Value.</p> | <p>The <i>ESG Multi-Asset Fund</i> follows an asset allocation policy that seeks to maximise total <u>return in a manner consistent with the principles of environmental, social and governance "ESG"-focussed investing.</u></p> <p>The Fund invests globally in the full spectrum of permitted investments including equities, fixed income transferable securities (which may include some high yield fixed income transferable securities), units of undertakings for collective investment, cash, deposits and money market instruments.</p> <p><u>The Investment Adviser will, in addition to the investment criteria set out above, take into account ESG characteristics when selecting the securities to be held directly by the Fund (rather than any securities held through undertakings for collective investment). The Investment Adviser intends to exclude direct investment in securities of issuers including: issuers which have exposure to, or ties with controversial weapons (nuclear, cluster munitions, biological-chemical, landmines, blinding laser, depleted uranium, or incendiary weapons); issuers deriving over 30% of revenue from thermal coal extraction and generation; tobacco producers and issuers deriving over 15% of revenue from tobacco retailing, distribution and licensing; issuers which produce firearms intended for retail to civilians or deriving over 5% of revenue from the retail of firearms to civilians and issuers of securities that are deemed to have breached one or more of the ten United Nations Global Compact Principles ("UNGC"), which cover human rights, labour standards, the environment and anti-corruption. The UNGC is a United Nations initiative to implement universal sustainability principles.</u></p> <p><u>The Investment Adviser also intends to limit direct investment in securities of issuers involved in the production, distribution or licensing of alcoholic products; the ownership or operation of gambling-related activities or facilities; production, supply and mining activities related to nuclear power and production of adult entertainment materials.</u></p> <p><u>To undertake this analysis and exclusion, the Investment Adviser intends to use data provided by external ESG research providers, proprietary models and local intelligence. The Investment Adviser will exclude any issuer with a MSCI ESG rating below BBB.</u></p> <p>The Fund has a flexible approach to asset allocation (which includes taking indirect exposure to commodities through permitted investments, principally through derivatives on commodity indices and exchange traded funds). The Fund may invest without limitation in securities denominated in currencies other than the reference currency (Euro). The currency exposure of the Fund is flexibly managed.</p> <p><i>The Fund is a Stock Connect Fund and may invest directly up to 10% of its total assets in the PRC by investing via the Stock Connects.</i></p> <p><i>The Fund is a CIBM Fund and may gain direct exposure for no more than 10% of its total assets to onshore bonds distributed in Mainland China in the CIBM via the Foreign Access Regime and/or Bond Connect and/or other means as may be permitted by the relevant regulations from time to time.</i></p> <p>As part of its investment objective the Fund may invest up to 20% of its total assets in ABS and MBS whether investment grade or not. These may include asset-backed commercial paper, collateralised debt obligations, collateralised mortgage obligations, commercial mortgage-backed securities, credit-linked notes, real estate mortgage investment conduits, residential mortgage-backed securities and synthetic collateralised debt obligations. The underlying assets of the ABS and MBS may include loans, leases or receivables (such as credit card debt, automobile loans and student loans in the case of ABS and commercial and residential mortgages originating from a regulated and authorised financial institution in the case of MBS). The ABS and MBS in which the Fund invests may use leverage to increase return to investors. Certain ABS may be structured by using a derivative such as a credit default swap or a basket of such derivatives to gain exposure to the performance of securities of various issuers without having to invest in the securities directly.</p> |

The Fund's exposure to contingent convertible bonds is limited to 20% of total assets.

For the purpose of Hong Kong-specific disclosure requirements, the Fund may use derivatives for hedging and extensively for investment purposes. Derivatives such as government bond futures and interest rate swaps may be used for hedging and mitigating interest rate risk. Foreign exchange forwards and futures may be used to minimize currency exposure. In addition to using derivatives for hedging and risk mitigation, the Fund may use derivatives such as futures, foreign exchange derivatives, swaps and options extensively for investment purposes but it is not limited to a particular strategy regarding the derivatives usage.

This Fund may have a material exposure to ABS, MBS and non-investment grade debt, and investors are encouraged to read the relevant risk disclosures contained in the section "Specific Risk Considerations".

Risk management measure used: Relative VaR using 50% MSCI World Index / 50% Citigroup World Government Bond Euro Hedged Index as the appropriate benchmark.

Expected level of leverage of the Fund: **300%** of Net Asset Value.

Changes to Management Fee for FMA, as repositioned to the ESG Multi-Asset Fund

Current Management Fee applicable to FMA

Class A 1.50%
Class C 1.50%
Class D 0.75%

Management Fee from the Effective Date

Class A 1.20%
Class C 1.20%
Class D 0.65%

Appendix 2 – New Energy Fund changes

The amendments made pursuant to the consolidation of rules applicable to the investment policies of the Fund as described in section 15 of this letter are *italicised* below for ease of reference.

| Investment Objectives and Policies | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>New Energy Fund (Prior to the Effective Date)</p> <p>The <i>New Energy Fund</i> seeks to maximise total return. The Fund invests globally at least 70% of its total assets in the equity securities of <i>new energy</i> companies. <i>New energy</i> companies are those which are engaged in alternative energy and energy technologies including: renewable energy technology; renewable energy developers; alternative fuels; energy efficiency; enabling energy and infrastructure. The Fund will not invest in companies that are classified in the following sectors (as defined by Global Industry Classification Standard): coal and consumables; oil and gas exploration and production; and integrated oil and gas.</p> <p><i>The Fund is a Stock Connect Fund and may invest directly up to 10% of its total assets in the PRC by investing via the Stock Connects.</i></p> <p>The Fund may use derivatives for investment purposes and for the purposes of efficient portfolio management.</p> | <p>Sustainable Energy Fund (From the Effective Date)</p> <p>The <i>Sustainable Energy Fund</i> seeks to maximise total return. The Fund invests globally at least 70% of its total assets in the equity securities of <i>sustainable energy</i> companies. <i>Sustainable energy</i> companies are those which are engaged in alternative energy and energy technologies including: renewable energy technology; renewable energy developers; alternative fuels; energy efficiency; enabling energy and infrastructure. The Fund will not invest in companies that are classified in the following sectors (as defined by Global Industry Classification Standard): coal and consumables; oil and gas exploration and production; and integrated oil and gas.</p> <p><i>The Fund is a Stock Connect Fund and may invest directly up to 10% of its total assets in the PRC by investing via the Stock Connects.</i></p> <p><u>The Fund's exposure to contingent convertible bonds is limited to 5% of total assets.</u></p> <p>The Fund may use derivatives for investment purposes and for the purposes of efficient portfolio management.</p> |

Appendix 3 – World Agriculture Fund changes

The amendments made pursuant to the consolidation of rules applicable to the investment policies of the Fund as described in section 15 of this letter are *italicised* below for ease of reference.

| Investment Objectives and Policies | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>World Agriculture Fund (Prior to the Effective Date)</p> <p>The <i>World Agriculture Fund</i> seeks to maximise total return. The Fund invests globally at least 70% of its total assets in the equity securities of <i>agricultural companies</i>. <i>Agricultural companies are those which are engaged in agriculture, agricultural chemicals, equipment and infrastructure, agricultural commodities and food, bio-fuels, crop sciences, farm land and forestry.</i></p> <p><i>The Fund is a Stock Connect Fund and may invest directly up to 10% of its total assets in the PRC by investing via the Stock Connects.</i></p> <p>The Fund may use derivatives for investment purposes and for the purposes of efficient portfolio management. Risk management measure used: Commitment Approach.</p> | <p>Nutrition Fund (From the Effective Date)</p> <p>The <i>Nutrition Fund</i> seeks to maximise total return. The Fund invests globally at least 70% of its total assets in the equity securities of companies <i>engaged in any activity forming part of the food and agriculture value chain, including packaging, processing, distribution, technology, food- and agriculture-related services, seeds, agricultural or food-grade chemicals and food producers.</i></p> <p><i>The Fund is a Stock Connect Fund and may invest directly up to 10% of its total assets in the PRC by investing via the Stock Connects.</i></p> <p><u>The Fund's exposure to contingent convertible bonds is limited to 5% of total assets.</u></p> <p>The Fund may use derivatives for investment purposes and for the purposes of efficient portfolio management. Risk management measure used: Commitment Approach.</p> |
| Changes to Management Fee for WAF, as repositioned to the Nutrition Fund | |
| <p>Current Management Fee applicable to WAF</p> <p>Class A 1.75% Class C 1.75% Class D 1.00%</p> | <p>Management Fee from the Effective Date</p> <p>Class A 1.50% Class C 1.50% Class D 0.68%</p> |

Appendix 4A – Changes to the investment policies of the Funds

The investment policies of the following Funds will be changed from the Effective Date to reflect that these Funds may invest in contingent convertible bonds, distressed securities and ABS/MBS and the relevant maximum exposures (% of total assets of the relevant Fund) are set out below:

Contingent convertible bonds

| Applicable Fund | Maximum exposures (% of total assets) |
|----------------------------------------------------------------|----------------------------------------------|
| Continental European Flexible Fund | 5% |
| Emerging Markets Bond Fund | 10% |
| Emerging Markets Corporate Bond Fund | 20% |
| Emerging Markets Local Currency Bond Fund | 5% |
| Euro-Markets Fund | 5% |
| European Equity Income Fund | 5% |
| European Fund | 5% |
| European Special Situations Fund | 5% |
| European Value Fund | 5% |
| Natural Resources Growth & Income Fund | 5% |
| New Energy Fund (to be renamed as the Sustainable Energy Fund) | 5% |
| Swiss Small & MidCap Opportunities Fund | 5% |
| United Kingdom Fund | 5% |
| US Dollar Bond Fund | 10% |
| US Dollar Short Duration Bond Fund | 5% |
| World Agriculture Fund (to be renamed as the Nutrition Fund) | 5% |
| World Energy Fund | 5% |
| World Gold Fund | 5% |
| World Mining Fund | 5% |

Distressed securities

| Applicable Fund | Maximum exposures (% of total assets) |
|-------------------------------------------|----------------------------------------------|
| Asian Tiger Bond Fund | 10% |
| Emerging Markets Local Currency Bond Fund | 10% |
| Fixed Income Global Opportunities Fund | 10% |
| Global Allocation Fund | 10% |
| Global Corporate Bond Fund | 10% |
| Global Dynamic Equity Fund | 5% |
| Global Government Bond Fund | 10% |
| Global Multi-Asset Income Fund | 10% |
| US Dollar Bond Fund | 10% |
| World Bond Fund | 10% |

ABS/MBS

Please also refer to the disclosures set out in section 8 of this letter. The new disclosure in the Prospectus for the US Dollar Reserve Fund will also state the following:

“The ABS and MBS will generally be issued in the U.S., the securitised assets will be rated investment grade by at least one of the leading credit rating agencies and agency ABS and MBS will carry the same credit rating as the US Government.”

| Applicable Fund | Maximum exposures (% of total assets) |
|------------------------|----------------------------------------------|
| Euro Reserve Fund | 15% |
| US Dollar Reserve Fund | 15% |

Appendix 4B – Changes to the investment policies of the Funds

The investment policies of the following Funds will be revised from the Effective Date to reflect that the Funds' use of contingent convertible bonds and ABS/MBS will be revised from their current threshold levels and the relevant maximum exposures (% of total assets of the relevant Fund) are set out below:

Contingent convertible bonds

| Applicable Fund | Current maximum exposure (% of total assets) | New maximum exposure (% of total assets) |
|-------------------------------|----------------------------------------------|------------------------------------------|
| Asian Multi-Asset Growth Fund | 20% | 10% |

ABS/MBS

For the purposes of this Appendix 4B, the relevant full text of the ABS/MBS disclosure in the Prospectus is as follows:

“As part of its investment objective the Fund may invest up to [X]% of its total assets in ABS and MBS whether investment grade or not. These may include asset-backed commercial paper, collateralised debt obligations, collateralised mortgage obligations, commercial mortgage-backed securities, credit-linked notes, real estate mortgage investment conduits, residential mortgage-backed securities and synthetic collateralised debt obligations. The underlying assets of the ABS and MBS may include loans, leases or receivables (such as credit card debt, automobile loans and student loans in the case of ABS and commercial and residential mortgages originating from a regulated and authorised financial institution in the case of MBS). The ABS and MBS in which the Fund invests may use leverage to increase return to investors. Certain ABS may be structured by using a derivative such as a credit default swap or a basket of such derivatives to gain exposure to the performance of securities of various issuers without having to invest in the securities directly.”

| Applicable Fund | Current maximum exposures (% of total assets) | New maximum exposures (% of total assets) |
|--------------------------------------|-----------------------------------------------|-------------------------------------------------------------|
| Asian Multi-Asset Growth Fund | 20% | 10% |
| Emerging Markets Bond Fund | 20% | 0% (i.e. investment in ABS/MBS will no longer be permitted) |
| Emerging Markets Corporate Bond Fund | 20% | 0% (i.e. investment in ABS/MBS will no longer be permitted) |

Appendix 5 – Changes to the name of risk allocation benchmark for Global Allocation Fund

| Investment Objectives and Policies | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Current language (Prior to 11 February 2019) | Revised language (From 11 February 2019) |
| Risk management measure used: Relative VaR using 36% S&P 500 Index, 24% FTSE World Index (Ex-US), 24% 5Yr US Treasury Note, 16% Citigroup Non-USD World Govt Bond Index as the appropriate benchmark. | Risk management measure used: Relative VaR using 36% S&P 500 Index, 24% FTSE World Index (Ex-US), 24% ICE BofAML Current 5Yr US Treasury Index, 16% FTSE Non-USD World Govt Bond Index as the appropriate benchmark. |

Appendix 6 – Changes to expected leverage levels

| Fund | Current expected level of leverage | New expected level of leverage | Rationale for change |
|----------------------------------------------------------------------------------|------------------------------------|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Global Corporate Bond Fund | 140% | 200% | The typical leverage for this Fund has been consistently higher than the currently quoted value. We expect this to continue to be the case due to higher volatility. |
| Global Government Bond Fund | 180% | 300% | The typical leverage for this Fund has been consistently higher than the currently quoted value. We expect this to continue to be the case due to higher volatility. |
| Flexible Multi-Asset Fund (changing to ESG Multi-Asset Fund, as described above) | 200% | 300% | The Investment Adviser would like to use a greater range of diversifying strategies as permitted by the Fund's existing investment policy, and which will continue to be permitted once ESG screens are added. The current lower expected leverage level means that the Fund may be overly constrained in certain areas such as fixed income and volatility strategies. By increasing the expected leverage, the Investment Adviser aims to increase the range of strategic opportunities for the Fund, increase the opportunity to maximise the return on your investment and reduce risk. |
| World Bond Fund | 150% | 250% | The typical leverage for this Fund has been consistently higher than the currently quoted value. We expect this to continue to be the case due to higher volatility. |

Appendix 7 – Anti-dilution language changes

| Current language (Prior to the Effective Date) | Revised language (From the Effective Date) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The Directors may adjust the Net Asset Value per Share for a Fund in order to reduce the effect of “dilution” on that Fund. Dilution occurs when the actual cost of purchasing or selling the underlying assets of a Fund, deviates from the carrying value of these assets in the Fund’s valuation <u>due to dealing charges, taxes and any spread between the buying and selling prices of the underlying assets.</u> Dilution may have an adverse effect on the value of a Fund and therefore impact Shareholders. By adjusting the Net Asset Value per Share this effect can be reduced or prevented and Shareholders can be protected from the impact of dilution. The Directors may adjust the Net Asset Value of a Fund if on any Dealing Day the aggregate transactions in Shares of all Classes of that Fund result in a net increase or decrease of Shares which exceeds <u>a threshold</u> set by the Directors from time to time for that Fund (relating to the cost of market dealing for that Fund). In such circumstances the Net Asset Value of the relevant Fund may be adjusted by an amount (not exceeding 1.50%, or 3% in the case of fixed income Funds, of that Net Asset Value) which reflects the dealing costs that may be incurred by the Fund and the estimated bid/offer spread of the assets in which the Fund invests. In addition, the Directors may agree to include <u>anticipated</u> fiscal charges in the amount of the adjustment. These fiscal charges vary from market to market and are currently expected not to exceed 2.5% of that Net Asset Value. The adjustment will be an addition when the net movement results in an increase of all Shares of the Fund and a deduction when it results in a decrease. As certain stock markets and jurisdictions may have different charging structures on the buy and sell sides, the resulting adjustment may be different for net inflows than for net outflows. <u>Where a Fund invests substantially in government bonds or money market securities,</u> the Directors may decide that it is not appropriate to make such an adjustment. Shareholders should note that due to adjustments being made to the Net Asset Value per Share, the volatility of a Fund’s Net Asset Value per Share may not fully reflect the true performance of the Fund’s underlying assets.</p> | <p>The Directors may adjust the Net Asset Value per Share for a Fund in order to reduce the effect of “dilution” on that Fund. Dilution occurs when the actual cost of purchasing or selling the underlying assets of a Fund deviates from the carrying value of these assets in the Fund’s valuation, <u>due to factors such as dealing and brokerage charges, taxes and duties, market movement and any spread between the buying and selling prices of the underlying assets.</u> Dilution may have an adverse effect on the value of a Fund and therefore impact shareholders. By adjusting the Net Asset Value per Share this effect can be reduced or prevented and shareholders can be protected from the impact of dilution. The Directors may adjust the Net Asset Value of a Fund if on any Dealing Day <u>the value of the</u> aggregate transactions in Shares of all <u>Share</u> Classes of that Fund results in a net increase or decrease which exceeds <u>one or more thresholds</u> that are set by the Directors <u>for that Fund. The amount by which the Net Asset Value of a Fund may be adjusted on any given Dealing Day is related to the anticipated</u> cost of market dealing for that Fund. In such circumstances the Net Asset Value of the relevant Fund may be adjusted by an amount not exceeding 1.50%, or 3% in the case of fixed income Funds, of that Net Asset Value. The adjustment will be an addition when the net movement results in an increase <u>in the value</u> of all Shares of the Fund and a deduction when it results in a decrease. As certain stock markets and jurisdictions may have different charging structures on the buy and sell sides, <u>particularly in relation to duties and taxes,</u> the resulting adjustment may be different for net inflows than for net outflows. In addition, the Directors may also agree to include <u>extraordinary</u> fiscal charges in the amount of the adjustment. These <u>extraordinary</u> fiscal charges vary from market to market and are currently expected not to exceed 2.5% of that Net Asset Value. <u>Where a Fund invests primarily in certain asset types, such as government bonds or money market securities,</u> the Directors may decide that it is not appropriate to make such an adjustment. Shareholders should note that due to adjustments being made to the Net Asset Value per Share, the volatility of a Fund’s Net Asset Value per Share may not fully reflect the true performance of the Fund’s underlying assets.</p> |

Appendix 8 – Securities lending

| No. | Fund | Securities lending* Maximum/Expected proportion of the NAV (%) | |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------|
| | | Current proportion (Prior to the Effective Date) | Revised proportion (From the Effective Date) |
| 1. | ASEAN Leaders Fund | 100/0-40 | <u>75/0-10</u> |
| 2. | Asia Pacific Equity Income Fund | 100/0-40 | <u>49/0-10</u> |
| 3. | Asian Dragon Fund | 100/0-40 | <u>49/0-11</u> |
| 4. | Asian Growth Leaders Fund | 100/0-40 | <u>75/0-7</u> |
| 5. | Asian High Yield Bond Fund | 100/0-40 | 100/0-40 |
| 6. | Asian Multi-Asset Growth Fund | 100/0-40 | 100/0-40 |
| 7. | Asian Tiger Bond Fund | 100/0-40 | 100/0-40 |
| 8. | China A-Share Opportunities Fund | 100/0-40 | <u>49/0-10</u> |
| 9. | China Flexible Equity Fund | 100/0-40 | <u>49/0-12</u> |
| 10. | China Fund | 100/0-40 | <u>49/0-12</u> |
| 11. | Continental European Flexible Fund | 100/0-40 | <u>49/0-11</u> |
| 12. | Dynamic High Income Fund | 100/0-40 | 100/0-40 |
| 13. | Emerging Europe Fund | 100/0-40 | 100/0-40 |
| 14. | Emerging Markets Bond Fund | 100/0-40 | 100/0-40 |
| 15. | Emerging Markets Corporate Bond Fund | 100/0-40 | 100/0-40 |
| 16. | Emerging Markets Equity Income Fund | 100/0-40 | <u>49/0-10</u> |
| 17. | Emerging Markets Fund | 100/0-40 | <u>75/0-15</u> |
| 18. | Emerging Markets Local Currency Bond Fund | 100/0-40 | 100/0-40 |
| 19. | Euro Bond Fund | 100/0-40 | 100/0-40 |
| 20. | Euro Corporate Bond Fund | 100/0-40 | 100/0-40 |
| 21. | Euro Reserve Fund | 100/0-40 | 100/0-40 |
| 22. | Euro Short Duration Bond Fund | 100/0-40 | 100/0-40 |
| 23. | Euro-Markets Fund | 100/0-40 | <u>49/0-15</u> |
| 24. | European Equity Income Fund | 100/0-40 | <u>49/0-16</u> |
| 25. | European Fund | 100/0-40 | <u>49/0-11</u> |
| 26. | European High Yield Bond Fund | 100/0-40 | 100/0-40 |
| 27. | European Special Situations Fund | 100/0-40 | <u>49/0-15</u> |
| 28. | European Value Fund | 100/0-40 | <u>49/0-12</u> |
| 29. | Fixed Income Global Opportunities Fund | 100/0-40 | 100/0-40 |
| 30. | Flexible Multi-Asset Fund (Fund name will change to “ESG Multi-Asset Fund” from the Effective Date and changes will be made as set out in section 1 of this letter) | 100/0-40 | 100/0-40 |
| 31. | Global Allocation Fund | 100/0-40 | 100/0-40 |
| 32. | Global Corporate Bond Fund | 100/0-40 | 100/0-40 |
| 33. | Global Dynamic Equity Fund | 100/0-40 | <u>49/0-15</u> |
| 34. | Global Enhanced Equity Yield Fund | 100/0-40 | <u>49/0-16</u> |
| 35. | Global Equity Income Fund | 100/0-40 | <u>49/0-14</u> |
| 36. | Global Government Bond Fund | 100/0-40 | 100/0-40 |
| 37. | Global High Yield Bond Fund | 100/0-40 | 100/0-40 |
| 38. | Global Inflation Linked Bond Fund | 100/0-40 | 100/0-40 |
| 39. | Global Multi-Asset Income Fund | 100/0-40 | 100/0-40 |
| 40. | Global Opportunities Fund (Fund name will change to “Global Long-Horizon Equity Fund” from the Effective Date) | 100/0-40 | <u>49/0-17</u> |
| 41. | Global SmallCap Fund | 100/0-40 | <u>49/0-29</u> |
| 42. | India Fund | 100/0-40 | 100/0-40 |
| 43. | Japan Flexible Equity Fund | 100/0-40 | <u>49/0-35</u> |
| 44. | Japan Small & MidCap Opportunities Fund | 100/0-40 | <u>49/0-27</u> |
| 45. | Latin American Fund | 100/0-40 | 100/0-40 |
| 46. | Natural Resources Growth & Income Fund | 100/0-40 | <u>49/0-22</u> |
| 47. | New Energy Fund (Fund name will change to “Sustainable Energy Fund” from the Effective Date and changes will be made as set out in section 3 of this letter) | 100/0-40 | <u>49/0-22</u> |
| 48. | North American Equity Income Fund | 100/0-40 | <u>49/0-10</u> |
| 49. | Pacific Equity Fund | 100/0-40 | <u>49/0-20</u> |
| 50. | Swiss Small & MidCap Opportunities Fund | 100/0-40 | <u>49/0-20</u> |
| 51. | United Kingdom Fund | 100/0-40 | <u>49/0-17</u> |
| 52. | US Basic Value Fund | 100/0-40 | <u>49/0-14</u> |
| 53. | US Dollar Bond Fund | 100/0-40 | 100/0-40 |
| 54. | US Dollar High Yield Bond Fund | 100/0-40 | 100/0-40 |
| 55. | US Dollar Reserve Fund | 100/0-40 | 100/0-40 |
| 56. | US Dollar Short Duration Bond Fund | 100/0-40 | 100/0-40 |
| 57. | US Flexible Equity Fund | 100/0-40 | <u>49/0-10</u> |
| 58. | US Government Mortgage Fund | 100/0-40 | 100/0-40 |
| 59. | US Growth Fund | 100/0-40 | <u>49/0-17</u> |
| 60. | US Small & MidCap Opportunities Fund | 100/0-40 | <u>49/0-23</u> |
| 61. | World Agriculture Fund (Fund name will change to “Nutrition Fund” from the Effective Date and changes will be made as set out in section 4 of this letter) | 100/0-40 | <u>49/0-24</u> |

| No. | Fund | Securities lending* | |
|-----|-----------------------------------|--------------------------------------------------|----------------------------------------------|
| | | Maximum/Expected proportion of the NAV (%) | |
| | | Current proportion (Prior to the Effective Date) | Revised proportion (From the Effective Date) |
| 62. | World Bond Fund | 100/0-40 | 100/0-40 |
| 63. | World Energy Fund | 100/0-40 | <u>49/0-25</u> |
| 64. | World Financials Fund | 100/0-40 | <u>49/0-20</u> |
| 65. | World Gold Fund | 100/0-40 | <u>49/0-12</u> |
| 66. | World Healthscience Fund | 100/0-40 | <u>49/0-16</u> |
| 67. | World Mining Fund | 100/0-40 | <u>49/0-10</u> |
| 68. | World Real Estate Securities Fund | 100/0-40 | 100/0-40 |
| 69. | World Technology Fund | 100/0-40 | <u>49/0-19</u> |

* The maximum proportion of the Net Asset Value of the Funds that can be subject to securities lending is no more than 100%. The demand to borrow securities is a significant driver for the amount that is actually lent from a Fund at a given time. Borrowing demand fluctuates over time and depends to a large extent on market factors that cannot be forecasted precisely. Due to fluctuations in borrowing demand in the market, future lending volumes could fall outside of this range.

Appendix 9 – Dynamic High Income Fund changes

| Investment Objectives and Policies | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Previous language in the Information for Residents of Hong Kong | Revised language in the Information for Residents of Hong Kong |
| <p>To follow a flexible asset allocation policy that seeks to provide a high level of income. In order to generate high levels of income the Dynamic High Income Fund will seek diversified income sources across a variety of asset classes, investing at least 70% of the Fund's assets in income producing assets such as fixed income securities, <u>covered call options and preference shares.</u></p> <p><u>The Fund may also invest up to 100% of its Net Asset Value in fixed income securities (which may be investment grade or non-investment grade). These may include the full range of fixed income securities which may be fixed and floating such as bonds, bills and notes of all maturities, money market instruments, certificates of deposit and commercial paper, issued by companies, governments, government agencies or multi-national/supra-national organisations, as well as contingent convertible bonds.</u></p> <p>It is not anticipated that the Fund will invest more than 10% of its Net Asset Value in debt securities issued and/or guaranteed by any single sovereign currently rated non-investment grade.</p> <p><u>The Fund may invest up to 100% of its Net Asset Value in equities. In respect of the investment in equities, the Fund has no particular focus in terms of industry/sector, geographical region or market capitalization.</u></p> <p><u>The Fund adopts a flexible approach to asset allocation and provides a diversified multi-asset portfolio. The Fund takes into account macro-economic, country and sector views in determining its equity allocations and macro-economic, credit and interest rate views in determining its fixed income allocation.</u></p> | <p>To follow a flexible asset allocation policy that seeks to provide a high level of income. In order to generate high levels of income the Dynamic High Income Fund will seek diversified income sources across a variety of asset classes, investing at least 70% of the Fund's assets in income producing assets such as fixed income securities <u>(which may from time to time comprise up to 100% of the Fund's Net Asset Value and include the full range of fixed income securities, which may be fixed and floating and may be investment grade, non-investment grade or unrated, such as bonds, bills and notes of all maturities, money market instruments, certificates of deposit and commercial paper, issued by companies, governments, government agencies or multi-national/supra-national organisations, as well as asset-backed securities, mortgage-backed securities and contingent convertible bonds), equities (which may from time to time comprise up to 100% of the Fund's Net Asset Value and include the full range of equity securities, such as preference shares and equity-related securities), units of collective investment schemes, covered call options and cash deposits.</u></p> <p><u>The Fund will use a variety of investment strategies and may invest globally in the full spectrum of permitted investments. The Fund adopts a flexible approach to asset allocation and provides a diversified multi-asset portfolio. The Fund takes into account macro-economic, country and sector views in determining its equity allocations and macro-economic, credit and interest rate views in determining its fixed income allocation. The Fund has no particular focus in terms of industry/sector, geographical region or market capitalisation in the selection of any of its investments.</u></p> <p>It is not anticipated that the Fund will invest more than 10% of its Net Asset Value in debt securities issued and/or guaranteed by any single sovereign currently rated non-investment grade <u>or unrated.</u></p> |

Investment Objectives and Policies

Previous language in the Product Key Facts Statement

To follow a flexible asset allocation policy that seeks to provide a high level of income. In order to generate high levels of income the Fund will seek diversified income sources across a variety of asset classes, investing at least 70% of the Fund's assets in income producing assets such as fixed income securities, covered call options.

The Fund may invest globally in the full spectrum of permitted investments including equities, equity-related securities, fixed income securities, units of undertakings for collective investment schemes, cash, deposits and money market instruments.

The Fund may also invest up to 100% of its net asset value in fixed income securities (which may be investment grade or non-investment grade or unrated*). These may include the full range of fixed income securities which may be fixed and floating such as bonds, bills and notes of all maturities, money market instruments, certificates of deposit and commercial paper, issued by companies, governments, government agencies or multi-national/supra-national organisations, as well as contingent convertible bonds. As part of its investment objective the Fund may invest up to 50% of its total assets in **asset-backed securities ("ABS") and mortgage-backed securities ("MBS")** whether investment grade* or not. These may include asset-backed commercial paper, collateralised debt obligations, collateralised mortgage obligations, commercial mortgage-backed securities, credit-linked notes, real estate mortgage investment conduits, residential mortgage-backed securities and synthetic collateralised debt obligations.

It is not anticipated that the Fund will invest more than 10% of its net asset value in debt securities issued and/or guaranteed by any single sovereign currently rated non-investment grade or unrated*.

The Fund may invest up to 100% of its net asset value in equities. In respect of the investment in equities, the Fund has no particular focus in terms of industry/sector, geographical region or market capitalization.

The Fund adopts a flexible approach to asset allocation and provides a diversified multi-asset portfolio. The Fund takes into account macro-economic, country and sector views in determining its equity allocations and macro-economic, credit and interest rate views in determining its fixed income allocation.

The Fund may use derivatives for hedging, efficient portfolio management and investment purposes. However, derivatives will not be extensively or primarily used for investment purposes. The Fund may employ currency management and hedging techniques which may include hedging the currency exposure on the Fund's portfolio and/or using more active currency management techniques such as currency overlays. Any active management techniques implemented by the Fund through the currency derivatives such as forward exchange contracts, currency futures and options may not be correlated with the primary underlying securities held by the Fund.

The proportion of the Fund's net asset value that is expected to be subject to securities lending transactions from time to time ranges from 0% to 40% and will be consistent with the overall investment policy of the Fund.

* Debt securities which are unrated or rated at the time of purchase BB+ or lower (Standard & Poor's rating) or equivalent rating by at least one recognised rating agency such as Moody's or Fitch.

Revised language in the Product Key Facts Statement

To follow a flexible asset allocation policy that seeks to provide a high level of income. In order to generate high levels of income the Fund will seek diversified income sources across a variety of asset classes, investing at least 70% of the Fund's assets in income producing assets such as fixed income securities **(which may from time to time comprise up to 100% of the Fund's net asset value and include the full range of fixed income securities, which may be fixed and floating and may be investment grade, non-investment grade or unrated*, such as bonds, bills and notes of all maturities, money market instruments, certificates of deposit and commercial paper, issued by companies, governments, government agencies or multi-national/supra-national organisations, as well as asset-backed securities ("ABS"), mortgage-backed securities ("MBS") and contingent convertible bonds), equities (which may from time to time comprise up to 100% of the Fund's net asset value and include the full range of equity securities, such as preference shares and equity-related securities), units of collective investment schemes, covered call options and cash deposits.**

The Fund will use a variety of investment strategies and may invest globally in the full spectrum of permitted investments. The Fund adopts a flexible approach to asset allocation and provides a diversified multi-asset portfolio. The Fund takes into account macro-economic, country and sector views in determining its equity allocations and macro-economic, credit and interest rate views in determining its fixed income allocation. The Fund has no particular focus in terms of industry/sector, geographical region or market capitalisation in the selection of any of its investments.

As part of its investment objective the Fund may invest up to 50% of its total assets in **ABS and MBS** whether investment grade or not*. These may include asset-backed commercial paper, collateralised debt obligations, collateralised mortgage obligations, commercial mortgage-backed securities, credit-linked notes, real estate mortgage investment conduits, residential mortgage-backed securities and synthetic collateralised debt obligations.

It is not anticipated that the Fund will invest more than 10% of its net asset value in debt securities issued and/or guaranteed by any single sovereign currently rated non-investment grade or unrated*.

The Fund may use derivatives for hedging, efficient portfolio management and investment purposes. However, derivatives will not be extensively or primarily used for investment purposes. The Fund may employ currency management and hedging techniques which may include hedging the currency exposure on the Fund's portfolio and/or using more active currency management techniques such as currency overlays. Any active management techniques implemented by the Fund through the currency derivatives such as forward exchange contracts, currency futures and options may not be correlated with the primary underlying securities held by the Fund.

The proportion of the Fund's net asset value that is expected to be subject to securities lending transactions from time to time ranges from 0% to 40% and will be consistent with the overall investment policy of the Fund.

* Debt securities which are unrated or rated at the time of purchase BB+ or lower (Standard & Poor's rating) or equivalent rating by at least one recognised rating agency such as Moody's or Fitch.

Appendix 10 – Translation/Typeset errors in IRHK and KFS

We set out below the translation and typesetting errors noted in the KFS of DHI dated April 2018 and the current Chinese version of the IRHK dated November 2018 and Chinese versions of the KFS of certain Funds dated November 2018:

| Affected Fund(s) & Affected Period | Affected Document & Section Reference | Translation/Typeset Error |
|---------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Errors rectified in version dated November 2018 | | |
| Dynamic High Income Fund (April 2018 to November 2018) | English version of KFS – the section headed “Objectives and Investment Strategy” | There was an omission of the words “and preference shares” as an example of income producing assets in the first paragraph. |
| | Chinese version of KFS – the “Investment Adviser” row under the section headed “Quick Facts” | While the English KFS showed “BlackRock Financial Management, Inc.” as the Investment Adviser, there was a typeset error in the Chinese KFS (which showed “BlackRock Investment Management (UK) Limited” instead). |
| | Chinese version of KFS – the “Depository” row under the section headed “Quick Facts” | A reference to an irrelevant entity (“BlackRock Investment Management, LLC”) was stated in the row “Depository” in addition to the correct depository entity. |
| Errors to be rectified in upcoming version | | |
| All Funds (June 2012 to present) | Chinese version of IRHK – the section headed “DIVIDENDS” | The last three paragraphs under the section should read as follows (with amendments marked-up): “過去十二個月最近期股息的組成 (即從(i)可分派淨收入及(ii)資本派付的相對款額) 可向香港代表辦事處索取及於 www.blackrock.com/hk 查閱。 <u>投資者應注意</u> ，該網站並未經證監會認可或審閱。 所有其他派息股份均在未扣除開支之下派付股息，意思是從 <u>收入資本</u> 扣除費用。 董事會可修改派息政策，但須經證監會事先批准，並發出至少一個月書面通知。” |
| China A-Share Opportunities Fund (April 2018 to present) | Chinese version of KFS – the risk factor headed “10. Risks relating to RMB Currency and its Conversion” under the section headed “What are the key risks?” | The third paragraph in the risk factor should read as follows (with amendments underlined): “在非常情況下，由於適用於人民幣的外匯管制及限制，以人民幣支付變現所得款項及 / 或支付股息 (若有) <u>及從相關投資向本基金支付人民幣</u> 均可能受到延誤。” |
| US Dollar Bond Fund and World Bond Fund (December 2017 to present) | Chinese version of KFS – the risk factor headed “2. Credit Risks” under the section headed “What are the key risks?” | The second paragraph in the risk factor should read as follows (with amendments underlined): “債務證券 <u>或其發行人</u> 評級的實際或預期下降或會減低其價值及流通性，可能對基金產生不利的影響，但基金可能繼續持有該債券以避免廉價出售。” |
| World Technology Fund (December 2017 to present) | Chinese version of KFS – the “Investment Advisers” and “Depository” rows under the section headed “Quick Facts” | The reference to one of the Investment Advisers (BlackRock Investment Management, LLC), has been misplaced in the “Depository” row. |

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the action to be taken you should consult your stockbroker, bank manager, solicitor, accountant, relationship manager or other professional adviser immediately.

BLACKROCK GLOBAL FUNDS (the “Company”)

Registered office: 2-4, rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg
R.C.S. Luxembourg B6317

Terms not defined herein shall have the same meaning as set out in the Company’s prospectus (the “**Prospectus**”).

Incorrect Disclosure concerning Dynamic High Income Fund (“DHI”) and Flexible Multi-Asset Fund (“FMA”)

11 February 2019

Dear Shareholder

We, BlackRock Asset Management North Asia Limited, as the Hong Kong Representative of the Company would like to inform you about certain incorrect disclosure relating to certain BlackRock Group entities which have been managing DHI and FMA without being disclosed in the Information for Residents of Hong Kong (the “**IRHK**”) and the Product Key Facts Statements (the “**KFS**”).

The Investment Advisers and Sub-Adviser of these Funds should be as follows (the underlined entities have not been disclosed in the IRHK and KFS):

DHI (Affected Period: 6 February 2018 to present):

- Investment Advisers – BFM, BIMUK and BLKS
- Sub-Adviser – BAMNAL

FMA (Affected Period: 21 January 2015 to present):

- Investment Advisers – BIMUK, BIMLLC
- Sub-Adviser – Nil

Remarks:

| | |
|--------|-----------------------------------------------|
| BFM | BlackRock Financial Management, Inc. |
| BIMLLC | BlackRock Investment Management, LLC |
| BIMUK | BlackRock Investment Management (UK) Limited |
| BAMNAL | BlackRock Asset Management North Asia Limited |
| BLKS | BlackRock (Singapore) Limited |

Each of BIMUK, BLKS, BAMNAL and BIMLLC currently acts as Investment Adviser and/or Sub-Adviser for other existing sub-funds of the Company that are authorised by the Securities and Futures Commission (the “**SFC**”).

The incorrect disclosure was caused by certain procedural oversight of the Funds’ delegation arrangement. We apologise for the occurrence of this event. However, we wish to reassure shareholders that during the relevant period, the assets of DHI and FMA were managed in accordance with the Funds’ respective investment objectives and policies. Accordingly, no material impact or prejudice has been suffered by the relevant Funds or their shareholders as a result of this matter.

We will update the Hong Kong offering documents in due course to rectify the incorrect disclosure. The correct Investment Advisers and/or Sub-Adviser of DHI and FMA should be as shown above and in the KFS of the Funds appended to this letter.

To the best of the knowledge and belief of the directors of the Management Company (who have taken all reasonable care to ensure that such is the case), the information contained herein is accurate in all material respects and does not omit anything likely to affect

* The SFC’s authorisation is not a recommendation or endorsement of the Company or the Funds nor does it guarantee the commercial merits of the Company or the Funds or their performance. It does not mean the Company or the Funds are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors.

the accuracy of such information. The directors of the Management Company accept responsibility accordingly. The current and updated Hong Kong offering documents are/will be available, free of charge, at the office of the Hong Kong Representative.

If you would like any further information or have any questions regarding this letter, please contact the Company's Hong Kong Representative, BlackRock Asset Management North Asia Limited, at 16/F Champion Tower, 3 Garden Road, Central, Hong Kong or by telephone on +852 3903-2688.

Yours faithfully

BlackRock Asset Management North Asia Limited
Hong Kong Representative

BlackRock Global Funds – Dynamic High Income Fund

November 2018

BlackRock Asset Management North Asia Limited 貝萊德資產管理北亞有限公司

*This statement provides you with key information about this product
 This statement is a part of the offering document
 You should not invest in this product based on this statement alone*

Quick facts

| | | | |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------|
| Management Company: | BlackRock (Luxembourg) S.A. | | |
| Investment Advisers: | BlackRock Financial Management, Inc. (internal delegation, US) BlackRock Investment Management (UK) Limited (internal delegation, UK) BlackRock (Singapore) Limited (internal delegation, Singapore) | | |
| Sub-Adviser: | BlackRock Asset Management North Asia Limited (internal delegation, HK) | | |
| Depository: | The Bank of New York Mellon (International) Limited | | |
| Ongoing charges over a year: | Class A2 | CHF Hedged | 1.76% |
| | Class A2 | SGD Hedged | 1.76% |
| | Class A2 | USD | 1.76% |
| | Class A6 | CAD Hedged | 1.76% |
| | Class A6 | EUR Hedged | 1.76% |
| | Class A6 | GBP Hedged | 1.76% |
| | Class A6 | HKD Hedged | 1.76% |
| | Class A6 | SGD Hedged | 1.76% |
| | Class A6 | USD | 1.76% |
| | Class A8 | AUD Hedged | 1.76% |
| | Class A8 | NZD Hedged | 1.76% |
| | Class A8 | RMB Hedged | 2.76% |
| | Class D2 | CHF Hedged | 1.01% |
| | Class D2 | EUR | 1.01% |
| | Class D2 | EUR Hedged | 1.01% |
| | Class D2 | USD | 1.01% |
| | Class D6 | USD | 1.01% |
| | <p>Since the Fund is newly set up, the ongoing charges figure is an estimate only. The ongoing charges figure represents the Management Company's best estimate of the ongoing charges based on the estimated costs and expenses for a 12-month period.</p> <p>The figure may vary from year to year.</p> | | |
| Dealing frequency: | Daily | Financial year end: | 31 August |
| Base currency: | USD | | |

| | |
|-------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Dividend policy: (Class A and D as at the above date)</p> | <p>Non-Distributing Shares: No dividends will be declared or paid</p> <ul style="list-style-type: none"> ▶ A2, D2 <p>Distributing Shares: Dividends, if declared will be paid in cash or reinvested</p> <ul style="list-style-type: none"> ▶ Monthly: A6, A8, D6 <p>All declared dividends result in an immediate decrease in the Fund’s net asset values per share on ex-date, whether paid in cash or reinvested.</p> <p>All distributing share classes may pay dividends out of gross income while charging all or part of their fees and expenses to capital (i.e. payment of fees and expenses out of capital). This will result in an increase in distributable income available for payment as dividends, and therefore, these share classes may effectively pay dividends out of capital. Classes 6 and 8 may also pay dividends out of capital (including net realised and net unrealised capital gains) of the relevant share class at the Directors’ discretion.</p> <p>The Directors may amend the above dividend policy subject to the SFC’s prior approval and by giving one month’s prior notice to investors.</p> |
| <p>Minimum investment:</p> | <p>US\$5,000 initial, US\$1,000 additional for Class A Shares US\$100,000 initial, US1,000 additional for Class D Shares</p> |

What is this product?

Dynamic High Income Fund (the “Fund”) is a sub-fund of BlackRock Global Funds (“BGF”), an open-ended investment company incorporated in Luxembourg. Its home regulator is the Commission de Surveillance du Secteur Financier (CSSF).

Objectives and Investment Strategy

To follow a flexible asset allocation policy that seeks to provide a high level of income. In order to generate high levels of income the Fund will seek diversified income sources across a variety of asset classes, investing at least 70% of the Fund’s assets in income producing assets such as fixed income securities (which may from time to time comprise up to 100% of the Fund’s net asset value and include the full range of fixed income securities, which may be fixed and floating and may be investment grade, non-investment grade or unrated*, such as bonds, bills and notes of all maturities, money market instruments, certificates of deposit and commercial paper, issued by companies, governments, government agencies or multi-national/supra-national organisations, as well as asset-backed securities (“**ABS**”), mortgage-backed securities (“**MBS**”) and contingent convertible bonds), equities (which may from time to time comprise up to 100% of the Fund’s net asset value and include the full range of equity securities, such as preference shares and equity-related securities), units of collective investment schemes, covered call options and cash deposits.

The Fund will use a variety of investment strategies and may invest globally in the full spectrum of permitted investments. The Fund adopts a flexible approach to asset allocation and provides a diversified multi-asset portfolio. The Fund takes into account macro-economic, country and sector views in determining its equity allocations and macro-economic, credit and interest rate views in determining its fixed income allocation. The Fund has no particular focus in terms of industry/sector, geographical region or market capitalisation in the selection of any of its investments.

As part of its investment objective the Fund may invest up to 50% of its total assets in ABS and MBS whether investment grade or not*. These may include asset-backed commercial paper, collateralised debt obligations, collateralised mortgage obligations, commercial mortgage-backed securities, credit-linked notes, real estate mortgage investment conduits, residential mortgage-backed securities and synthetic collateralised debt obligations.

* Debt securities which are unrated or rated at the time of purchase BB+ or lower (Standard & Poor’s rating) or equivalent rating by at least one recognised rating agency such as Moody’s or Fitch.

It is not anticipated that the Fund will invest more than 10% of its net asset value in debt securities issued and/or guaranteed by any single sovereign currently rated non-investment grade or unrated*.

The Fund may use derivatives for hedging, efficient portfolio management and investment purposes. However, derivatives will not be extensively or primarily used for investment purposes. The Fund may employ currency management and hedging techniques which may include hedging the currency exposure on the Fund's portfolio and/or using more active currency management techniques such as currency overlays. Any active management techniques implemented by the Fund through the currency derivatives such as forward exchange contracts, currency futures and options may not be correlated with the primary underlying securities held by the Fund.

The proportion of the Fund's net asset value that is expected to be subject to securities lending transactions from time to time ranges from 0% to 40% and will be consistent with the overall investment policy of the Fund.

What are the key risks?

Investment involves risks. Please refer to the offering document for details including the risk factors.

1. Investment Risks

The Fund is an investment fund. The Fund's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Fund may suffer losses. There is no guarantee of the repayment of principal.

The performance of the Fund is partially dependent on the success of the asset allocation strategy employed by the Fund. There is no assurance that the strategy employed by the Fund will be successful and therefore the investment objectives of the Fund may not be achieved.

2. Risk relating to Dynamic Asset Allocation Strategy

The investments of the Fund may be periodically rebalanced and therefore the Fund may incur greater transaction costs than a fund with static allocation strategy.

3. Risks associated with Fixed Income Securities

- *Credit / counterparty risk:* The Fund is exposed to the credit/default risk of issuers of the debt securities that the Fund may invest in. In the event of bankruptcy or default of an issuer, the Fund may experience losses and incur costs.
- *Interest rate risk:* Investment in the Fund is subject to interest rate risk. In general, the prices of fixed income securities rise when interest rates fall, whilst their prices fall when interest rates rise.
- *Volatility and liquidity risk:* The debt securities in certain countries and regions may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such markets may be subject to fluctuations.
- *Downgrading risk:* The actual or perceived downgrading of a rated debt security or its issuer could decrease its value and liquidity, and may have an adverse impact on the Fund. The Fund may or may not be able to dispose of the debt securities that are being downgraded.
- *Non-investment grade / unrated bonds risk:* The Fund may invest in debt securities rated below investment grade or unrated.

Investment in non-investment grade or unrated bonds, including sovereign debts, may subject the Fund to higher credit/default risks. If the issuer of the non-investment grade or unrated bond defaults, or if the non-investment grade or unrated bonds fall in value, investors may suffer significant losses.

Non-investment grade or unrated bonds tend to be less liquid and more volatile, and the market

for these bonds is generally less liquid and more volatile than higher rated fixed-income securities. Adverse events or market conditions may have a larger negative impact on the prices of non-investment grade or unrated bonds than on higher rated fixed-income securities. Such securities are also subject to a greater risk of loss of principal and interest than higher rated fixed-income securities.

- *Sovereign debt risk:* Investment in bonds issued or guaranteed by governments or authorities may involve political, social, economic, default, or other risks, which may in turn have an adverse impact on the Fund. Due to these factors, the sovereign issuers may not be able or willing to repay the principal and/or interest when due.

Holders of defaulting sovereign debt may be requested to participate in the restructuring of such debt. In addition, there may be limited legal recourses available against the sovereign issuer in case of failure of or delay in repayment.

- *Valuation risk:* Valuation of the Fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the Fund.
- *Credit rating risk:* Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

4. Risks associated with Equities

- *Equity market risk:* The values of equities fluctuate daily and the Fund investing in equities is subject to general market risks and 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 changes in investment sentiment, trends in economic growth, inflation and interest rates, issuer-specific factors, corporate earnings reports, demographic trends and catastrophic events.

5. Risks associated with Preference Shares

Preference shareholders do not have the same ownership rights in the company as common shareholders. The lack of voting rights means the company is not beholden to preferred shareholders the way it is to equity shareholders. Although preference shares have a fixed dividend that must be paid before any dividends can be paid to common shareholders, such fixed dividend may become less of a bargain to the Fund when interest rates rise. Also, even when the earnings of the relevant company are high, the Fund's investment in preference shares may not give the Fund additional return due to the fixed dividend. The value of the Fund may therefore be adversely affected.

6. Risks associated with Investments in ABS and MBS

The obligations associated with these securities may be subject to greater credit, liquidity and interest rate risk compared to other fixed income securities such as government issued bonds.

ABS and MBS are often exposed to extension risk (where obligations in the underlying assets are not paid on time) and prepayment risks (where obligations on the underlying assets are paid earlier than expected). These risks may have a substantial impact on the timing and size of the cashflows paid by the securities and may negatively impact the returns of the securities.

7. Capital Growth Risks

Risks associated with Income-generating Investment Strategy

The Fund pursues an investment strategy in order to generate income which may reduce the potential for capital growth and future income of the Fund.

Risks associated with Fees and/or Dividends Paid Out of Capital

Any distributions involving payment of dividends out of capital (Classes 6 and 8) or payment of

dividends out of gross income (i.e. payment of fees and expenses out of capital) (Classes 6 and 8) or payment of implied interest rate differentials arising from share class currency hedging as dividends (Class 8) amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Whilst all dividends paid result in an immediate reduction of the net asset value per share, these share classes may pay larger dividends (i.e. by paying dividends out of capital, gross income or interest rate differentials arising from share class currency hedging gains (if any)), which may therefore result in a larger reduction in the net asset value per share.

Payment of Dividends From Implied Interest Rate Differentials

For Distributing (R) Shares (Class 8), any dividends payable may include interest rate differentials arising from share class currency hedging gains/losses which may increase/ decrease dividends paid. Shareholders of such Distributing (R) Shares will forego capital gains as any currency hedging gains are distributed rather than added to capital. Conversely, currency hedging losses may decrease the dividends paid, and in extreme cases may deduct from capital.

8. Currency Risks

The Fund may invest in assets denominated in a currency other than the base currency of the Fund. Also, a class of shares may be designated in a currency other than the base currency of the Fund. Changes in exchange rates between such currency and the base currency and changes in exchange rate controls may adversely affect the value of the Fund's assets.

The Investment Adviser(s) may utilise techniques and instruments (e.g. currency overlays) in relation to currencies other than the base currency with the aim of generating positive returns. Any active currency management techniques implemented by the Fund may not be correlated with the underlying securities held by the Fund. As a result, the Fund may suffer significant losses even if there is no loss to the value of the underlying securities held by the Fund.

9. Emerging Market Risks

Investment in emerging markets may be subject to a higher than average volatility than more developed markets due to greater political, tax, economic, social, currency control and foreign exchange risks.

The size and trading volume of securities markets in emerging markets may be substantially smaller than developed markets. This may subject the Fund to higher liquidity and volatility risks.

Custody and registration of assets in emerging markets may be less reliable than in developed markets, which may subject the Fund to higher settlement risk.

The Fund may be subject to higher regulatory risks due to low level of regulation, enforcement of regulations and monitoring of investors' activities in emerging markets.

10. Derivatives Risks

Risks associated with derivatives include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of a derivative can result in a loss significantly greater than the amount invested in the derivative by the Fund. In an adverse situation, if the use of derivatives for hedging and efficient portfolio management becomes ineffective, the Fund may suffer significant losses.

In addition, the Fund may invest in covered call options. The Fund as a seller of a covered call option gives up the opportunity for gain on the underlying instrument in respect of the option above the exercise price of the option. The value of the Fund may be adversely affected as a result.

11. Securities Lending Risks

When engaging in securities lending, the Fund will have a credit risk exposure to the counterparties to any securities lending contract. Fund investments can be lent to counterparties over a period of time. A default by the counterparty combined with 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 Fund.

12. Currency conversion risk for Renminbi (“RMB”) denominated Classes

RMB is currently not freely convertible and is subject to exchange controls and restrictions. The Fund offers RMB denominated share classes. Subscriptions and redemptions for the Fund may involve conversion of currency. Currency conversion will be conducted at the applicable exchange rate and subject to the applicable spread.

Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors’ home currency will not depreciate. Any depreciation of RMB could adversely affect the value of investors’ investment in the RMB denominated share classes.

Under exceptional circumstances, payment of realisation proceeds and/or dividend payment (if any) in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

RMB is traded in both the onshore and offshore markets. While both onshore RMB (“**CNY**”) and offshore RMB (“**CNH**”) represent the same currency, they are traded in different and separate markets which operate independently. Therefore, CNY and CNH do not necessarily have the same exchange rate and their movement may not be in the same direction. When converting the base currency of the Fund to RMB for the purposes of calculating the net asset value of a share class with a RMB reference currency, the Management Company will apply the CNH rate. Any divergence between CNH and CNY may adversely impact investors.

How has the fund performed?

There is insufficient data to provide a useful indication of past performance to investors.

Fund launch date: 2017

Is there any guarantee?

This Fund does not have any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges?

Charges which may be payable by you

You may have to pay the following fees when dealing in the shares of the Fund:

| Fee | What you pay |
|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Subscription Fee (Initial Charge) | Class A and Class D Shares: up to 5% of the price of shares |
| Switching Fee (Conversion Charge) | Nil [^] , except a delayed Initial Charge of up to 5% of the price of Class A or Class D Shares may be payable upon switching newly acquired Shares in a Reserve Fund into this Fund |
| Redemption Fee | Nil [^] |
| Contingent Deferred Sales Charge | Class A and Class D Shares: Nil |

[^] A 2% charge on redemptions/conversions may be levied where excessive trading by a shareholder is suspected.

Ongoing fees payable by the Fund

The following expenses paid by the Fund affect you because they reduce the return on your investments:

| Fee | What you pay (Annual rate) |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| Management Fee | 1.50% of the net asset value of the relevant Class A Shares* 0.75% of the net asset value of the relevant Class D Shares* |
| Depository Fees | Safekeeping fees: 0.0024% to 0.45% of the value of the securities Transactional fees: USD\$5.5 to USD\$124 per transaction |
| Performance Fee | Nil |
| Administration Fee | Up to 0.25% of the net asset value of the relevant share class* |
| Distribution Fee | Class A and Class D Shares: Nil |

* May be increased to a combined 2.25% maximum upon giving three months' prior notice to shareholders

Other fees

You may have to pay other fees and charges when dealing in the shares of the Fund.

Additional Information

- ▶ You generally buy and redeem shares at the Fund's next-determined price as long as the Hong Kong Representative receives your request in good order before the 6:00p.m. cut-off (HK time). Please check whether your distributor has an internal cut-off time which is earlier than this.
- ▶ The net asset value of the Fund is calculated daily. Prices of shares are published each business day on www.blackrock.com/hk. This website has not been reviewed by the SFC.
- ▶ The updated list of currently available shares is available from the Hong Kong Representative.
- ▶ The composition of the latest dividends (i.e. relative amounts paid from (i) net distributable income and (ii) capital) for the last 12 months are available from the Hong Kong Representative upon request and on www.blackrock.com/hk. This website has not been reviewed by the SFC.

Important

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

BlackRock Global Funds – Flexible Multi-Asset Fund

November 2018

BlackRock Asset Management North Asia Limited 貝萊德資產管理北亞有限公司

*This statement provides you with key information about this product
 This statement is a part of the offering document
 You should not invest in this product based on this statement alone*

Quick facts

| | | | |
|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------|
| Management Company: | BlackRock (Luxembourg) S.A. | | |
| Investment Advisers: | BlackRock Investment Management (UK) Limited (internal delegation, UK) BlackRock Investment Management, LLC (internal delegation, US) | | |
| Depository: | The Bank of New York Mellon (International) Limited | | |
| Ongoing charges over a year: | Class A2 | EUR | 1.76% |
| | Class A2 | USD Hedged | 1.76% |
| | Class C2 | EUR | 3.01% |
| | Class C2 | USD Hedged | 3.01% |
| | Class D2 | EUR | 1.01% |
| | Class D2 | USD Hedged | 1.01% |
| | The ongoing charges figure for a class is based on the costs and expenses of that class with reference to the annual report of the Fund for the year ended 31 August 2017. | | |
| | The figure may vary from year to year. | | |
| Dealing frequency: | Daily | Financial year end: | 31 August |
| Base currency: | EUR | | |
| Dividend policy: (Class A, C and D as at the above date) | Non-Distributing Shares: No dividends will be declared or paid ▶ A2, C2, D2 Distributing Shares: Dividends, if declared will be paid in cash or reinvested ▶ Not Available | | |
| Minimum investment: | US\$5,000 initial, US\$1,000 additional for Class A and C Shares US\$100,000 initial, US\$1,000 additional for Class D Shares | | |

What is this product?

This is a sub-fund of BlackRock Global Funds (“BGF”), an open-ended investment company incorporated in Luxembourg. Its home regulator is the Commission de Surveillance du Secteur Financier (CSSF).

Objectives and Investment Strategy

To maximise total return by following an asset allocation policy that invests in stocks, bonds (including non-investment grade*), collective investment schemes, cash and money market instruments worldwide.

* Debt securities which are unrated or rated at the time of purchase BB+ or lower (Standard & Poor’s rating) or equivalent rating by at least one recognised rating agency such as Moody’s or Fitch.

The Fund may invest up to 80% of its assets in equities; up to 80% in fixed income; up to 20% in cash and cash equivalents; and up to 20% in alternative investments (including hedge funds, property, commodities).

The Fund adopts a flexible approach to asset allocation, driven by proprietary macroeconomic research on equity, bond, currency markets and alternative investments. We compare current valuations to our own analysis of the economic cycle to determine whether our estimated returns are more or less optimistic than the consensus. In order to generate returns in a risk-controlled manner, we monitor factors outside our basic cycle-valuation framework, including investor sentiment and positioning.

For the purpose of Hong Kong-specific disclosure requirements, the Fund may use derivatives for hedging and extensively for investment purposes. Derivatives such as government bond futures and interest rate swaps may be used for hedging and mitigating interest rate risk. Foreign exchange forwards and futures may be used to minimize currency exposure. In addition to using derivatives for hedging and risk mitigation, the Fund may use derivatives such as futures, foreign exchange derivatives, swaps and options extensively for investment purposes but it is not limited to a particular strategy regarding the derivatives usage.

The Fund uses Relative “Value at Risk” using 50% MSCI World Index / 50% Citigroup World Government Bond Euro Hedged Index to monitor and manage its global exposure. In normal market conditions the expected level of leverage for the Fund is 200% of its net asset value using sum of notional approach or up to 120% of its net asset value using the commitment approach. The expected level of leverage may be higher or lower in exceptional circumstances, for example when there are sudden movements in investment prices. The expected level of leverage is indicative and not a regulatory limit. The level of leverage using the sum of notional approach is expressed as a ratio between the aggregate of the notional values of all derivatives entered into by the Fund (including derivatives that are used for hedging, efficient portfolio management and investment purposes) and its net asset value. The level of leverage using the commitment approach is expressed as a ratio between the market value of the equivalent position in the underlying assets of the derivatives (taking into account the possible netting and hedging arrangements) and its net asset value.

Certain derivatives used by the Fund may be in respect of asset classes not correlated with the underlying securities positions held by the Fund such as derivatives on currencies, inflation and indices.

The proportion of the Fund’s net asset value that is expected to be subject to securities lending transactions from time to time ranges from 0% to 40% and will be consistent with the overall investment policy of the Fund. The Fund is also expected to enter into total return swaps (“TRS”) and contracts for differences that have, in accordance with its investment policy, equity or fixed income securities and equity or fixed income related securities as underlying assets in aggregate for up to 100% of its net asset value.

What are the key risks?

Investment involves risks. Please refer to the offering document for details including the risk factors.

1. Investment Risks

The Fund is an investment fund. The Fund’s investment portfolio may fall in value due to any of the risk factors below and therefore your investment in the Fund may suffer losses.

The performance of the Fund is partially dependent on the success of the asset allocation strategy employed by the Fund. There is no assurance that the strategy employed by the Fund will be successful and therefore the investment objectives of the Fund may not be achieved.

2. Credit Risks

The Fund may be exposed to the credit/default risk of bonds that it invests in. In the event of bankruptcy or default of an issuer, the Fund may experience losses and incur costs.

The actual or perceived downgrading of a rated debt security or its issuers could decrease its value and liquidity, and may have an adverse impact on the Fund, however, the Fund may continue to

hold it to avoid a distressed sale.

3. Currency Risks

The Fund may invest in assets denominated in a currency other than the base currency of the Fund. Changes in exchange rates between such currency and the base currency and changes in exchange rate controls may adversely affect the value of the Fund's assets.

The Investment Adviser may utilise techniques and instruments (e.g. currency overlays) in relation to currencies other than the base currency with the aim of generating positive returns. Any active currency management techniques implemented by the Fund may not be correlated with the underlying securities held by the Fund. As a result, the Fund may suffer significant losses even if there is no loss to the value of the underlying securities held by the Fund.

4. Derivatives Risks

Risks associated with derivatives include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and market risk. The leverage effect of derivatives can result in a loss significantly greater than the amount invested and extensive exposure to derivatives may lead to a significant loss by the Fund.

The Fund may have commitment leverage of more than 100% of its net asset value. This may magnify the potential impact of any negative change in the value of underlying assets on the Fund and may also increase the volatility of the Fund's price and may lead to significant losses.

Certain derivatives such as derivatives on currencies, inflation and indices may be uncorrelated with the underlying securities held by the Fund. In this regard the Fund may suffer significant losses notwithstanding that there may be no loss in respect of the underlying securities positions (predominantly fixed income securities) held by the Fund.

5. Interest Rate Risks

An increase in interest rates may adversely affect the value of the bonds held by the Fund.

6. Non-Investment Grade / Unrated Bonds Risks

Investment in non-investment grade or unrated bonds, including sovereign debts, may subject the Fund to higher credit/default risks. If the issuer of the non-investment grade or unrated bonds defaults, or if the non-investment grade or unrated bonds fall in value, investors may suffer significant losses.

Non-investment grade or unrated bonds tend to be less liquid and more volatile, and the market for these bonds is generally less liquid and more volatile, than higher rated fixed-income securities. Adverse events or market conditions may have a larger negative impact on the prices of non-investment grade or unrated bonds than on higher rated fixed-income securities. Such securities are also subject to a greater risk of loss of principal and interest than higher rated fixed-income securities.

7. Sovereign Debt Risks

Investment in bonds issued or guaranteed by governments or authorities may involve political, economic, default, or other risks, which may in turn have an adverse impact on the Fund. Due to these factors, the sovereign issuers may not be able or willing to repay the principal and/or interest when due.

Holders of defaulting sovereign debt may be requested to participate in the restructuring of such debt. In addition, there may be limited legal recourses available against the sovereign issuer in case of failure of or delay in repayment.

The Fund may have exposure to Eurozone sovereign debts. In light of the fiscal conditions of certain European countries, the Fund may be subject to a number of increased risks arising from a potential crisis in the Eurozone (such as volatility, liquidity, price and currency risks). The performance of the Fund could deteriorate should there be any adverse events in the Eurozone (e.g. downgrade of

sovereign credit ratings, default of one or more European countries, or even break-up of the Eurozone).

8. Securities Lending Risks

When engaging in securities lending, the Fund will have a credit risk exposure to the counterparties to any securities lending contract. Fund investments can be lent to counterparties over a period of time. A default by the counterparty combined with 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 Fund.

9. Risks relating to TRS

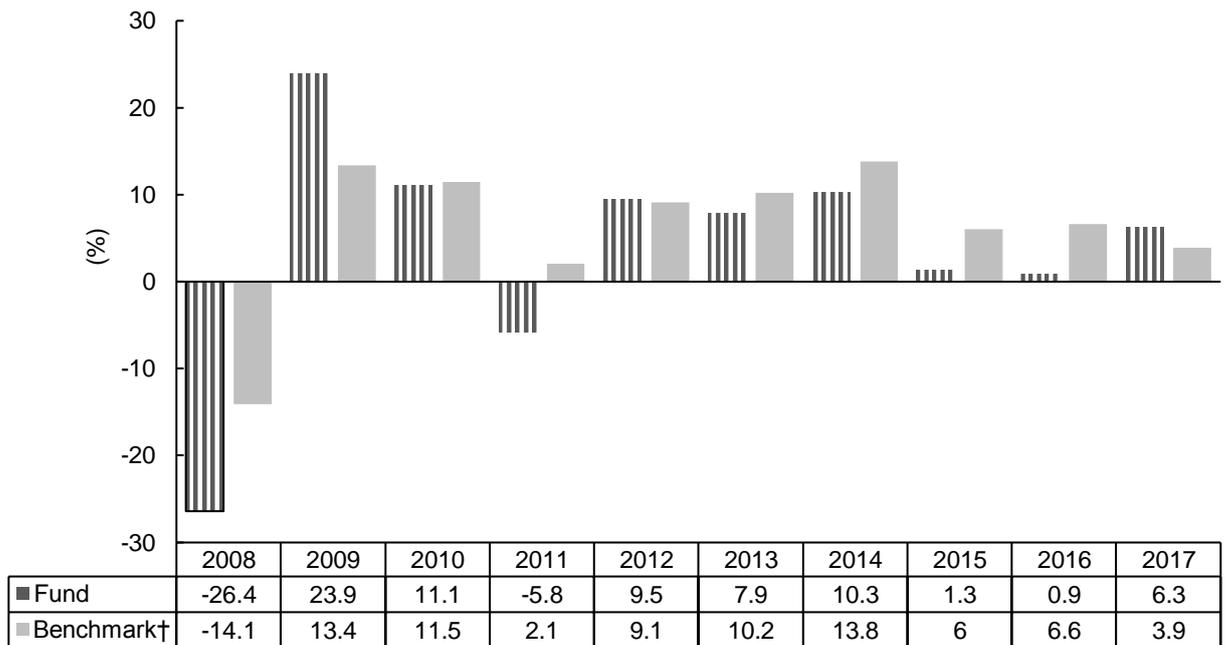
The risk of loss with respect to TRS is limited to the net amount of the difference between the total rate of return of a reference investment, index or basket of investments and the fixed or floating payments. If the other party to a TRS defaults, in normal circumstances the Fund’s risk of loss consists of the net amount of total return payments that each party is contractually entitled to receive.

10. Risks relating to Contracts for Differences

By investing in contracts for differences, the Fund may expose itself to market risk and liquidation risk depending on the change in the price of the underlying assets and any consequential margin call. The Fund may also be exposed to counterparty/credit risk if the counterparty to a contract fails to meet their financial obligations, which may lead to a contract having little or no value regardless of the value of the underlying assets.

How has the fund performed?

Historic performance to 31 December 2017



||| During this period the performance of the Fund was achieved under circumstances that no longer apply. The Fund changed its investment policy in 2017.

Notes:

Past performance information is not indicative of future performance. You may not get back the full amount invested. The computation of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested expressed as a % change. These figures show by how much the share class increased or decreased in value during the calendar year shown. Performance data has been calculated in EUR, including ongoing charges and taxes and excluding subscription and redemption fees, if applicable. The past performance information reflects the performance of the A2 base currency share class which the Investment Adviser views as the most appropriate representative share class. Please refer to the website www.blackrock.com/hk for performance information regarding other share classes. This website has not been reviewed by the SFC.

† The benchmark of the Fund is Composite (MSCIW/CWGBI). The composite benchmark is made up of 50% MSCI World Index/50% Citigroup World Government Bond EUR Hedged Index.

Fund launch date: 1999
Share class launch date: 1999

Is there any guarantee?

This Fund does not have any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges?

Charges which may be payable by you

You may have to pay the following fees when dealing in the shares of the Fund:

| Fee | What you pay |
|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Subscription Fee (Initial Charge) | Class A and Class D Shares: up to 5% of the price of shares Class C Shares: Nil |
| Switching Fee (Conversion Charge) | Nil [^] , except a delayed Initial Charge of up to 5% of the price of Class A or Class D Shares may be payable upon switching newly acquired Shares in a Reserve Fund into this Fund |
| Redemption Fee | Nil [^] |
| Contingent Deferred Sales Charge | Class A and Class D Shares: Nil Class C Shares: 1% of the lower of the original investment amount or redemption proceeds if the Shares are held for less than one year |

[^] A 2% charge on redemptions/conversions may be levied where excessive trading by a shareholder is suspected.

Ongoing fees payable by the Fund

The following expenses paid by the Fund affect you because they reduce the return on your investments:

| Fee | What you pay (Annual rate) |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| Management Fee | 1.50% of the net asset value of the relevant Class A and Class C Shares respectively* 0.75% of the net asset value of the relevant Class D Shares* |
| Depository Fees[#] | Safekeeping fees: 0.0024% to 0.45% of the value of the securities Transactional fees: USD\$5.5 to USD\$124 per transaction |
| Performance Fee | Nil |
| Administration Fee | Up to 0.25% of the net asset value of the relevant share class* |
| Distribution Fee | Class A and Class D Shares: Nil Class C Shares: 1.25% of the net asset value of the relevant share class |

* May be increased to a combined 2.25% maximum upon giving three months' prior notice to shareholders

[#] Subject to change without prior notice

Other fees

You may have to pay other fees and charges when dealing in the shares of the Fund.

Additional Information

- ▶ You generally buy and redeem shares at the Fund's next-determined price as long as the Hong Kong Representative receives your request in good order before the 6:00p.m. cut-off (HK time). Please check whether your distributor has an internal cut-off time which is earlier than this.
- ▶ The net asset value of the Fund is calculated daily. Prices of shares are published each business day on www.blackrock.com/hk. This website has not been reviewed by the SFC.
- ▶ The updated list of currently available shares is available from the Hong Kong Representative.

Important

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.