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## BlackRock Global Funds

4 November 2025

Dear Shareholder,

We continually review our fund range to ensure that the investment characteristics and positioning of our funds remain both relevant and consistent with the current investment environment and expectations of our clients. After careful consideration, we, BlackRock Asset Management North Asia Limited, as Hong Kong Representative of BlackRock Global Funds (the "**Company**") are writing to notify you of changes that will be made to certain sub-funds of the Company (the "**Funds**").

The changes set out in this letter will take effect from 16 December 2025 (the "**Effective Date**") 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 of the Company (the "**Prospectus**") currently in force (available at [www.blackrock.com.hk](http://www.blackrock.com.hk)<sup>1</sup>).

### I. Changes to the statement of investment objectives and policy of Global Bond Income Fund

#### ESG Changes

From the Effective Date, the updated investment objective and policy will aim to increase the Investment Adviser's ability to generate attractive and competitive returns across different environments.

The investment objective and policy of the Fund will be amended to:

- (i) Remove the Fund's commitment to invest at least 20% in Sustainable Investments;
- (ii) Remove the Fund's commitment to apply the BlackRock EMEA Baseline Screens;
- (iii) Remove the Fund's commitment to apply the Investment Adviser's proprietary methodology regarding the assessment of investments based on the extent to which they are associated with positive or negative externalities (PEXT/NEXT).

As a result of these changes, the Fund will not have any ESG commitments as part of its investment objective and policy anymore and therefore, the Fund will be reclassified from Article 8 to Article 6 under the meaning of the SFDR. The Fund will no longer be classified as ESG funds in Hong Kong pursuant to the SFC's "Circular to management companies of SFC-authorized unit trusts and mutual funds –ESG funds" issued by the SFC dated 29 June 2021 ("**SFC Circular**"), as may be revised from time to time, and will no longer be subject to ESG investment policy risk.

#### Clarification to exposure to debt securities issued by and/or guaranteed by governments of non-investment grade countries

The Investment Adviser decided to remove the 10% expected investments (in the limit of 20%) of the Fund's NAV in debt securities issued by and/or guaranteed by governments of certain non-investment grade countries (namely Brazil, Hungary, Indonesia, Russia,

<sup>1</sup> Investors should note that the website has not been authorised or reviewed by the SFC.

Republic of South Africa, and Turkey) ("**Relevant Non-Investment Grade Sovereign Debt Securities**") as this does not represent the actual risk and portfolio allocation of the Fund.

While sovereign debt risk remains a key risk of the Fund, the sovereign debt risk as set out in the Product Key Facts Statement ("**KFS**") of the Fund will be updated to remove specific risks relating to the exposure to Relevant Non-Investment Grade Sovereign Debt Securities.

For the avoidance of doubt, please note that there is no change to the existing practice and overall risk profile of the Fund.

Please refer to Appendix I and II of this letter for the changes to the Fund's investment objective and policy.

### **Impact of the Changes**

There will be no change to the fees and expenses borne by the Fund and/or its Shareholders as a result of the proposed changes.

Save as otherwise mentioned above, there will be no material change to the risk and return profile of the Fund and no change to the features and the operation and/or manner in which the Fund is being managed. The changes will not materially prejudice the rights or interests of the Shareholders of the Fund and there will be no impact on the existing Shareholders of the Fund.

## **II. Other Changes to the Prospectus**

### ***Changes to the ESG Integration section***

The "ESG Integration" section (to be renamed "Environmental Social and Governance Integration") has been amended to update the risk disclosures relating to Article 6, 8, and 9 products under SFDR.

### ***Changes to the Sustainability Risks section***

The "Sustainability Risks" section has been updated to reflect the general sustainability risks wording and include the list of funds classified as falling into the "material" category from a sustainability risk perspective.

### ***Changes to the Taxation section***

The OECD's 2021 "Tax Challenges Arising from Digitalisation of the Economy – Global Anti-Base Erosion Model Rules: Inclusive Framework on BEPS" (the Model Rules) and Council Directive (EU) 2022/2523 of 14 December 2022 ("**Pillar Two**"), require large multinational enterprise to pay a minimum level of tax on the income arising in each of the jurisdictions where they operate. Shareholders have to consider (deemed) consolidation requirements of their investment in a Fund in their consolidated financial statements in light of Pillar Two. Where such a consolidation requirement is identified by Shareholders, Shareholders shall be required to inform BlackRock as soon as it is identified, and indemnify the Fund for any Pillar Two tax liability and tax compliance costs that may be incurred by the Fund as a result of a (deemed) consolidation of a Fund in the consolidated financial statements of that Shareholder.

The "Taxation" section of the Prospectus has therefore been amended to include a "Pillar Two" sub-section.

### ***Changes to the SFDR section***

The Article 8 Funds' lists has been modified to reflect that the Global Bond Income Fund will now classify as Article 6 Fund and no longer as Article 8 Fund. The Fund will hence be removed from the list.

### ***Changes to the Funds' Investment Objectives and Policies section***

#### ***Changes to the China Innovation Fund***

The Investment Adviser has decided to add the MSCI China All Shares Index as appropriate benchmark for risk management purposes.

This change has no impact on the way the Fund is being managed and the Fund remains in any case actively managed and not constrained by any benchmark when constructing their portfolios.

#### ***Change to the Next Generation Technology Fund***

The Investment Adviser has decided to add the MSCI ACWI SMID Growth/Information Technology Index as risk management benchmark, in addition to the MSCI ACWI that remain applicable for performance comparison purposes, to ensure alignment with the Fund's thematic investment strategy and provide appropriate benchmarks for both performance and risk assessment.

This change has no impact on the way the Fund is being managed and the Fund remains in any case actively managed and not constrained by any benchmark when constructing its portfolio.

### ***Change to the China Bond Fund***

The expected level of leverage of the Fund has been increased from 120% to 190% of the Net Asset Value of the Fund to improve the Fund's hedging policy.

There will be no change on the way the Fund is currently being managed. For the avoidance of doubt, the net derivative exposure of the Fund will remain to be up to 50% of the Fund's Net Asset Value.

### ***Change to the Systematic China A-Share Opportunities Fund***

The Investment Adviser has decided to decrease the proportion of assets under management subject to Total Return Swaps from 40% to 10% for this Fund.

### ***Changes to the Euro Corporate Bond Fund***

The Investment Adviser has decided to remove the Fund's commitment to have at least 90% of the issuers ESG rated or analysed for ESG purposes and the commitment to have a superior ESG outcome compared to the ESG Reporting Index.

The composition of the ESG Reporting Index has been amended from Bloomberg Euro Corporate Index (80%) and Bloomberg Global Corporate Index (20%) to Bloomberg Euro Corporate Index (80%) and Bloomberg US Corporate Index (20%).

For the avoidance of doubt, the Fund is not currently classified as an ESG fund in Hong Kong pursuant to the SFC Circular.

### ***Changes to the Sustainable Global Infrastructure Fund***

The Investment Adviser has decided to amend the ESG policy of the Fund to remove the reference to the in-house ESG framework, as the ESG analysis is solely based on third-party ESG data for scoring purposes.

The Investment Adviser decided to remove the Index as performance and sustainability comparator benchmark from the Fund and to keep it only as risk benchmark. For the avoidance of doubt, the removal of the Index will not result in any change in the manner in which the Fund is being managed.

### ***Changes to the Asia Pacific Bond Fund and to the China Onshore Bond Fund***

The Investment Adviser has decided to amend the ESG policy of the relevant Fund to remove the reference to the Funds' potential exposure to issuers through holdings of "green bonds", "sustainable bonds" and "social bonds".

### ***Other changes to the Prospectus***

Other minor changes have been made to the Prospectus:

- ▶ The update through the Prospectus of the Investor Service's contact information,
- ▶ The inclusion of a "Abu Dhabi Global Market" section in Appendix D "Authorised Status" to reflect the relevant disclosures,
- ▶ Miscellaneous, clerical corrections and minor updates or clarifications.

### **Costs**

The amendments described in this letter will not result in any increase to the fees and expenses borne by the Funds and/or their respective Shareholders. Except for the costs incurred in trading of securities as part of the repositioning and realignment of the portfolio of Global Bond Income Fund, the associated fees and expenses (e.g., mailing costs) will be paid by the Management Company out of the Annual Service Charge charged to the 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 them you may redeem your Shares free of any redemption charges for a period of six (6) weeks following the date of this letter and at any time prior to the Effective Date, whichever is later, in accordance with the provisions of the Prospectus.

If you have any questions regarding the redemption process, please contact your local representative or the Company's Hong Kong Representative (see details below). Any redemption of your shares may affect your tax position and you should consult your own professional advisers as to the implications of disposing of shares under the laws of the jurisdictions in which you may be subject to tax.

Redemption proceeds will be paid to Shareholders within three (3) Business Days of the relevant Dealing Day, provided that the relevant documents (as described in the Prospectus) have been received.

**General Information**

Updated versions of the Prospectus, Information for Residents of Hong Kong and KFS of the Funds will be available to download from our website (<https://www.blackrock.com/hk<sup>2</sup>>) and in hard copy format free of charge in due course 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 from our website above and free of charge upon request from the Hong Kong Representative at the address stated below.

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.

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**

<sup>2</sup> Investors should note that the website has not been authorised or reviewed by the SFC.

APPENDIX I

Fund	Changes to investment objective and policy
<p><b>Asia Pacific Bond Fund</b></p>	<p><b>ESG Policy</b> The Fund will apply the BlackRock EMEA Baseline Screens.</p> <p><del>The Fund's holdings of "green bonds", "sustainable bonds" and "social bonds" (each as defined by its corresponding proprietary methodology which is guided by the International Capital Markets Association Green Bond, Sustainable Bond and Social Bond Principles, respectively) may cause the Fund to gain exposure to issuers which, in turn, have exposures that are inconsistent with the exclusions described above.</del></p> <p>In very limited circumstances, the Fund may inadvertently gain indirect exposure (through, including but not limited to, derivatives and shares or units of CIS) to issuers that are inconsistent with the exclusions described above.</p> <p>The Fund seeks to have a weighted average absolute carbon emission contribution (scope 1+ scope 2 excluding green and sustainable bonds) that is 30% lower than the ESG Reporting Index.</p> <p>Please refer to the SFDR disclosures on page 51 for further details of the ESG commitments made by the Fund.</p>
<p><b>China Bond Fund</b></p>	<p>Expected level of leverage of the Fund: <del>420</del><b>190</b>% of Net Asset Value.</p>
<p><b>China Innovation Fund</b></p>	<p><b>Benchmark use</b> The Fund is actively managed. The Investment Adviser has discretion to select the Fund's investments and is not constrained by any benchmark in this process. The Investment Adviser will refer to the MSCI China All Shares Index <del>(the Index)</del> for risk management purposes to ensure that the active risk (i.e. degree of deviation from the MSCI China All Shares Index) taken by the Fund remains appropriate given the Fund's investment objective and policy. The Investment Adviser is not bound by the components or weighting of the Index when selecting investments. The Index should be used by investors to compare the performance of the Fund. Further details are available at the index provider website at <del>www.msci.com</del><b>www.msci.com/acwi</b>.</p>
<p><b>China Onshore Bond Fund</b></p>	<p><b>ESG Policy</b> The Fund will apply the BlackRock EMEA Baseline Screens. Investors should please note in relation to the screen which covers the UN Global Compact Principles (which cover human rights, labour standards, the environment and anti-corruption) that at the time of the launch of this Fund, coverage of the investable universe is limited but is expected to improve over time. The Investment Adviser also intends to invest at least 10% of the Fund's total assets in "green bonds", "sustainable bonds" and "social bonds" (each as defined by its corresponding proprietary methodology which is guided by the International Capital Markets Association Green Bond, Sustainable Bond and Social Bond Principles, respectively). <del>The Fund's holdings of green, sustainable and social bonds may cause the Fund to gain exposure to issuers which, in turn, have exposures that are inconsistent with the exclusions described above.</del></p> <p>In very limited circumstances, the Fund may inadvertently gain indirect exposure (through, including but not limited to, derivatives and shares or units of CIS) to issuers that are inconsistent with the exclusions described above.</p> <p>Please refer to the SFDR disclosures on page 51 for further details of the ESG commitments made by the Fund.</p>
<p><b>Euro Corporate Bond Fund</b></p>	<p><b>ESG Policy</b> The Fund will apply the BlackRock EMEA Baseline Screens.</p> <p>The Investment Adviser will also employ a proprietary methodology to assess investments based on the extent to which they are associated with positive or negative externalities, that is environmental and social benefits or costs as defined by the Investment Adviser. The Investment Adviser will seek to enhance exposure to investments that are deemed to have associated positive externalities (e.g. lower carbon emitting issuers and issuers with positive ESG credentials) compared to the ESG Reporting Index (as defined under the Benchmark use Section below) and seek to limit exposure to investments that are deemed to have associated negative externalities (e.g. higher carbon emitters, issuers with certain controversial business practices, and issuers with negative ESG credentials). The assessment of the level of involvement in each activity may be based on percentage of revenue, a defined total revenue threshold, or any connection to a restricted activity regardless of the amount of revenue received.</p> <p>The remaining issuers (i.e. those issuers which have not yet been excluded from investment by the Fund) are then evaluated by the Investment Adviser based on, among other factors, their ability to manage the risks and opportunities associated with ESG compliant business practices and their ESG risk and opportunity credentials, such as their leadership and governance framework, which is considered essential for sustainable growth, their ability to strategically manage longer-term issues surrounding ESG and the potential impact this may have on an issuer's financials.</p> <p><del>At least 90% of the issuers of securities the Fund invests in are ESG rated or have been analysed for ESG purposes. To undertake this analysis, the Investment Adviser may use data provided by external ESG Providers, proprietary models and local intelligence and may undertake site visits.</del></p> <p>The Fund may gain limited exposure (through, including but not limited to, derivatives, cash and near cash instruments and shares or units of CIS and fixed income transferable securities (also known as debt securities)) to issuers that do not meet the ESG criteria described above.</p> <p><del>The weighted average ESG rating of the Fund will be higher than the ESG rating of the ESG Reporting Index (as defined under the Benchmark use Section below).</del></p>

Fund	Changes to investment objective and policy
	<p>Please refer to the SFDR disclosures on page 51 for further details of the ESG commitments made by the Fund.</p> <p><b>Benchmark use</b></p> <p>The Fund is actively managed, and the Investment Adviser has discretion to select the Fund's investments. In doing so, the Investment Adviser will refer to the:</p> <ul style="list-style-type: none"> <li>(i) ICE BofAML Euro Corporate Index (the "Index") when constructing the Fund's portfolio, and also for risk management purposes to ensure that the active risk (i.e. degree of deviation from the index) taken by the Fund remains appropriate given the Fund's investment objective and policy. The Investment Adviser is not bound by the components or weighting of the Index when selecting investments. The Investment Adviser may also use its discretion to invest in securities not included in the Index in order to take advantage of specific investment opportunities. However, the geographical scope and credit rating requirements of the investment objective and policy may have the effect of limiting the extent to which the portfolio holdings will deviate from the Index. The Index should be used by investors to compare the performance of the Fund.</li> <li>(ii) Bloomberg Euro-Corporate Index (80%) and the Bloomberg <del>Global Corporate</del> US Corporate Index (20%) (the "ESG Reporting Index") to assess the impact of ESG screening on the Fund's investment universe. The ESG Reporting Index is not intended to be used when constructing the Fund's portfolio, for risk management purposes to monitor active risk, or to compare the performance of the Fund. Further details are available on the index provider website at <a href="https://www.bloomberg.com/company/press/bloomberg-completes-fixed-income-indices-rebrand">https://www.bloomberg.com/company/press/bloomberg-completes-fixed-income-indices-rebrand</a>.</li> </ul>
<p><b>Global Bond Income Fund</b></p>	<p>The Global Bond Income Fund seeks to maximise income without sacrificing long term capital growth <del>in a manner consistent with the principles of environmental, social and governance "ESG" focused investing</del>. The Fund invests at least 70% of its total assets in fixed income transferable securities denominated in various currencies issued by governments, government agencies, companies and supranationals worldwide, including in emerging markets. In order to maximise income the Fund will seek diversified income sources across a variety of such fixed income transferable securities. The full spectrum of available fixed income securities may be utilised, including investment grade, non-investment grade <del>(which may be significant exposure)</del> and unrated. Currency exposure is flexibly managed.</p> <p><del>The Fund seeks to invest in Sustainable Investments, including, but not limited to, "green bonds" (as defined by its proprietary methodology which is guided by the International Capital Markets Association Green Bond Principles) and its total assets will be invested in accordance with the ESG Policy described below.</del></p> <p>The Fund is a CIBM Fund and may gain direct exposure for no more than 20% 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.</p> <p><del>The Fund may invest more than 10% (but not more than 20%) of its Net Asset Value in debt securities issued by and/or guaranteed by governments in each of Brazil, Hungary, Indonesia, Russia, Republic of South Africa, and Turkey, countries which are, at the date of this Prospectus, rated non-investment grade. Such investments are based on the professional judgment of the Investment Adviser, whose reasons for investment may include a favourable/positive outlook on the relevant sovereign/foreign issuer, potential for ratings upgrade and the expected changes in the value of such investments due to ratings changes. Due to market movements, as well as credit/investment rating changes, the exposures may change over time. The aforementioned countries are for reference only and may change without prior notice to Shareholders.</del></p> <p>As part of its investment objective the Fund may invest up to 60% 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 Shareholders. 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 Distressed Securities is limited to 10% of its total assets and its exposure to contingent convertible bonds is limited to 20% of total assets.</p> <p>The Fund may use derivatives for investment purposes and for the purposes of efficient portfolio management.</p> <p>This Fund may have significant 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: Absolute VaR.</p> <p>Expected level of leverage of the Fund: 200% of Net Asset Value.</p> <p><b>ESG Policy</b></p> <p><del>The Fund will apply the BlackRock EMEA Baseline Screens.</del></p>

Fund	Changes to investment objective and policy
	<p>The Investment Adviser will also employ a proprietary methodology to assess investments based on the extent to which they are associated with positive or negative externalities, that is environmental and social benefits or costs as defined by the Investment Adviser. The Investment Adviser will seek to enhance exposure to investments that are deemed to have associated positive externalities (e.g. lower carbon emitting issuers and issuers with positive ESG credentials) and seek to limit exposure to investments that are deemed to have associated negative externalities (e.g. higher carbon emitters, issuers with certain controversial business practices, and issuers with negative ESG credentials).</p> <p>The assessment of the level of involvement in each activity may be based on percentage of revenue, a defined total revenue threshold, or any connection to a restricted activity regardless of the amount of revenue received.</p> <p>The remaining issuers (i.e. those issuers which have not yet been excluded from investment by the Fund) are then evaluated by the Investment Adviser based on, among other factors, their ability to manage the risks and opportunities associated with ESG compliant business practices and their ESG risk and opportunity credentials, such as their leadership and governance framework, which is considered essential for sustainable growth, their ability to strategically manage longer term issues surrounding ESG and the potential impact this may have on an issuer's financials.</p> <p>To undertake this analysis, the Investment Adviser may use data provided by external ESG Providers, proprietary models and local intelligence and may undertake site visits.</p> <p>The Fund may gain limited indirect exposure (through, including but not limited to, derivatives and shares or units of CIS) to issuers that do not meet the ESG criteria described above.</p> <p>Please refer to the SFDR disclosures on page 51 for further details of the ESG commitments made by the Fund.</p>
<b>Next Generation Technology Fund</b>	<p><b>Benchmark use</b></p> <p>The Fund is actively managed. The Investment Adviser has discretion to select the Fund's investments and is not constrained by any benchmark in this process. <u>The Investment Adviser will refer to the MSCI ACWI SMID Growth/Information Technology Index for risk management purposes to ensure that the active risk (i.e. degree of deviation from the MSCI ACWI SMID Growth/Information Technology Index) taken by the Fund remains appropriate given the Fund's investment objective and policy. The Investment Adviser is not bound by the components or weighting of the MSCI ACWI SMID Growth/Information Technology Index when selecting investments.</u> The MSCI All Countries World Index should be used by investors to compare the performance of the Fund. Further details are available at the index provider website at <a href="http://www.msci.com/acwi">www.msci.com/acwi</a>.</p>
<b>Sustainable Global Infrastructure Fund</b>	<p><b>ESG Policy</b></p> <p>The Fund will apply the EU Paris-Aligned Benchmark Exclusions. In addition, the Investment Adviser will look at the targets and the indicators for certain UN SDG namely SDG3 (Good Health &amp; Well-Being), SDG 6 (Clean Water &amp; Sanitation) SDG 7 (Affordable &amp; Clean Energy), SDG 9 (Industry, Innovation &amp; Infrastructure) SDG 11 (Sustainable Cities &amp; Communities) and SDG 13 (Climate Action) and identify those that are supported by the sustainable infrastructure theme. The Investment Adviser screens the investment universe to invest only in companies that align with and advance at least one of the UN SDGs.</p> <p>As part of the climate objective of the Fund, the Investment Adviser seeks to invest in companies that enhance the energy transition in line with objectives SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action). In both cases the assessment of the level of involvement in each activity may be based on percentage of revenue, a defined total revenue threshold, or any connection to a restricted activity regardless of the amount of revenue received.</p> <p><del>Secondly, the Investment Adviser evaluates companies aligned with key ESG credentials using data provided by external ESG data providers conducts an enhanced analysis on all companies selected based on the proprietary methodology of its in-house ESG framework, of which the internally generated data produces ESG scores for the target companies. To undertake this analysis, the Investment Adviser may also use data provided by external ESG data providers and/or local intelligence. In this respect, Companies are evaluated by the Investment Adviser based on their ability to manage the risks and opportunities associated with the infrastructure theme and their ESG risk and opportunity credentials, such as their leadership and governance framework, which is considered essential for sustainable growth, their ability to strategically manage longer-term issues surrounding ESG and the potential impact this may have on a company's financials Based on the in-depth assessment of the abovementioned factors, the Investment Adviser calculates an ESG score for each portfolio company.</del> The assessment of the level of engagement in each activity may be based on percentage of revenue, a defined total revenue threshold, or any connection to a restricted activity regardless of the amount of revenue received.</p> <p><b>Benchmark use</b></p> <p>The Fund is actively managed, and the Investment Adviser has discretion to select the Fund's investments. In doing so, the Investment Adviser will refer to the FTSE 50/50 Developed Core Infrastructure Index (the "Index") when constructing the Fund's portfolio, and also for risk management purposes to ensure that the active risk (i.e. degree of deviation from the Index) taken by the Fund remains appropriate given the Fund's investment objective and policy. The Investment Adviser is not bound by the components or weighting of the Index when selecting investments. The Investment Adviser may also use its discretion to invest in securities not included in the Index in order to take advantage of specific investment opportunities. However, the industry sector requirements of the investment objective and policy may have the effect of limiting the extent to which the portfolio holdings will deviate from the Index. <del>The Index should be used by investors to compare the performance of the Fund.</del> Further details are available at the index provider website at <a href="http://www.ftserussell.com/products/indices/russell-us">www.ftserussell.com/products/indices/russell-us</a>.</p>

**Appendix II**

As from the Effective Date, the investment objective and policy of the Global Bond Income Fund in the KFS will be revised as follows:

Fund	Changes to the investment objective and policy in the KFS
<p><b>Global Bond Income Fund</b></p>	<p>Objectives and Investment Strategy</p> <p>To maximize income without sacrificing long term capital growth <del>in a manner consistent with the principles of environmental, social and governance ("ESG") focused investing</del> by investing at least 70% of the Fund's total assets in fixed income transferable securities denominated in various currencies issued by governments, government agencies, companies and supranationals worldwide, including in emerging markets. In order to maximize income the Fund will seek diversified income sources across a variety of such fixed income transferable securities. The full spectrum of available fixed income securities may be utilised, including investment grade, non-investment grade <del>(and unrated</del> <u>which may be significant exposure</u>) <del>and unrated*</del>.</p> <p><del>The Fund's total assets will be invested in accordance with the ESG policy described below.</del></p> <p><del>The Fund will seek to optimize an asset allocation within the Investment Advisor's internal ESG framework. Under this framework:</del></p> <p><del>All securities are evaluated and classified under a bottom-up approach based on the extent to which they are associated with positive or negative externalities, that is environmental and social benefits or costs as defined by the Investment Adviser. This means that the Fund will seek to select best issuers (from an ESG perspective) that create an environmental and social benefit to a third party and/or are considered ESG leaders in their sector— i.e. issuers whose ESG assessments are above prescribed threshold (which may include both qualitative and quantitative thresholds and vary for different types of fixed income transferable securities) as determined by the Investment Adviser from time to time. To undertake such ESG assessments, the Investment Adviser may use data provided by external ESG providers (the Investment Adviser will exclude any issuer with a MSCI ESG rating CCC or below), proprietary models and local intelligence and may undertake site visits.</del></p> <p><del>The Investment Adviser will seek to enhance exposure to sustainable investments as defined by the Investment Adviser having regard to applicable laws and regulations and which are assessed as doing no significant harm and associated with "positive externalities" (e.g. lower carbon emitting issuers and issuers with positive ESG credentials). This includes, but not limited to, issuers with revenue associated with the United Nations Sustainable Development Goals, issuers who have set specific climate transition targets (e.g. Science Based Targets to Net Zero, alignment to Paris Pledges per the Transition Pathway Initiative) and are considered to have positive climate impact and "green bonds" (as defined by its proprietary methodology which is guided by the International Capital Markets Association Green Bond Principles).</del></p> <p><del>The Investment Adviser will also seek to limit exposure to investments that are deemed to have associated negative externalities (e.g. higher carbon emitters, issuers with certain controversial business practices and issuers with negative ESG credentials). This includes the Fund applying the BlackRock EMEA Baseline Screens, which means that the Investment Adviser will seek to limit and/or exclude direct investment (as applicable) in corporate issuers which, in the opinion of the Investment Adviser, have exposure to, or ties with, certain sectors (in some cases subject to specific revenue thresholds) including but not limited to:-</del></p> <ul style="list-style-type: none"> <li><del>(i) the production of certain types of controversial weapons;</del></li> <li><del>(ii) the distribution or production of firearms or small arms ammunition intended for retail civilians;</del></li> <li><del>(iii) the extraction of certain types of fossil fuel and/or the generation of power from them;</del></li> <li><del>(iv) the production of tobacco products or certain activities in relation to tobacco-related products; and</del></li> <li><del>(v) issuers involved in severe controversies or who are deemed to have breached accepted global norms relating to their business practices and conduct, such as the United Nations Global Compact Principles which cover human rights, labour standards, the environment and anti-corruption.</del></li> </ul> <p><del>The assessment of the level of engagement in each activity in relation to the above custom ESG screen may be based on percentage of revenue, a defined total revenue threshold, or any connection to a restricted activity regardless of the amount of revenue received.</del></p> <p><del>The remaining companies (i.e. those companies which have not yet been excluded from investment by the Fund) are then evaluated by the Investment Adviser based on their ability to manage the risks and opportunities associated with ESG compliant business practices and their ESG risk and opportunity credentials, such as their leadership and governance framework, which is considered essential for sustainable growth, their ability to strategically manage longer-term issues surrounding ESG and the potential impact this may have on a company's financials.</del></p>

\* Debt securities which are unrated or rated, at the time of purchase, BB+ (Standard and Poor' s or equivalent rating) or lower by at least one recognised rating agency or, in the opinion of the Management Company, and, where applicable, based on the internal credit quality assessment procedure of the Management Company, are of comparable quality.

Fund	Changes to the investment objective and policy in the KFS
	<p>The Fund may gain limited exposure to securities for which the exclusionary screens described above may not be applicable, or to issuers with exposures that do not meet the criteria of the exclusionary screens through, including but not limited to, derivatives, cash and near cash instruments and shares or units of collective investment schemes and debt securities issued by governments and agencies worldwide. Where applicable, these investments would be subject to assessment on the associated ESG risks and opportunities.</p> <p>The Fund may invest up to 20% of its net asset value in debt securities issued by and/or guaranteed by governments in each of Brazil, Hungary, Indonesia, Russia, Republic of South Africa and Turkey, which are currently rated non-investment grade*. Such investments are based on the professional judgment of the Investment Advisor, whose reasons for investment may include a favourable/positive outlook on the relevant sovereign issuer, potential for ratings upgrade and the expected changes in the value of such investments due to ratings changes.</p> <p>Due to market movements, as well as credit/investment rating changes, the exposures may change over time. The aforementioned countries are for reference only and may change without prior notice to the investors.</p> <p>As part of its investment objective the Fund may invest up to 60% 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.</p> <p>Subject to applicable regulatory restrictions and internal guidelines (including the ESG policy above), the remaining 30% may be invested in financial instruments of companies or issuers of any size in any sector of the economy globally such as debt and other securities consistent with the Fund's objective, provided that no more than 10% of the Fund's total assets will be invested in equities.</p> <p>The Fund's expected total maximum investment in debt instruments with loss-absorption features, including but not limited to contingent convertible bonds, will be less than 30% of its net asset value. These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger event(s). The Fund's exposure to contingent convertible bonds is limited to 20% of its total assets.</p> <p>The Fund may use derivatives for hedging, efficient portfolio management and 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.</p> <p>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.</p>